Placing and Admission to AIM

In The Style Group plc

10 March 2021

IN THE STYLE



Nominated Adviser, Broker
and Sole Bookrunner

LIBERUM

IN THE STYLE MISSION STATEMENT

WE WANT TO EMPOWER OUR CUSTOMERS TO BE BRAVE, EMBRACE BODY POSITIVITY AND MOST OF ALL,
LOVE THEMSELVES FOR WHO THEY ARE.

OUR MESSAGE IS CLEAR, BE WHO YOU ARE, NOT WHAT YOU THINK YOU SHOULD BE.

COLLABORATIONS ARE IN OUR BRAND DNA, OFFERING A UNIQUE APPROACH TO PRODUCT THAT YOU WON'T FIND ANYWHERE ELSE.
OUR COLLECTIONS ARE DESIGNED FOR EVERYONE, REGARDLESS OF SHAPE OR SIZE, INCLUSIVITY IS AT THE CORE OF EVERYTHING WE DO.

WHETHER SHE'S LOOKING FOR THE LATEST TRENDS OR HER GO-TO FASHION STAPLES,
THERE'S SOMETHING FOR EVERY KIND OF WOMAN.

WE KEEP PRICES AFFORDABLE, PRODUCTS REACTIVE TO DEMAND, USER EXPERIENCE SEAMLESS AND WE PRIDE OURSELVES ON QUALITY OF SERVICE.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you 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), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading of the entire issued and to be issued ordinary share capital of the Company to trading on AIM. This document contains no offer of transferable securities to the public within the meaning of sections 85 and 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 Regulation Rules or approved by, or filed with, the FCA or any other competent authority.

Application has been made for the ordinary share capital of the Company, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 15 March 2021. The New Ordinary Shares to be issued pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

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

The Directors (whose names, addresses and functions appear on page 8 of this document) and the Company (whose registered office appears on page 8 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this document in its entirety. An investment in the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part II of this document.

IN THE STYLE

In The Style Group plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 13245400)

Placing of 30,000,000 Ordinary Shares of 0.25 pence each at 200 pence per share

and

Admission to trading on AIM

Nominated Adviser, Broker and Bookrunner

LIBERUM

Liberum Capital Limited

Share capital immediately following Admission	*Issued and fully paid*	
	Amount	*Number*
Ordinary shares of 0.25 pence each	£131,250	52,499,998

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Liberum or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Liberum's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by the FSMA or the regulatory regime established thereunder, Liberum does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Liberum accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.inthestyle.com.

PRESENTATION OF INFORMATION

1. General

Prospective investors should only rely on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Liberum. No representation or warranty, express or implied, is made by Liberum as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Liberum as to the past, present or future. 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 representation must not be relied upon as having been so authorised. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary admission document pursuant to the AIM Rules for Companies, neither the delivery of this document nor any subscription or sale made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

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

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under the FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

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

Liberum, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Liberum or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Liberum's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by the FSMA or the regulatory regime established thereunder, Liberum does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Liberum accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

In connection with the Placing, Liberum and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer

to, or subscription, acquisition, dealing or placing by, Liberum and any of its affiliates acting as investors for their own accounts. Liberum does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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

2. Notice to overseas persons

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

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "**US Securities Act**") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. This document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Placing Shares are being offered in "offshore transactions" in reliance on Regulation S under the US Securities Act. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, 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 (each a "**Restricted Jurisdiction**") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

3. Presentation of financial information

The historical financial information of ITSFL for the three years ended 31 March 2020 in Part IV of this document and the unaudited interim financial information of ITSFL for the nine month period ended 31 December 2020 in Part V of this document have been prepared in accordance with IFRS save for the requirement of IFRS 3 that a balance sheet as at the date of transition is presented and this is therefore a departure from the requirements of IFRS.

ITSFL has historically reported under UK Generally Accepted Accounting Practice ("**UK GAAP**"). An explanation of the changes to ITSFL's financial information on transition from UK GAAP is presented in note 30 of Section B of Part IV of this document.

No historical financial information of the Company (In The Style Group plc) has been included in this document as the Company is a newly incorporated entity and since the date of its incorporation the Company has not commenced operations and it has no material assets or liabilities.

4. Non-IFRS information

Unless stated otherwise, all trading information included in this document not extracted from ITSFL's historical financial information is extracted without material adjustment from the unaudited management accounts or internal financial reporting systems supporting the preparation of ITSFL's historical financial information for the relevant periods. These management accounts and internal financial reporting systems are prepared in accordance with the principles of UK GAAP, using information derived from accounting records used in the preparation of ITSFL's historical financial information.

This document contains certain financial measures that are not defined or recognised under IFRS, including EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA result from Group operating profit adjusted for depreciation, amortisation and adjusting items (being items which are material and non-recurring in nature). Information regarding EBITDA, Adjusted EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of EBITDA, Adjusted EBITDA or similar measures and the criteria upon which EBITDA, Adjusted EBITDA or similar measures are based can vary from company to company. EBITDA and Adjusted EBITDA, alone, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

5. Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

6. Currency presentation

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom m and references to "US dollars", "$", "dollars" and "cents" are to the lawful currency of the United States of America.

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. The Group presents its financial statements in sterling.

7. 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, among other things, 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. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part II of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the

risk factors contained in Part II of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

8. Presentation of market, economic and industry data

This document contains information regarding the Group's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9. No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.

10. Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

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

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

11. Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures in the European Economic Area and the United Kingdom (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Liberum will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

12. Group Reorganisation

Except where the context otherwise requires, all of the information in this document is presented as if the Group Reorganisation had already taken place as at the date of this document. All steps associated with the Group Reorganisation will be completed prior to, or with effect from, Admission.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	James Edward Sharp *(Chairman)* Adam Frisby *(Chief Executive Officer)* Paul Raymond Masters *(Chief Financial Officer)* Nancy Cruickshank *(Senior Independent Director)* Adam John Gordon Bellamy *(Independent Non-Executive Director)* Matthew Richard Scaife *(Non-Executive Director)* All of whose business address is at the Company's registered and head office
Registered and Head Office	Unit 5 Olympic Court, Salford M50 2QP
Company website	www.inthestyle.com
Company Secretary	Paul Raymond Masters
Nominated Adviser, Broker and Bookrunner	Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9LY
Legal advisers to the Company	Osborne Clarke LLP One London Wall London EC2Y 5EB
Legal advisers to Liberum	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Auditors and reporting accountant	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
IFRS accounting advisers	Bennett Brooks & Co Limited St George's Court Winnington Avenue Northwich CW8 4EE
Supply chain consultants	Anthesis (UK) Limited Unit J, Taper Studios 175 Long Lane London SE1 4GT
Registrars	Link Market Services Limited 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Financial public relations advisers	Hudson Sandler LLP 25 Charterhouse Square Barbican London EC1M 6AE

DEFINITIONS

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

"**Act**"	the Companies Act 2006 (as amended)
"**Adjusted EBITDA**"	profit before net finance costs, tax, depreciation, amortisation and adjusting items (items which are material and non-recurring in nature)
"**Admission**"	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"**AF Relationship Agreement**"	the agreement dated 10 March 2021 and made between the (1) Company and (2) Adam Frisby, further details of which are set out in paragraph 11(c) of Part VI of this document
"**AIM Rules for Companies**"	the AIM rules for companies published by the London Stock Exchange from time to time
"**AIM Rules for Nominated Advisers**"	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
"**AIM**"	AIM, a market operated by the London Stock Exchange
"**Articles**"	the articles of association of the Company
"**ASOS**"	ASOS plc, a company incorporated under the laws of England and Wales
"**Board**" or "**Directors**"	the directors of the Company, whose names are set out on page 8 of this document, or any duly authorised committee thereof
"**Causeway Relationship Agreement**"	the agreement dated 10 March 2021 and made between the (1) Company (2) Causeway Capital, further details of which are set out in paragraph 11(d) of Part VI of this document
"**Causeway Capital**"	Causeway Capital Partners I LP
"**City Code**"	the City Code on Takeovers and Mergers published by the Panel from time to time
"**Company**"	In The Style Group plc, a company incorporated under the laws of England and Wales
"**Concert Party**"	for the purposes of the City Code, Adam Frisby, Paul Masters and James Sharp
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
"**CREST**"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
"**DTRs**"	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA from time to time
"**EBITDA**"	earnings before interest, tax, depreciation and amortisation

"**EIS**"	the enterprise investment scheme, as set out in EIS Legislation
"**EIS Legislation**"	Part V of the Income Tax Act 2007, as amended
"**EIS Relief**"	relief from UK tax under EIS
"**EIS/VCT Placing**"	the placing of the EIS/VCT Placing Shares by Liberum as agent for and on behalf of the Company pursuant to the terms of the Placing Agreement
"**EIS/VCT Placing Shares**"	the 2,500,000 New Ordinary Shares proposed to be issued and allotted by the Company to: (a) VCTs seeking to invest in "eligible shares" in accordance with VCT Legislation; and (b) certain other persons seeking to invest in "eligible shares" for the purposes of EIS
"**EMI Scheme**"	the In The Style Group plc EMI scheme, further details of which are set out in paragraph 9 of Part VI of this document
"**EMI**"	enterprise management incentives, under the terms of the EMI code as defined in section 527 of the Income Tax (Earnings and Pensions) Act 2003
"**Enlarged Share Capital**"	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
"**EU**"	the European Union
"**Euroclear**"	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
"**Executive Directors**"	each of Adam Frisby and Paul Masters
"**Existing Ordinary Shares**"	the 46,999,998 Ordinary Shares in issue immediately prior to Admission
"**FCA**"	the Financial Conduct Authority
"**FSMA**"	the Financial Services and Markets Act 2000 (as amended)
"**FY20**"	the 12 month period ended 31 March 2020
"**FY21**"	the 12 month period ending 31 March 2021
"**Group Reorganisation**"	the reorganisation of the Group, more particularly described in paragraph 2 of Part VI of this document
"**Group**"	the Company and its subsidiary undertakings and "**Group Company**" means any of them
"**HMRC**"	Her Majesty's Revenue and Customs
"**IFRS**"	International Financial Reporting Standards
"**ITS**" or "**In The Style**"	the "In The Style" business carried on (i) following the Group Reorganisation, by the Group and (ii) prior to the Group Reorganisation, by the ITSFL Group, as the context may require

"**ITSFL**"	In The Style Fashion Limited, a company incorporated under the laws of England and Wales and a wholly-owned subsidiary of the Company
"**ITSFL Group**"	ITSFL and its subsidiary undertakings and "ITSFL Group Company" means any of them
"**Liberum**"	Liberum Capital Limited, the Company's nominated adviser, sole broker and sole bookrunner
"**London Stock Exchange**"	London Stock Exchange plc
"**Major Selling Shareholders**"	those persons whose names and addresses are set out in paragraph 17(a) of Part VI of this document
"**MAR**"	the market abuse regulation (EU) No 596/2014 as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018
"**Net Asset Value Per Share**"	has the meaning set out in paragraph 3.16 of Part VI of this document
"**New Ordinary Shares**"	together, the EIS/VCT Placing Shares and the Non-Eligible Shares (excluding the Sale Shares)
"**Non-Eligible Placing**"	the conditional placing of the Non-Eligible Shares by Liberum as agent for and on behalf of the Company and the Selling Shareholders pursuant to the terms of the Placing Agreement
"**Non-Eligible Shares**"	the 3,000,000 New Ordinary Shares proposed to be allotted and issued by the Company and the 24,500,000 Sale Shares proposed to be sold by the Selling Shareholders to Placees pursuant to the Non-Eligible Placing
"**Non-Executive Directors**"	each of Matthew Scaife, James Sharp, Adam Bellamy and Nancy Cruickshank
"**Official List**"	the Official List of the FCA
"**Ordinary Shares**"	ordinary shares of 0.25 pence each in the capital of the Company
"**Other Selling Shareholder**"	the person whose name and address is set out in paragraph 17(b) of Part VI of this document
"**Panel**"	the Panel on Takeovers and Mergers
"**Placing Agreement**"	the conditional agreement dated 10 March 2021 and made between (1) the Company (2) Liberum (3) the Directors (4) the Major Selling Shareholders and (5) the Company (as agent on behalf of the Other Selling Shareholder) relating to the Placing, further details of which are set out in paragraph 11(a) of Part IV of this document
"**Placing Price**"	200 pence per Placing Share
"**Placing Shares**"	together, the New Ordinary Shares and the Sale Shares
"**Placing**"	the conditional placing of the Placing Shares by Liberum as agent for and on behalf of the Company and the Selling Shareholders pursuant to the terms of the Placing Agreement
"**Prospectus Regulation Rules**"	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA from time to time

"**QCA Code**"	the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance from time to time
"**Sale Shares**"	the 24,500,000 Existing Ordinary Shares being sold on behalf of the Selling Shareholders pursuant to the Placing
"**Securities Act**"	The US Securities Act of 1933, as amended
"**Selling Shareholders**"	each of (i) the Major Selling Shareholders and (ii) the Company as agent for the Other Selling Shareholder
"**Shareholder**"	a holder of Ordinary Shares
"**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**uncertificated**" or "**in uncertificated form**"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"**US**", "**USA**" or "**United States**"	the United States of America, each state thereof, its territories and possessions, any State of the United States, and the District of Columbia and all other areas subject to its jurisdiction
"**VAT**"	UK value added tax
"**VCTs**"	venture capital trusts
"**VCT Legislation**"	Part 6 of the Income Tax Act 2007, as amended

GLOSSARY

The following glossary of terms applies throughout this document, unless the context otherwise requires:

"**Collaboration Launch**"	a launch or mini release of an eponymous clothing range in the style of an influencer who has worked with the ITS in-house team
"**CSR**"	corporate social responsibility
"**D2C**"	direct-to-consumer
"**ESG**"	environmental, social and corporate governance
"**influencer**"	a person with the ability to influence potential buyers of a product or service by promoting or recommending the items on social media
"**KPI**"	key performance indicator
"**LTM**"	last 12 months

PLACING STATISTICS

Placing Price	200 pence
Number of Existing Ordinary Shares	46,999,998
Number of New Ordinary Shares being issued by the Company pursuant to the Placing[1]	5,500,000
Number of Sale Shares being sold by the Selling Shareholders pursuant to the Placing	24,500,000
Number of Ordinary Shares in issue on Admission	52,499,998
Percentage of Enlarged Share Capital represented by the Placing Shares	57.1 per cent.
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	10.5 per cent.
Percentage of Enlarged Share Capital represented by the Sale Shares	46.7 per cent.
Market capitalisation of the Company at the Placing Price on Admission	£105.0 million
Total proceeds of the Placing	£60.0 million
Estimated net proceeds of the Placing receivable by the Company	£9.1 million
Estimated net proceeds of the Placing receivable by Selling Shareholders	£46.8 million
ISIN number	GB00BMXMR838
SEDOL number	BMXMR83
AIM TIDM	ITS
LEI number	2138007SBFARUPP3OP60

Note:

1. This figure includes the EIS/VCT Placing Shares

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021[1]
Publication of this document	10 March
Unconditional issue of the EIS/VCT Placing Shares	12 March
Unconditional issue of the New Ordinary Shares (other than the EIS/VCT Placing Shares)	8.00 a.m. on 15 March
Admission and dealings commence in the Ordinary Shares on AIM	8.00 a.m. on 15 March
CREST accounts credited by	As soon as reasonably practicable on 15 March
Despatch of definitive share certificates, where applicable	Within 10 Business Days of Admission

Notes:

1. Each of the above dates is subject to change at the absolute discretion of the Company and Liberum

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

In The Style is a pure-play e-commerce apparel brand with a loyal, growing customer base of women predominately aged between 16 and 35. From the outset, ITS has innovated a differentiated influencer collaboration model as an authentic and cost-effective way to drive customer engagement and sales.

Since its incorporation in 2013, the Group has delivered seven years of unbroken revenue growth. It is now one of the largest independent online womenswear brands in the UK with approximately £41.0 million net sales in the 12 months ended 31 December 2020.

The majority of ITS's growth has been delivered through collaborations with a growing group of influencers that have high levels of engagement with their audiences on social media platforms (known as "**Influencer Collaborations**"). These influencers work with the ITS in-house team to design eponymous clothing ranges in their own styles which are sold via regular large launches or mini releases (collectively known as "**Collaboration Launches**") on ITS's proprietary app, website, and on a wholesale basis through select, third-party digital and other retailers (collectively known as "**B2B Partners**"). These Collaboration Launches are amplified by the influencers who can engage directly with their followers via their own social media channels. ITS shares the risk and reward of the collaborations through royalties linked to the commercial success of individual influencer's ranges which can result in continuing partnerships over many years. Recently the Group has collaborated with 15 varied influencers, who in combination have over 30 million Instagram followers across the world.

ITS's products are design-led rather than price-led, with approximately 85 per cent. of ITS's product offering designed and developed in-house. The emphasis is on offering unique pieces, designed and developed in conjunction with the relevant influencer, rather than offering products at the lowest possible price points. ITS's collaboration model, working with a range of influencers appealing to different customer segments at any one time, reduces the Company's exposure to 'fashion risk', with its diversified and varied ranges appealing to different audience segments. By way of example, ITS will work with a variety of influencers (television personalities, fashion influencers, vloggers, celebrities, fitness and others) to produce a diverse range of product types (seasonal ranges, activewear, partywear, nightwear, loungewear, outerwear, swimwear, and more) catering for all women, where typical product ranges are launched in sizes 4 to 24 and all influencer ranges include a curve offering. Frequent Collaboration Launches enable the Company to remain on-trend and maintain the popularity and appeal of its products. When a range or individual product sells quickly, ITS is able to promptly re-order repeat lines from third party manufacturers using a 'test and repeat model' which means the Group can scale sales of a particular line without the risk of large upfront investment in stock.

ITS is an industry champion for female empowerment, body confidence and real beauty with a proactive sustainability agenda. Inclusivity is at the core of the ITS brand, which actively promotes products for a wide range of body types and styles. The Company has also made significant progress in its CSR, including maintaining a tight supplier base, engaging with expert third party consultants, utilising a comprehensive suite of policies issued and signed by suppliers and becoming a member of the AllianceHR Fast Forward association.

Founded by Adam Frisby, the Group's Chief Executive Officer, in 2013, the Group has developed a strong entrepreneurial culture with clearly defined brand values. The talent and energy of its in-house creative and technology teams continues to drive the Group forwards and the Directors believe that the culture and reputation of ITS continues to enable it to attract and retain key talent.

ITS operates in the large, female UK apparel market, more specifically within the high growth online segment. The Directors believe there is a significant opportunity to continue growing sales organically within this market by acquiring new customers and increasing purchase frequency and average spend. The Group has a clear organic growth strategy underpinned by: (1) continuing to campaign on relevant issues aligned with its brand values; (2) innovating and leveraging its social media influencer collaboration model, and (3) investing in people, partnerships and technology to optimise the e-commerce experience for customers.

The Group's expertise and capability in influencer-led collaborations and e-commerce technology provides it with sustainable differentiation and competitive advantage against its peers and presents the opportunity to maintain and accelerate growth following Admission.

The Company is therefore seeking Admission in order to raise £11.0 million (before expenses) through the issue of the New Ordinary Shares at the Placing Price in order to accelerate its growth ambitions. In addition, the Placing will raise £49.0 million for the Selling Shareholders (before expenses). Further details of the Placing and the Company's intended use of proceeds and the Selling Shareholders' remaining interests in the Company are set out in paragraph 14 of this Part I and paragraph 17 of Part VI of this document, respectively.

2. HISTORY OF THE GROUP

The Company was founded by Adam Frisby in 2013 as a pure-play e-commerce business. In 2014, ITS designed its first range in collaboration with a UK reality TV star, creating a sell-out collection. Since this first collaboration, ITS has created unique collections with a wide range of influencers.

James Sharp joined ITS as non-executive Chairman in early 2016 and in 2017 Baronsmead VCT acquired a minority shareholding. The investment proceeds were used to assist the Group's expansion, including investment in technology, greater stock commitments, new hires and a new head office and warehouse. In November 2017, Paul Masters joined the Group as Chief Financial Officer and Chief Operating Officer.

In early 2018, Causeway Capital completed a growth capital investment in return for an approximately 49 per cent. interest in ITS and Baronsmead VCT exited its investment.

In 2019, ITS launched its first "body confidence" campaign and the Group was the subject of a six-part documentary series called "Breaking Fashion" on BBC One and BBC Three, providing a behind-the-scenes view and insight into the success of ITS. The Group was also one of the first UK major fashion brands to stop retouching all images on its website.

In October 2019, the Group completed a major project to migrate its technology infrastructure to Amazon's AWS platform to provide a secure solution to rapidly, and significantly, scale capacity as the growth of the business required, without ongoing capex investment ahead of revenue growth.

In 2019, ITS also established its first B2B Partner relationship with ASOS. B2B Partner sales now represent a significant growth area for ITS, which now has agreements in place with ASOS, Shop Direct and Lipsy, with further partnerships due to be launched in the first half of 2021.

In November 2019, the Group launched a proprietary app to replace a third-party white label solution. The app was designed and built with key innovations to improve conversion levels by enhancing the customer checkout process. The app has driven strong KPI performance since launch and the Directors believe that the app and other in-house technologies can be further developed to drive sales growth and provide a competitive advantage to ITS.

In February 2020, as part of the "Be Kind" t-shirt campaign, the Group donated £400,000 to the Samaritans Charity, the Group's largest charitable donation to date. Following a number of other charitable initiatives in 2020, the Group's second "Be Kind" clothing campaign was launched in February 2021 with a wider range of items and all of the profits of this campaign will also be donated to the Samaritans.

During 2020, government restrictions arising from the COVID-19 pandemic changed clothing requirements for many of ITS's customers and drove an increase in online shopping. The Group has been able to deliver on this increased demand and has displayed great agility by expanding its product range in response (with an increase in more desired styles such as loungewear, activewear and nightwear collections), while also increasing the frequency of Collaboration Launches.

In February 2021, ITS announced the appointment of John Allen as Chief Technology Officer and John will oversee the Group's continued investment in technology to drive further growth.

Throughout its history, ITS has demonstrated a strong record of collaborating with some of the highest profile and most engaged social media influencers in the UK and internationally. The Group has a number

of new influencer collaborations planned for 2021 including one with one of its most high-profile influencers to date, which is scheduled to be announced in April 2021.

3. BUSINESS OVERVIEW

ITS is one of the largest independent, pure-play online fashion brands in the UK with approximately £41.0 million net sales in the year ended 31 December 2020. It designs and markets products to a target segment of 16-35 year old female consumers.

The Group's mission statement is of primary importance and underpins the cultural values of ITS, namely:

"The Mission Statement

"We want to empower our customers to be brave, embrace body positivity and most of all, love themselves for who they are. Our message is clear, be who you are, not what you think you should be.

"Collaborations are in our brand DNA, offering a unique approach to product that you won't find anywhere else. Our collections are designed for everyone, regardless of shape or size, inclusivity is at the core of everything we do.

"Whether she's looking for the latest trends or her go-to fashion staples, there's something for every kind of woman. We keep prices affordable, products reactive to demand, user experience seamless and we pride ourselves on quality of service."

Product overview

ITS sells on-trend, affordable fashion items for its customer base, covering a wide range of styles and product categories with approximately 85 per cent. of ITS's product offering designed and developed by the in-house design team.

ITS produces fashion ranges that are designed in collaboration with well-known influencers (influencer collaborations comprised 87 per cent. of sales in the nine months to 31 December 2020) as well as own-brand products (13 per cent. of sales in the nine months to 31 December 2020).

ITS's products are design-led rather than price-led, meaning the emphasis is on offering unique pieces, designed and developed in conjunction with the relevant influencer rather than offering generic products at the lowest possible price points. An influencer collaboration is a proprietary product collection designed by ITS's in-house design team in conjunction with the influencer and so provides the Group's customers and/or the influencer's followers unique access to these fashion ranges exclusively via ITS's app, website or through select B2B Partners.

ITS offers up to 200 new products per week on average and new product development primarily comes from the addition of new influencers collaborating with ITS, existing influencers creating new ranges throughout their relationship with ITS and from its own-brand developments. New influencers are signed periodically to keep the product offering exciting and fresh, while existing influencers can work with ITS over many years and multiple collections, providing longevity for influencers who are successful. Each influencer-collaborated product collection is sold via either large launches or smaller, more regular mini releases. ITS uses its 'test and repeat model' whereby the Group can quickly re-order and re-stock successful product items or ranges from third party manufacturers. This reduces the Group's stock risk at the outset of a range or Collaboration Launch, but allows customers further access to popular products to the benefit of both customers and ITS. Typical product ranges are launched for a variety of shapes and sizes from 4 to 24 and all influencer ranges include a 'curve' offering.

ITS's principal product categories are:

- Accessories
- Activewear
- All-in-ones
- Bottoms
- Dresses
- Footwear
- Knitwear
- Loungewear
- Nightwear
- Outerwear
- Swimwear
- Tops

Influencer collaboration overview

The majority of ITS's growth has been delivered through collaborations with a growing and varied group of influencers which the Directors believe has been vital to the success of ITS to date. This influencer collaboration model provides ITS with a number of differentiated benefits as follows:

- **Authenticity**: Influencers are involved in their eponymous collections from concept, through design, to the finished product. Other brands typically employ more superficial and/or short-term transactional relationships with influencers whereas the Group operates a truly authentic relationship with its collaborators. This has fostered a positive reputation for ITS among the influencer community and also appears to drive a high degree of affiliation with customers based on repeat purchase metrics across multiple Collaboration Launches over time.
- **Exclusivity**: ITS's proprietary influencer collaborations are unique to ITS as each range is individually created by the ITS product team exclusively for each Collaboration Launch. Influencer collaborations can only be purchased directly through ITS's platforms (app and website) or through select B2B Partners. This has several benefits as it builds anticipation ahead of a Collaboration Launch as customers know that ITS will release a finite amount of stock for each one-off influencer collection which drives sell-through rates and therefore sales.
- **Highly-efficient, low cost marketing model**: ITS operates a shared risk and reward model where influencers are rewarded based the commercial success of collaborations. As well as reducing customer acquisition costs for the Group, ITS's influencer collaboration model ensures influencers are fully invested in the process and encourages them to drive profitable sales, as their rewards are based on a successful collaboration outcome, which in turn de-risks the Group.
- **Variety and exposure to broad range of customer bases**: ITS will work with a variety of influencers (television personalities, fashion influencers, vloggers, celebrities, fitness and others) producing a variety of product range types (seasonal ranges, activewear, partywear, nightwear, loungewear, outerwear, swimwear and more) catering for all women, where typical product ranges are launched in sizes 4 to 24 and all influencer ranges include a curve offering. This enables the Group to market to and access a broad range of customer demographics and segments, thereby enlarging the target audience.
- **Reduces the Group's exposure to 'fashion risk'**: Working with a range of influencers appealing to different customer segments at any one time reduces the Group's exposure to 'fashion risk', as the Group is not reliant on a concentrated or specific fashion niche.
- **Longevity for influencers who are successful**: A number of current influencers have worked with ITS for a number of years, reflecting the success of the model and helping to attract other influencers to ITS as opposed to less authentic/shorter lived relationships elsewhere in the online retail space. ITS's profit share model provides alignment with influencers allowing the Group to attract the right talent to share in the combined success.
- **The network effect**: While ITS has over three million direct social media followers, the Group has recently collaborated with 15 varied influencers, reaching over 30 million Instagram followers across the world. ITS benefits from the network effect of such a wide indirect access to large amounts of target customers, who then often become direct customers and followers of ITS, with the ability to then target those customers with different influencer collections.
- **ITS as the platform for influencers to further engage with their followers**: There are many influencers who have large and engaged followings without a means to effectively engage with their audience from a business perspective, and ITS provides this platform as a solution. Likewise, many

influencers' followers have a genuine desire to buy into and be a part of the qualities and communities that the influencer represents, and ITS is a platform through which they can do so.

- **Platform for further international expansion**: Partnering with international/localised influencers allows the Group to enter and grow in international markets outside the UK, de-risking new market entry strategies.

Current influencer collaborations

ITS has recently collaborated with 15 varied influencers, reaching over 30 million Instagram followers across the world. However, the quality of engagement that the influencers have with their followers is more important than the number of followers they have. ITS carefully chooses the influencers it partners with, often initially on a test basis, to ensure the quality of engagement the influencer has with their audience.

Recent collaborations



In 2020, ITS also worked with its first male influencers as part of two successful 'His and Hers' collections. The Group continues to sign new collaborations with seven new partnerships agreed with influencers due to launch in 2021, including one of the biggest expected new influencers for ITS due to launch in April 2021.

The influencer collaboration process model

A fundamental first step in the process is the identification and selection of the best influencers to work with. Adam and the team identify potential influencer collaborators, taking into consideration their fit with the brand, the quality of their social media engagement, their number of followers on social media and additional opportunities presented, such as relevance for particular product categories and whether the standing of the individual's profile is growing in a positive manner.

Once an influencer is signed with ITS, a range is designed and developed over a period of eight to ten weeks prior to the first launch of the range via the ITS app and website. A typical product design and development process includes the following steps:

- ITS design team create a mood board of ideas, designs, styles and colours for the range. This mood board is reviewed with the influencer and following influencer feedback, the mood board is updated and expanded;
- second review with the influencer and following any final updates, sign-off on initial design;
- ITS design team produce computer aided designs which are sent to the chosen suppliers who produce samples, which are used for a fitting session with the influencer;
- fit and design feedback sent back to the supplier(s), the samples are adjusted and a second fitting session with the influencer held and following any final updates, sign-off on final design; and
- final designs confirmed with suppliers and production and delivery takes four to six weeks before final products arrive ready for Collaboration Launch.

Following the product design stage, there is typically four to six weeks from the range being signed off to the Collaboration Launch date. During this period, the influencer and ITS work together to build anticipation and interest through a range of marketing and social media activity in the run-up to the Collaboration Launch.

Each campaign typically drives significant sales at launch and provides immediate visibility on 'winning styles' which, in turn, enables the Group to quickly re-order certain popular products and styles via ITS's 'test and repeat' model.

In addition to selling direct to consumers via the Group's app and website, ITS also showcases influencer collections to B2B Partners. The B2B Partners order-book closes approximately six to eight weeks ahead of the first deliveries of the collection.

If an influencer's first collection(s) with ITS are a success, the Group will then typically repeat the product design and development process for additional product ranges with that influencer to provide more designs and ranges to their engaged audience. Successful influencers can launch multiple additional collections in a variety of ways including: (1) multiple launches across the various seasons and social occasions; (2) a combination of major launches or more regular mini releases; or (3) new product category types.

Customers

ITS's typical customer is female, aged 16-35, with ITS particularly focusing on its core audience of women aged 25-35. ITS differentiates itself through a steadfast commitment to championing female empowerment, body confidence and real beauty. As well as being fundamental attributes of the Group's brand identity and stated business mission, ITS aims to be an authentic, campaigning brand for its customers, and aims to ensure influencers are aligned with the brand's beliefs. Inclusivity is at the core of ITS which actively promotes a wide range of body types and styles which the Group caters for by offering its customers a variety of product categories, styles and sizes.

The Group has established an active customer base of 706,000 as at 31 December 2020, up 61 per cent. from 439,000 at 31 December 2019 with a total of 1.6 million customers having shopped at ITS since inception. ITS has added 491,000 new customers in the last twelve months to 31 December 2020, up 83 per cent. on the same period to 31 December 2019. ITS has customers in over 100 countries across the world and has over 3 million followers across its social media accounts.

While government restrictions due to the COVID-19 pandemic have increased online shopping penetration rates in 2020, the growth in new customers has been driven by a number of business and product strategies the Group has implemented including the expansion of its product ranges (particularly with loungewear, activewear, His and Hers, maternity, children's and nightwear collections) and an increase in frequency of Collaboration Launches. ITS expects to continue to drive further new customer acquisition, in particular due to the seven new influencer partnerships due to launch in 2021 as well as the launch of one of its most exciting and high-profile influencers to date who will shortly be announced in April 2021.

Once the Group has secured new customers, it seeks to drive customer engagement. Increased customer retention and repeat purchase rates are a key focus for the Group. ITS tracks the behaviour of repeat customers using monthly customer cohort analysis based on actual repeat orders in the months and years after a first purchase with ITS. ITS's customer retention rates are increasing with six month retention rates at 31 December 2020, 60 per cent. higher than that of the prior year. The Group uses its marketing strategies and other initiatives to encourage customers to make repeat purchases and ITS believes repeat business metrics are increasing due to several initiatives across ITS including:

- **The 2019 investment in the proprietary app which is driving increased frequency and retention**: ITS's investment focused on key innovations to improve user experience, for example by enhancing the customer checkout process, as well as other initiatives to encourage app downloads.
- **The higher frequency of Collaboration Launches**: this drives increased anticipation and additional interest on a more regular basis, increasing traffic and sales.
- **CRM initiatives**: a number of initiatives instigated by ITS's marketing team including automated programmes aimed at specific customer segments including a tailored customer relationship management programme across email and app notifications and specific digital retargeting activity.

The Group intends to further invest in improving customer retention and repeat purchase rates, with the addition of loyalty and VIP programmes in particular.

Marketing

ITS has an established marketing strategy, underpinned by its influencer collaboration model, which enables the Group to acquire customers in a cost-effective way.

ITS's influencer collaboration model has been the primary driver of customer acquisition and sales growth for the Group and consequently influencer marketing has been the Group's dominant marketing channel. Sales commissions to influencers form the biggest part of the Group's marketing spend at present, which is highly-efficient as these commissions are paid to influencers based on contribution earned. This compares favourably with other brands who typically pay fees up-front to influencers for paid social media posts to promote products. As well as reducing customer acquisition costs for the Group and limiting the Group's risk, ITS's influencer collaboration model ensures influencers are fully invested in the process as their rewards are linked to the success of their collections.

ITS tracks customer acquisition costs which have reduced by 46 per cent. in the 12 months to 31 December 2020 compared to 12 months prior. This drives strong unit economics and ITS is profitable on a first order basis, becoming more profitable on second and subsequent orders. ITS also tracks customer lifetime value which has increased by four per cent. at 31 December 2020 compared to 12 months prior.

In addition to influencer sales commissions, influencer marketing costs also comprise of social media activity before a Collaboration Launch, launch photoshoots and launch events that attract press through effective public relations which helps to maximise the impact and success of influencer Collaboration Launches.

ITS also uses a range of other marketing strategies to generate awareness and traffic with digital marketing activity typically supporting the main influencer marketing channel. Digital marketing channels used each month include paid search, paid social and affiliate marketing. The Group also uses cost-effective marketing strategies to engage with its existing customer base including tailored emails and push notifications to app users notifying customers about upcoming Collaboration Launches, product promotional activity and other messages in order to generate engagement and increase customer retention and repeat purchases.

Public relations and outreach, i.e. the gifting of product to non-contracted influencers to promote on their social media accounts, also form an important part of the Group's overall marketing mix. Outreach helps the Group to identify potential new collaborators and the Group gains insight from analysing influencer follower engagement following social media posts relating to gifted products. ITS does not undertake any significant 'above the line' brand campaigns such as television.

In future, whilst influencer marketing will remain the dominant marketing channel, increased investment in selective digital and brand marketing will supplement the influencer strategy; building brand awareness to support both the influencer campaigns and the ITS brand in its own right.

Platforms

The Group uses the following platforms as its sales channels:

1. **E-commerce (79 per cent. of sales in 9 months to 31 December 2020)**

   The ITS app

   ITS launched its app in February 2018. In 2019, development of the ITS app was brought in-house to allow greater control and optimisation and this proprietary app was re-launched in November 2019. At 31 December 2020, app downloads were approaching 1 million with approximately 510,000 of these being active users. The proprietary app has proved very popular with customers and offers far greater ease of use for a more intuitive experience.

   2020 saw a substantial increase in app-driven orders compared to the website. This is a result of significant investment in the app since 2019 as well as a concerted effort to drive customers to the app. More than 70 per cent. of ITS customers shopping via mobile devices do so using the app due to the superior functionality and user experience on the app compared to the website browser on a mobile. This ease of use is reflected in ITS's app conversion rates which significantly outperform the

website; the app saw a 4.4 per cent. conversion rate compared to 2.2 per cent. on the website (between April and December 2020).

The success of the app has driven significant increases in transactional KPIs, including increased customer engagement, reduced time between visits, improved conversion and greater customer retention rates.

Website

Since 2013, ITS has operated a fully transactional website in the UK, www.inthestyle.com, and in 2017 added international sites covering USA, Australia, Ireland and the rest of Europe selling both its own branded products and the collections designed in collaboration with influencers.

2. **B2B Partner sales (21 per cent. of sales in 9 months to 31 December 2020)**

Since May 2019, the Group has sold to its B2B Partners through a wholesale model. Until September 2020, these sales only represented a small proportion of total sales. However, the Directors now believe that wholesale sales to B2B Partners represents a significant growth opportunity for ITS, and, used strategically, distribution through these accounts also helps to drive brand awareness as well as generating additional revenues. A capsule collection is offered to the B2B Partners, as opposed to the entire range, in order to attract new customers to the ITS website, and B2B Partners further offer the ability to build brand awareness both in the UK and internationally.

ITS currently has relationships in place with ASOS, Lipsy, Shop Direct and Studio. For the nine months ended 31 December 2020, revenue from B2B partners was £7.4 million, which represents a 493 per cent. increase on the prior year.

4. MARKET OVERVIEW

UK market position

ITS operates within the UK womenswear market, which is substantial in size, with the online segment displaying attractive growth dynamics.

According to GlobalData, the UK Womenswear Market was worth £24 billion in 2019, spread across a wide range of categories and price points segments. ITS targets the 'value' and 'mass-market' price points segments, which together account for approximately 84 per cent. of the total market.

Before the COVID-19 pandemic, the UK's clothing market had already seen a big shift to online among all the retail categories, with online clothing penetration rates representing 29 per cent. of the total UK clothing market in 2019 a 9ppts rise in online penetration since 2015 according to GlobalData. This trend has been driven by pure-play online disruptors taking share, traditional brick-and-mortar retailers closing stores and/or being forced to improve their online offerings and shoppers continuing to transact more online, attracted by greater choice, increasingly convenient fulfilment options and a broadening array of payment and financing services. According to Office for National Statistics, the COVID-19 pandemic has resulted in a four-year pull forward in online penetration of the global apparel market, expected to reach 40 per cent. by 2025. As a pure-play online fashion retailer, ITS benefits from this structural shift from traditional brick-and-mortar retailers to online shopping within the clothing market, which has accelerated since the onset of the pandemic.

Competitive landscape

A wide range of retailers sell women's apparel and clothing in the UK, across online and offline channels. As such ITS's broader competitors include pure-play online fashion retailers, multi-channel fashion retailers and traditional brick-and-mortar retailers. Whilst the market is highly fragmented, pure-play online fashion retail competitors include Boohoo group and subsidiary brands, Missguided and ASOS, and multi-channel and traditional brick-and-mortar retail competitors include brands such as Inditex, Primark and H&M.

ITS is one of the fastest growing companies in the UK retail sector. In the crucial November to December 2020 Black Friday and Christmas trading period, ITS reported like-for-like sales growth of 169 per cent., the highest reported in the sector and significantly higher than any of its peers.

Source: KPMG: Christmas trading review and outlook for 2021 – January 2021

International market opportunities

While 95 per cent. of ITS's sales are in the UK, further international growth outside the UK remains of strategic importance to the Group. Target international markets include the Republic of Ireland, the US and additional European markets. The Directors believe that the Group has the opportunity to expand further into these markets in the future. In the period April to December 2020, ITS had £1.8 million in international sales outside the UK, with the Republic of Ireland and USA being the two largest markets.

5. THE COMPANY'S STRATEGY FOR GROWTH

ITS intends to continue to focus on building a leading digital brand in the large, high growth, sector of the female apparel market. The Directors believe there is a significant opportunity to continue growing sales organically within this market by acquiring new customers and increasing customer value.

The Group has a clear organic growth strategy underpinned by: (1) continuing to campaign on relevant issues aligned with its brand values; (2) innovating and leveraging its social media influencer collaboration model, and (3) investing in people, partnerships and technology to optimise the e-commerce experience for customers.

(1) **Continue to build the ITS brand**

Continue to use the brand to campaign on relevant issues that matter to customers

ITS is a campaigning brand with strong values. It has used its brand platform to champion issues that are relevant to the fashion industry and important to its target end customers. For example, the brand has campaigned on issues surrounding female empowerment, body confidence and mental wellness amongst young people. It was also one of the first fashion brands to stop retouching images on its website.

The Group engages with its followers and customers on these important issues primarily through organic campaigns on its social media channels. Awareness for these issues and ITS's brand values are often amplified by ITS's customers and influencers who support the campaigns that resonate with their own experiences and their social media followers.

Continue to leverage brand awareness and existing infrastructure to grow B2B Partner sales

ITS supplies a small number of large digital and retail partners on a wholesale basis. These businesses in turn re sell ITS branded collections through their own channels to large existing customer bases. B2B Partners receive similar products to those sold on the Group's own channels. They are therefore efficiently serviced by the same design teams and also benefit from the organic ITS brand and influencer activity on social media.

This revenue line grew by 493 per cent. in the nine month period to 31 December 2020, due to increased demand from existing customers and the Group has a pipeline of additional new B2B Partners which have expressed an interest in adding the ITS brand to their existing retail businesses. The Directors therefore believe that ITS has the potential to continue growing revenues from B2B Partners.

Increasing investment in brand marketing

In future, whilst influencer marketing and organic social media will remain the main marketing channels, increased investment in selective digital and brand marketing will supplement these activities where an attractive return on investment can be projected. This investment will build awareness in the ITS brand to accelerate customer acquisition and purchase frequency.

(2) **Continue to innovate and leverage the social media platform**

Continue to capitalise on the underlying growth in social media users and engagement

Social media platforms have grown continuously since the launch of Facebook in 2006 as measured by the number of active users, the volume of content shared by users and the amount of time spent on platforms.

ITS uses social media as a core organic marketing channel to acquire and engage with customers. This is done directly through its own social media accounts (over three million followers in total), but

also indirectly through posts by influencers on their own channels (combined 30 million followers). This network effect amplifies the brand's engagement and enables ITS to organically reach new audiences and potential customers.

ITS has successfully leveraged the underlying growth in social media since its launch to acquire new customers and increase purchase frequency. The Directors believe that this experience and know-how can ensure the Group continues to capitalise on the underlying growth in user numbers and user engagement with social media platforms.

Continue to scale the social media influencer collaboration model

ITS has developed a differentiated collaboration model, working closely with social media influencers to develop and launch authentic ranges in the style of individual influencers. These ranges are organically promoted by the Group and individual influencers to customers and their broader social media followers using an evolving range of marketing techniques developed by ITS's teams without significant upfront marketing investment.

The collaboration model means that ITS can release multiple mini ranges each week, appealing to different audiences of potential customers. The Directors believe that the Group can continue to efficiently scale by increasing the frequency and / or size of individual Collaboration Launches and by repeating orders of fast selling items or ranges to increase the frequency of customer purchase.

Expand the Group's social media influencer platform to increase organic marketing reach

ITS has launched collaborations with some of the biggest influencers in the UK across a diverse range of backgrounds including fashion, beauty, social media, reality television and fitness. New influencers are a key driver of customer acquisition for ITS as new influencers introduce the Group to their social media followers.

ITS has a pipeline of new social media influencer collaborations which are expected to be launched during the next 12 months. These include a major reality television star with one of the largest social media followings in the UK as well as a number of emerging influencers with growing follower bases. As a result, the Directors believe that ITS is well positioned to continue expanding its social media influencer platform and acquiring new customers.

(3) **Invest in people, technology and infrastructure**

Continue to develop and leverage technology to improve retention and conversion

ITS has developed an e-commerce and digital marketing platform to serve its distinctive e-commerce model. The platform can scale rapidly and efficiently to process the considerable load variances caused by high frequency of Collaboration Launches and the challenges of merchandising relatively small volume, fast selling product lines.

The platform includes proprietary systems, which ITS has developed specifically for ITS's requirements. This includes the customer app, launched in 2019, which was designed to improve customer retention and purchase frequency. The proprietary app resulted in higher conversion rates versus the previous third-party app and the mobile website and has been a key driver of recent revenue growth.

The Group has a roadmap of additional opportunities to enhance and develop the technology platform further and has allocated a portion of the proceeds from the Placing to fund these projects. The Directors therefore believe that investment in technology will continue to provide the Group with a competitive advantage and an important driver of growth.

Continuing investment in talent to support growth

ITS's growth to date has been founded upon the quality and commitment of the Group's people. It has a strategy to continue to attract, develop and retain high quality team members who share the ITS brand values to support the Group's wider growth ambitions.

As it is based in Salford, Greater Manchester, the Group is able to recruit from a large local pool of experienced talent and recent graduates with relevant fashion and technology experience. The Directors believe that the Group's senior management team can continue to foster a culture that attracts high calibre, talented individuals to the business.

Investment in a new enlarged fulfilment centre

The Group plans to move to an enlarged facility with additional in-house capacity prior to the break point in the existing lease in March 2022. The additional capacity means the Group will be able to capitalise on the expected sales volumes growth for the business and manage larger stock in take quantities, particularly during peak trading periods. The Group plans to continue using a combination of in-house and outsourced fulfilment options to optimise efficiency. The Group also plans to investigate different aspects of automation as part of the move to potentially improve operational efficiency and service levels.

Other opportunities

International expansion

ITS's primary focus remains the UK. However, social media influencers and e-commerce in general have similar growth dynamics in a number of European and other English-speaking countries, including the US. The Group plans to pilot an international version of its app in another country in the financial year ending 31 March 2022 to test the opportunity, which if successful, could then be expanded and replicated further.

Extending own brand sales

While ITS has seen rapid growth within influencer collaboration sales (87 per cent. of e-commerce sales in the nine months to 31 December 2020), own brand sales remain lower at 13 per cent. of e-commerce sales in the nine months to 31 December 2020 and potentially represent a strong additional growth opportunity for the Group, through the addition of broader and deeper 'basics' and other key product lines.

Branching out into new product categories

The Group has seen recent success in new product lines such as loungewear, activewear, nightwear, 'his and her' ranges, maternity and seasonal accessories and the Group will continue to expand into further new areas as consumer demands and trends dictate. Existing and new influencer collaborations allow ITS a natural opportunity to broaden product offerings, building on the proven success of an influencer with their engaged audience. Potential new product categories under consideration include more his & hers, homewares, family ranges, menswear and beauty.

Acquisitions

In addition to these organic growth opportunities, there may be potential for ITS to accelerate growth, consolidate its existing markets or to enter into new markets through an acquisition strategy.

6. KEY STRENGTHS

The Directors believe that ITS has the following key strengths:

ITS is an established brand operating in the fast-growing e-commerce fashion market with significant further growth potential

ITS operates in the large, UK Womenswear Market in which the online sales element is significant and fast growing. Whilst online sales penetration rates were increasing before the COVID-19 pandemic, the pandemic has accelerated the structural shift towards online shopping particularly in fashion retail.

The Group has delivered unbroken revenue growth since inception in 2013 and is now an established brand within the UK e-commerce fashion market, having delivered £41.0 million net sales in the 12 months to 31 December 2020. ITS is well placed to continue to grow its market share and prosper from a number of attractive market dynamics including the trend of pure-play e-commerce fashion disruptors taking market share, traditional brick-and-mortar retailers closing stores and/or being forced to improve their online offerings and shoppers continuing to transact more online, attracted by greater choice, increasingly convenient fulfilment options and a broadening array of payment and financing services.

ITS has an innovative and differentiated influencer collaboration model

The majority of ITS's growth has been delivered through authentic collaborations with a growing group of influencers with high levels of engagement with their audiences on social media platforms. This provides the Group with sustainable differentiation and competitive advantage against its peers due to the authentic

nature of the collaboration where influencers are involved from concept through design to the finished product.

The collaboration model drives a highly-efficient, low cost marketing model where ITS shares the risk and reward of the collaborations through royalties linked to the commercial success of individual influencer's ranges. A diverse mix of influencers (from television personalities, fashion influencers, vloggers, celebrities, fitness and others) and product ranges means the Group accesses a varied, broad range of customer bases and reduces exposure to more individual or niche 'fashion risk'. In addition, ITS influencer collaborations are proprietary and exclusive only to the Group which drives anticipation ahead of a Collaboration Launch and increases customer loyalty and engagement.

A growing active customer base, who are increasingly returning to purchase more frequently

The Group has established an active customer base of 706,000 as at 31 December 2020, up 61 per cent. from 439,000 at 31 December 2019. ITS has added 491,000 new customers in the last twelve months to 31 December 2020, up 84 per cent. on the same period to 31 December 2019. While government restrictions due to the COVID-19 pandemic increased the proportion of potential customers shopping online, the growth in new customers has also been driven by a number of business and product strategies including the expansion of its product ranges and an increase in the frequency of Collaboration Launches. ITS expects to continue to drive further new customer acquisition in particular due to the seven new partnerships agreed with influencers due to launch in 2021 as well as one of its most exciting influencers to date who is expected to launch in April 2021.

Once the Group has secured new customers, it seeks to drive customer engagement where the increase of customer retention and repeat purchase rates is a key focus for the Group. ITS tracks the behaviour of repeat customers using monthly customer cohort analysis which shows ITS's customer retention rates are increasing with six month retention rates at 31 December 2020 60 per cent. higher than that of the prior year. Customer retention rates have increased as the Group has used a number of marketing strategies and other initiatives to encourage customers to make repeat purchases. The Group intends to further invest in improving customer retention and repeat purchase rates, with planned loyalty and VIP programmes in particular.

A well-invested technology platform that is ready to scale

The Group has developed a well invested and scalable e-commerce and digital marketing platform with an in-house development team. The platform is designed to scale rapidly and efficiently to process the considerable load variances caused by high frequency of Collaboration Launches. In addition, through the recent success of the proprietary ITS app, ITS has demonstrated an ability to leverage significant benefits from investment in technology as the proprietary app has resulted in higher conversion rates versus the previous third-party app and the mobile website and has been a key driver of recent revenue growth. The recent appointment of John Allen, CTO, and the planned expansion of the Group's technology roadmap and warehousing capacity in 2021 will allow ITS to scale from a strong platform.

Experienced and proven senior management team, with an entrepreneurial culture

ITS's senior management have demonstrated their ability to deliver strong and sustainable growth. Collectively they bring a wealth of experience from across the online fashion industry and under the stewardship of an experienced Board of Directors, management are well placed to propel the business forwards. The business was only founded in 2013, and with Adam in place as Chief Executive Officer and founder, the business retains its entrepreneurial culture.

ITS is an authentic, campaigning brand which aims to be a champion of female empowerment

ITS is a campaigning brand and industry champion for female empowerment, body confidence and real beauty. Inclusivity is at the core of the ITS brand, which actively promotes products for a wide range of body types and styles.

As well as being fundamental attributes of the Group's brand identity and stated business mission, ITS aims to use its brand values and profile as a force for good. In 2019, the Group became one of the first major fashion brands to commit to stop using retouched images, embracing body confidence and real beauty. In 2020, following the death of a well-known UK television personality ITS launched a successful "Be Kind" t-shirt campaign in February 2020, which saw the Group donate £400,000 to the Samaritans Charity. In February 2021 the Group have re-launched this campaign again and have raised in excess of £100,000 to date.

ITS operates a low cost, highly-efficient customer acquisition marketing model

ITS has reached significant scale (£41.0 million net sales in the 12 months ended 31 December 2020) largely driven by the influencer collaboration model which accounts for 87 per cent. of sales in 2020. Influencer collaborations have proved to be a low-cost and highly effective marketing strategy as ITS shares the risk and reward of the collaborations through royalties linked to the commercial success of individual influencer's ranges. As well as reducing customer acquisition costs for the Group, ITS's influencer collaboration model ensures influencers are fully invested in the process and encourages them to drive profitable sales, which de-risks the Group.

ESG is high on the agenda

ITS is committed to ethical sourcing and buying practices, it maintains a tight supply base and all suppliers are required to sign up to ITS's comprehensive suite of policies and are subject to regular site visits by ITS's product teams. ITS has a governance structure in place including a CSR committee that reports into the Board on a monthly basis and leads the Group's continual improvement programme in this area. ITS works on an ongoing basis with the Reassurance Network, which advises the Group on its supplier factory audit programme, and is a member of AllianceHR Fast Forward Association, the next generation industry leading labour standards improvement programme in the UK.

The Board is committed to a programme of continual improvement in this area and commissioned an independent review into its supply chain and sourcing practices and procedures ahead of Admission. ITS has an active sustainability agenda and continues to execute opportunities to further its significant charitable work to date.

ITS operates a lean, capital efficient business model

ITS operates a lean, capital efficient business model, which combines relatively low fixed costs, an attractive shared risk and reward influencer model which benefits ITS and a well-honed test & repeat buying model which lowers stock risk, all of which enables operational leverage. The strength of ITS's flexible operational model was evident in the initial stages of the COVID-19 pandemic when the Group quickly pivoted to a more casual product offering (which customers were seeking) and was not left with large levels of unwanted stock. At the same time the Group was able to scale quickly to meet the increase in demand in 2019 and 2020, ensuring the increased outputs has been delivered to successfully meet customer's expectations.

Strong track record of sales growth underpinned by two key routes to market; profitable and cash generative

ITS has demonstrated unbroken revenue growth since inception in 2013 and has now reached £41.0 million net sales in the twelve months ended 31 December 2020. The Group's track record of delivering sales growth was initially across direct-to-consumer (D2C) e-commerce sales, but ITS has recently diversified the business with the addition of a growing B2B Partner business.

Further, ITS's business model is cash generative, as it is supported by robust gross margins, favourable working capital dynamics (given the predominantly D2C model) and relatively low capital expenditure requirements.

7. LOGISTICS, OPERATIONS AND TECHNOLOGY INFRASTRUCTURE

ITS's logistics, operations and technology infrastructure are aligned to its asset-light operating model, designed for resilience and flexibility to expand capacity as required during peak trading periods or otherwise. The Group uses a combination of in-house teams and carefully chosen third-party suppliers to enable it to flex and scale its operations in a robust manner, particularly in the context of surge traffic and sales volumes around certain trading periods in particular Collaboration Launches.

The Group has made significant investment across all operations enabling the business to scale rapidly. Its well-invested and well-established operational model is evidenced by over 70 per cent. of Trust Pilot reviews giving five stars for customer service. The Group plans to continue to invest incrementally in operational infrastructure and technology to support its ongoing growth.

Warehouse and distribution

The Group leases a modern facility with over 20,000 square feet of space located in Salford, Greater Manchester. A two-shift system is normally in operation with the ability to move to three shifts in busy periods.

ITS typically offers free standard delivery on all UK orders over £50, as well as Next Working Day, Weekend and Click & Collect delivery options at an additional charge. ITS Premier Delivery is also available to UK customers at an annual cost providing unlimited next day delivery for a 12-month period for a single upfront fixed fee, to date approximately 70,000 customers have taken up this option. International delivery timings and costs are dependent on the country.

The Group operates flexible fulfilment technology with application programming interface based data architecture, allowing the Group to add third-party suppliers to its production and fulfilment network.

Courier services are outsourced, with Hermes being the main UK carrier.

Currently, all UK returns are subject to a £2.50 administration fee which is deducted from the refund amount, regardless of the number of items or parcel weight. The Group is currently trialing other potential strategies in relation to this. Returns are initiated by way of a returns portal available via the website.

ITS currently uses the well-established Peoplevox warehouse management system, and an integrated Metapack carrier management system. E-commerce fulfilment and customer service is in-house, with the processing of returns outsourced to Clipper Logistics.

Given the capacity at the current warehouse, the Group is expecting to move to a new, larger warehouse in 2021.

Technology systems

The Group has a well invested and scalable technology platform with an in-house development team which has expanded to include John Allen, a newly appointed chief technology officer, who joined the Group on 1 March 2021. The internal team under John consists of five people across Architecture, Front and Back end engineering, Quality Assurance and Systems Management.

The Group has mature engineering processes to ensure that ITS retains knowledge within the business and looks to continually improve efficiencies and scalability, with a well-defined roadmap for the future system landscape. There has been significant investment in the current technology relative to the scale of the business in order to protect the business from performance bottlenecks.

The fundamental systems in place include:

- Magento e-commerce platform with custom mobile and consumer facing elements
- Peoplevox warehouse management system
- Metapack carrier management system
- Exponia eCRM
- Prismic content management system
- Cloudinary content delivery network
- Xero financials
- Zendesk customer services platform

Hosting is via Akoova, a third-party provider utilising Amazon Web Services technology allowing instant scalability in high traffic periods.

Payment options available on the website and app include the Braintree card payment gateway and also delayed and instalment options through Klarna, Laybuy and Clearpay.

The Group has plans to further invest in its already well-established technology systems to ensure expected sales growth is underpinned by robust infrastructure. With further investment in the technology team, the Group plans to move from what has been predominantly a reactive development process to one employing increased forward planning. The Group has specific plans to further break the Magento platform down into micro services to assist with scaling in high traffic periods and allowing small teams to work at pace in parallel without impeding each other.

Additional plans include launching the app internationally and increasing functional efficiency through speeding up product creation and improved management of product lifecycles.

Domain names and trademarks

ITS owns its internet domain name, trademarks and proprietary intellectual property in the UK. The Directors believe that this will enable the Group to implement its global strategy and protect the business in each of its key markets.

8. SUPPLY CHAIN OVERVIEW

Independent review

The Board is committed to a programme of continual improvement in relation to the Group's supply chain and to CSR and sustainability generally. The Board commissioned Anthesis to conduct an independent due diligence review of the Group's CSR and Sustainability Programme including a thorough review of all of the Group's policies and internal procedures, partnerships, supplier audit programme, supply chain transparency as well as a competitor benchmark, full ESG review and desktop research on fashion apparel sustainability. Anthesis prepared a detailed report for the Group in relation to this review and a summary of this report is set out in Part III of this document. This report, which was completed in February 2021, includes a number of recommended actions which the Group intends to action as appropriate going forward.

Supply chain overview

ITS typically works with a relatively tight supplier base of 35 – 45 product suppliers at any one time with approximately half of these in the UK and approximately half in international territories, predominantly China. The Directors believe that the Group's approach of working with a relatively tight supplier base with broad geographic spread allows the Group to effectively scale its operations when needed and achieve its operational strategy. For example, as the COVID-19 pandemic unfolded in early 2020, ITS had seen the impact of COVID-19 since January/February 2020 given approximately 50 per cent. of its suppliers are in China; once China shutdown in January/February the business had managed this supply chain risk by sourcing from other territories, including the UK. Through a combination of careful process planning by the Group's design and buying teams and coordination with its third-party suppliers, the Group is able to operate a flexible supply chain with its third-party suppliers.

The Group holds an average of approximately five weeks of stock at any one time. The well-honed test-and-repeat buying strategy enables the Group to have a low stock risk and minimal working capital requirement. There is an in-house buying, merchandising and design team of 33 employees; 85 per cent. of stock units are designed in-house and, on average approximately 200 new lines are added per week.

Supply chain ethics and procedures

The Group is committed to ethical sourcing and buying practices and it has a programme of continual improvement in this area. All suppliers are required to sign up to ITS's comprehensive suite of policies (see below) and ITS's product teams conduct regular supplier site visits. A significant proportion of the Group's stock is produced in the UK and the Group is in the process of a full Tier 1 supplier factory mapping exercise. The Group also maintains a regular dialogue with its B2B Partners regarding supply chain practices.

In 2020, the Group engaged with an industry expert in corporate and social responsibility and specifically in global supply chain practices within the fashion industry, who leads the Group's continual improvement programme in this area. Currently working on a freelance basis, the Group hopes to make this a permanent appointment in April 2021.

The Group has recently founded a CSR Committee which first met on 16 February 2021 and reports into the Board. The CSR Committee's remit includes assisting the Board to oversee the Group's CSR activities, understand the social and environmental impact of the Group's operations through the supply chain, understanding charitable initiatives and safeguarding the Group's reputation. The intention is to open membership of the CSR Committee to any member of staff.

The Group works on an ongoing basis with The Reassurance Network which advises the Group on its supplier factory audit programme. Whilst supplier site visits were impacted by COVID-19 restrictions during 2020 and in early 2021, site visits did continue when safe and permitted. The Group is focused on continually

improving its supplier factory audit and on-boarding procedures and, with the guidance of The Reassurance Network, is implementing and undertaking a new enhanced supplier audit process. The new audit procedures are already being applied and the Group is working towards completing these new audits on all existing as well as new suppliers in their supply chain.

Policies

All suppliers are required to sign up to ITS's Code of Conduct and Ethical Trading Policy which includes the following suite of policies:

- Child Labour, Remediation and Young Worker Policy;
- Homeworker policy;
- Animal Welfare Policy;
- Forced Labour and Modern Slavery Policy;
- Environment Policy;
- Cotton Sourcing Policy; and
- Sandblasting Policy.

Oversight and governance

- An expert independent consultant was engaged in 2018 to guide the Group on policies, practices and processes;
- A monthly CSR report is produced detailing the current status and objectives, and progress is reviewed at Board level;
- ITS appointed a CSR lead to report into Paul Masters and Head of Merchandising; and
- ITS undertakes regular supplier visits, and during the pandemic issued self-assessment forms requiring photographic evidence.

AllianceHR Fast Forward Association

In August 2020, ITS signed up to the AllianceHR Fast Forward Association ("**Fast Forward**"), the next generation industry leading labour standards improvement programme in the UK; members include ASOS, River Island, Next and M&S. Fast Forward supplier training workshops are mandatory for all ITS UK suppliers and all relevant ITS staff received ethical trading training in January 2021. Fast Forward helped to develop the Group's independent UK factory audit programme in conjunction with the Reassurance Network and a freelance expert and the Group is also working with the Reassurance Network to develop an international factory audit programme.

9. CORPORATE AND SOCIAL RESPONSIBILITY

The Group considers its approach to corporate responsibility across a number of perspectives, with particular focus on its core values, charitable activities and sustainability. The Group has made a public commitment to operate the business transparently, responsibly and inclusively.

Please refer to Part III of this document for a detailed independent review of the Group's CSR and Sustainability Programme undertaken by Anthesis.

Core values

The core values of inclusivity, body confidence and sustainability run through the entire organisation and are integrated within ITS's strategy. ITS and all of its staff share in the values underpinned by the Group's Mission Statement. ITS is an industry champion for female empowerment, body confidence, inclusivity and real beauty and in 2019 ITS became one of the first major fashion brands to commit to stop using retouched images.

Charitable activities

ITS participates in and undertakes regular charitable activities particularly to those causes closely connected to the Group. Recent examples have included:

- Following the death of a well-known UK television personality in early 2020 ITS launched a successful "Be Kind" t-shirt campaign in February 2020, which saw the Group donate £400,000 to the Samaritans Charity. In February 2021 the Group re-launched this campaign again and have raised in excess of £100,000 to date.
- Following the Manchester Arena bombing in 2017, the Group donated £100,000 to the relief fund.
- In 2020, the Group supported various charities including Samaritans, Age UK and NHS Charities Together.
- The 2020 Christmas campaign was focused on, and donated £50,000 to, Family Action.

Sustainability and the environment

The Board recognises the increasing importance and focus on the sustainability and the environmental impact of the fashion industry. Importantly, ITS's products are made to last and not branded or priced to be seen as 'disposable'. Management recognise the importance of more consumers participating in clothing recycling practices and in 2018 ITS partnered with the reGAIN App partnership as part of an initiative to encourage clothing recycling via ITS vouchers. All ITS customer orders are shipped in recycled bags.

10. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Brief biographies of the Directors and the senior managers of the Group are set out below. Paragraph 6.4 of Part VI of this document contains further details of current and past directorships and certain other important information regarding the Directors.

Directors

James Edward Sharp, aged 53 – *Non-Executive Chairman*

James started his career with Schroders where he ran the European retail investment banking practice, advising some of Europe's largest retail groups including Inditex on its listing. In 2003, he joined Jimmy Choo where he held a variety of senior roles including overseeing finance and operations. In 2008 he co-founded an investment business and since then has held board roles at a number of private businesses in the retail and luxury goods sector. He is currently non-executive chairman of Feelunique.com and YouGarden.com and a non-executive director of James Cropper plc and The Brunner Investment Trust plc.

Adam Frisby, aged 33 – *Chief Executive Officer*

Adam is the founder of In The Style and started the business with £1,000 of seed funding from his bedroom in August 2013. ITS is his first business, prior to which Adam worked in various business development roles. Under Adam's leadership, ITS has developed into one of the largest independent, pure-play online fashion brands in the UK. Since founding the business, Adam has engendered a high-energy and entrepreneurial culture in the business and Adam continues to drive and develop ITS's network of relationships across the online influencer community.

Paul Raymond Masters, aged 52 – *Chief Financial Officer and Chief Operating Officer*

Paul joined the Group in November 2017. Paul is CIMA qualified and an experienced finance professional with over 25 years of experience in branded consumer goods and fashion through wholesale, retail and e-commerce channels. He has significant experience in preparing businesses for sale and flotation having held Chief Financial Officer, Chief Operating Officer and interim Chief Executive Officer roles with Umbro, Americana (Bench clothing) and, most recently, Missguided. Paul is a pragmatic and highly motivated finance professional with wide ranging experience across business functions who is proven in the development and execution of strategic plans.

Matthew (Matt) Richard Scaife, aged 38 – *Non-Executive Director*

Matt joined the Board of ITS in 2018 when Causeway Capital invested in the Group. He is a partner at Causeway Capital, which he co-founded to invest in growing private companies in 2015. He is a non-executive director of a number of other Causeway Capital portfolio companies, including Group GTI,

Patisserie Valerie and Bizimply. Matt is also a director of the Lough Gill Distillery in Co. Sligo, Ireland. Prior to joining Causeway Capital, he was Chief Financial Officer of Helix Health (2011-2014) and started his career as a corporate finance adviser at Hawkpoint Partners (2005-2011).

Nancy Cruickshank, aged 50 – *Senior Independent Non-Executive Director and Chair of the Remuneration Committee*

Nancy is a serial technology entrepreneur and non-executive director, having worked in the digital industry for over 20 years. She currently sits on the Board of Flutter Entertainment plc, Bango plc and Allegro Group. She presently leads a Digital Business Transformation programme at Carlsberg group, as a member of its executive team. Her last start-up, MyShowcase, was named by the Sunday Times as one of the 15 fastest-growing start-ups in the UK in 2016 and was acquired by Miroma Group in February 2018. Nancy has considerable experience in data and online business models, as well as with mergers and acquisitions and quoted companies.

Adam John Gordon Bellamy, aged 51 – *Independent Non-Executive Director and Chair of the Audit Committee*

Adam is a highly experienced finance professional. He is currently Senior Independent Director at Ten Entertainment Group plc, a Non-Executive Director at Loungers plc and a Non-Executive Director at Gymfinity Kids Limited. He is currently Chair of the Audit and Remuneration Committees at Ten Entertainment Group and Chair of the Audit Committee at Loungers. Adam was previously CFO and then a NED at Pure Gym Limited, prior to which he was Finance Director at Atmosphere Bars & Clubs Limited and Finance Director at D&D London Limited. Earlier in his career he held various finance positions at Whitbread, House of Fraser and Granada Group.

Senior management

The Directors are supported by:

John James Allen, aged 51 – *Chief Technology Officer & Chief Digital Officer*

John joined the Group in March 2021. John is an experienced senior leader at both the operating board and executive board levels, with extensive experience across several consumer facing sectors, including women's fashion brands, and has a successful track record of major programme delivery within technology and business operations. John has held Head of IT positions at both ASOS and MandM Direct, followed by a role as IT Director at Ideal Shopping Direct. Join joined Missguided in 2015 as CTO where he led significant transformation of the business. In 2018 John joined Nobody's Child, an innovative women's fashion start-up, as CEO, where he helped clarify the brand position and operational structure following a period of strong growth. His most recent position was CTO at MAGO (Manchester Airports Group), a digital platform for airports wanting to maximise their non-aero revenues.

Beyond John Allen, the wider senior management team brings a wealth of experience, key including the Head of Product, Head of Merchandising and the Marketing Director.

Employees

The Directors believe that the recruitment, motivation and retention of highly skilled, high quality personnel is fundamental to its ability to continue to meet the requirements of its clients and to its continuing success. The Directors believe that the strong entrepreneurial culture of the business, founded upon the values of the Group's Mission Statement, allows the Group to continue to attract high calibre and talented individuals to work for ITS. The Group has a diverse colleague base reflecting its core value of inclusivity. ITS has active policies in place to ensure recruitment is carried out free from either conscious or unconscious discrimination.

On 28 February 2021, the Group had a total of 141 employees as follows:

	Number
Executive	3
Marketing	13
Buying and merchandising	23
Ecommerce & Digital	7
Customer Services	19
Design	10
Finance	7
Operations	2
IT	5
Warehouse	52
Total	141

11. SUMMARY FINANCIAL INFORMATION

The following summary of financial information relating to the Group's activities for the three years to 31 March 2020 and the nine months to 31 December 2020 has been extracted without material adjustment from the financial information on ITSFL set out in Part IV of this document and the interim financial information of ITSFL set out in Part V of this document respectively. **In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	12 months ended 31 March 2018 £'000	*12 months ended 31 March 2019 £'000*	*12 months ended 31 March 2020 £'000*	*9 months ended 31 December 2020 £'000*
Revenue	14,727	17,157	19,303	35,386
Gross profit/	7,270	9,275	10,234	16,499
Operating (loss)/profit	(3,222)	(1,547)	(1,812)	2,321
Adjusted EBITDA	(2,545)	(717)	(1,136)	3,550
(Loss)/profit on ordinary activities before taxation	(3,335)	(1,832)	(2,157)	2,028

Revenue increased by £4.6 million between the year ended 31 March 2018 and the year ended 31 March 2020, representing a 31.1 per cent. increase over the three-year period. This increase was driven primarily by rising sales of the Group's influencer collaboration ranges. As outlined in paragraph 2 above, 2020 represented a step-change in the financial performance of ITS, with revenue of £35.4 million for the nine month period ended 31 December 2020 up £21.7 million from the nine month period ended 31 December 2019, representing a 158.8 per cent. increase. In the first half of 2020, the Group acted on the accelerated structural shift towards online shopping as a result of the impact of the COVID-19 pandemic, delivering this significant revenue growth and profitability. Primarily driven by increasing sales and frequency of the Group's influencer collaboration ranges, this growth was also aided by a significant increase in sales to ITS's B2B Partners.

Adjusted EBITDA for the nine month period ended 31 December 2020 was £3.6 million, increasing from an adjusted EBITDA loss of £1.0 million in the nine month period ended 31 December 2019 and an adjusted EBITDA loss of £1.1 million in the year ended 31 March 2020. This Group was also profitable on a profit before tax basis for the nine month period ended 31 December 2020, reporting a profit before taxation of £2.0 million in comparison to a loss before taxation of £1.6 million for the nine month period ended 31 December 2019 and a £2.2 million loss before taxation for the year ended 31 March 2020. This profitability was delivered off the back of a substantial increase in revenue and the leveraging of operational efficiencies.

12. CURRENT TRADING, OPERATIONAL TRENDS AND PROSPECTS

The financial information for the nine month period ended 31 December 2020 is set out in Part IV of this document. Since 31 December 2020, trading has continued in line with the Directors' expectations.

The Group has recently secured seven new and varied influencers with a variety of audience segments and the Group expects to launch what it hopes will be one of its biggest influencer Collaboration Launches in April 2021. The Group also intends to continue to grow the wholesale part of its business and remains in discussions with several new B2B Partners.

In 2021, the Group intends to further expand into new or under explored categories including His and Hers, Family, and Homeware, and 2021 will also see the launch of the ITS app internationally, initially in the Republic of Ireland.

The Directors continue to implement the Group's strategy as outlined in paragraph 5 above and the Directors remain confident about the future prospects and growth potential of ITS.

13. REASONS FOR THE PLACING AND USE OF PROCEEDS

The net proceeds of the Placing receivable by the Company are approximately £9.1 million. The net proceeds will be applied principally to invest in:

- new influencer collaborations, including increasingly higher profile celebrity influencers to accelerate growth;
- selective direct brand marketing to complement influencer collaboration marketing to increase awareness of the ITS brand;
- infrastructure and technology to ensure a continued "best in class" foundation to support growth;
- continued investment in management and people, including hires anticipated across marketing, technology and CSR;
- entry into certain international markets through its proven influencer model; and
- moving to a new, larger warehouse in 2021 to support further growth

The Directors believe that Admission will be beneficial to the Company for the following reasons:

- it will raise the profile of ITS;
- the Group will be better positioned to attract, recruit and retain key employees who may be further incentivised through the EMI Scheme;
- it will provide the Group with more flexibility for further organic growth; and
- the Company will be able to issue new Ordinary Shares as consideration in connection with acquisition opportunities.

In addition the Placing will provide a partial realisation for the Selling Shareholders who will be raising approximately £46.8 million (net of expenses) in aggregate from the sale of the Sale Shares in the Placing.

14. DETAILS OF THE PLACING AND ADMISSION

The Company, the Directors, the Major Selling Shareholders, the Company as agent on behalf of the Other Selling Shareholder and Liberum have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, Liberum has conditionally agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for the Sale Shares to be sold by the Selling Shareholders under the Placing. The Placing has not been underwritten. The Placing Shares represent approximately 57.1 per cent. of the Enlarged Share Capital.

The Placing will raise £11.0 (before expenses) for the Company.

The Placing of the New Ordinary Shares will be conducted in separate tranches to assist investors in the Placing to claim certain reliefs available to EIS investors and VCTs. EIS/VCT Placing Shares will be offered

to those investors seeking to claim EIS relief in relation to their subscription and to VCTs and the Non-Eligible Shares will be offered to those investors who are neither seeking EIS relief nor are VCTs.

The placing of the EIS/VCT Placing Shares is conditional, among other things, upon the Placing Agreement not having been terminated in accordance with its terms prior to the issue of the EIS/VCT Placing Shares. EIS and VCT investors should note that it is intended that the Company will unconditionally issue the EIS/VCT Placing Shares on 12 March 2021 and that Admission is expected to occur at 8.00 a.m. on 15 March 2021 and therefore, accordingly, completion of the placing of the EIS/VCT Placing Shares is not conditional upon Admission.

The placing of the Non-Eligible Shares is conditional, among other things, upon the Placing Agreement becoming unconditional (including Admission taking place at 8.00 a.m. on 15 March 2021 (or such later time and/or date as Liberum and the Company may agree, not being later than 8.00 a.m. on 31 March 2021)) and not having been terminated in accordance with its terms prior to Admission.

The Placing Agreement is conditional, *inter alia*, upon Admission having become effective by not later than 8.00 a.m. on 15 March 2021 or such later time and date, being not later than 8.00 a.m. on 31 March 2021, as the Company and Liberum shall agree.

The New Ordinary Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

The New Ordinary Shares will, following their issue, represent approximately 10.5 per cent. of the Enlarged Share Capital and the Existing Ordinary Shares will represent approximately 89.5 per cent. of the Enlarged Share Capital.

Further details of the Placing Agreement are set out in paragraph 11(a) of Part VI of this document and the terms and conditions of the Placing are set out in Part VII of this document.

15. LOCK-IN ARRANGEMENTS AND RELATIONSHIP AGREEMENTS

Lock-in Arrangements

Each of the Directors who holds Ordinary Shares and certain other Shareholders (together the "**Covenantors**"), holding, in aggregate, 99.9 per cent. of the Existing Ordinary Shares and 42.8 per cent. of the Enlarged Share Capital, has undertaken to the Company and Liberum (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer of the entire issued share capital of the Company or otherwise with the prior consent of Liberum) not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Act)) (the "**Restricted Shares**") following Admission or any other securities issued in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to, in the case of Causeway Capital only within six months from Admission and, in the case of all of the other Covenantors, the first anniversary of Admission without the prior written consent of Liberum.

Furthermore, each of the Covenantors has also undertaken to the Company and Liberum not to dispose of the Restricted Shares for, in the case of Causeway Capital only, the period of six months and, in the case of all of the other Covenantors, the period of 12 months, following the expiry of the relevant lock-in period otherwise than through Liberum.

Further details of these arrangements are set out in paragraph 11(a) of Part VI of this document.

Relationship Agreements

In light of Adam Frisby's aggregate shareholding in the Enlarged Share Capital immediately following Admission, as set out in paragraph 7.1 of Part VI of this document, Adam has entered into the AF Relationship Agreement in order to regulate the relationship between him and the Company.

In light of Causeway Capital's aggregate shareholding in the Enlarged Share Capital immediately following Admission, as set out in paragraph 7.4 of Part VI of this document, Causeway Capital has entered into the

Causeway Relationship Agreement in order to regulate the relationship between it and the Company.

Further details of these arrangements are set out in paragraphs 11(c) and 11(d) of Part VI of this document.

16. CORPORATE GOVERNANCE

AIM quoted companies are required to state which recognised corporate governance code they will follow from admission and how they comply with such code and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code.

The Board

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

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board currently comprises six Directors, of whom two are executive and four are non-executive. The Board considers two of the non-executives, being Nancy Cruickshank and Adam Bellamy, to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard.

The QCA Code recommends that the Board should appoint one of its independent non-executive Directors to be the Senior Independent Director. The Company has appointed Nancy Cruickshank as its Senior Independent Director. The Senior Independent Director should be available to Shareholders if they have concerns over an issue that the normal channels of communication (through the Chairman, the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate.

With effect from Admission, the Board has established an audit and risk committee (the "**Audit and Risk Committee**") and a remuneration committee (the "**Remuneration Committee**") with formally delegated responsibilities. Given the size of the Board, it does not intend to establish a separate nominations committee and recommendations for appointments to the Board will be considered by the Board as a whole after due evaluation.

The Audit and Risk Committee

The Audit and Risk Committee will be chaired by Adam Bellamy. Its other members will be Nancy Cruickshank and James Sharp. The Audit and Risk Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The Audit and Risk Committee will also advise the Board on the Group's overall risk appetite and strategy including, *inter alia*, regularly reviewing and updating (if appropriate) the risk assessment processes in place, including in relation to remuneration and compliance functions, and assisting in overseeing implementation of the adopted strategy.

The Audit and Risk Committee will meet at least twice a year and will have unrestricted access to the Company's auditors.

The Remuneration Committee

The Remuneration Committee will be chaired by Nancy Cruickshank. Its other members will be Adam Bellamy and James Sharp. The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the Company will be set by the Board.

Share dealings

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

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of MAR.

17. DIVIDEND POLICY

Given the Company's early stage of development, the Directors do not envisage that the Company will pay dividends in the foreseeable future and intend to re-invest surplus funds in the development of the Group's business.

18. EMI SCHEME

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

Accordingly, the Company has established the EMI Scheme. Further details of the EMI Scheme are set out in paragraph 9 of Part VI of this document. It is intended that the EMI Scheme will continue to be used to provide share incentives to Directors and key employees. Following Admission, the Company intends to grant options on terms that reflect market practice for AIM-quoted companies of an equivalent size operating in comparable industries.

19. EIS AND VCT STATUS

The Group has applied for advance assurance from HMRC to the effect that the EIS Placing Shares will be 'eligible shares' capable of constituting a qualifying holding for EIS Relief purposes, and that subject to receipt of a satisfactory compliance statement from the Company, the EIS Shares are capable of satisfying the requirements for EIS Relief. This advance assurance is expected to apply only in relation to the EIS Shares.

The Company has received independent advice that the Ordinary Shares should be a qualifying holding for the purposes of the VCT Legislation. However, prospective investors should note that the Company does not make any representations as to whether any investment in the Company will be one in respect of which tax relief under VCT rules will be available or that any such tax relief will not subsequently be withdrawn by virtue of the Company's future actions.

Further information on EIS and VCT status is set out in Part II of this document. For the avoidance of doubt, any investor who is a Shareholder as at the date of this document will not be entitled to claim EIS Relief or a qualifying holding for the purposes of the VCT Legislation on a new investment in the Company.

20. TAXATION

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 10 in Part VI of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

21. THE CITY CODE ON TAKEOVERS AND MERGERS

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

Under Rule 9 of the City Code ("**Rule 9**"), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

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

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

The Panel considers Adam Frisby, Paul Masters and James Sharp as persons acting in concert for the purposes of the City Code.

On Admission, the Concert Party will hold 14,180,659 Ordinary Shares, in aggregate, representing approximately 27.0 per cent. of the Enlarged Share Capital.

As set out in paragraph 7.2 of Part VI of this document, each of Paul Masters and Adam Frisby has been granted options under the EMI Plan to subscribe for 250,000 new Ordinary Shares (the "**CP Options**"). To the extent that the exercise of the CP Options in future increases the Concert Party's interest in Ordinary Shares through a Rule 9 threshold, the Panel has confirmed that any such increase would not trigger an obligation to make a mandatory offer pursuant to Rule 9 on the basis that the consequence of such increases have been fully disclosed in this document.

22. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 15 March 2021.

No temporary documents of title will be issued. All documents sent by or to a placee, or at his direction, will be sent through the post at the placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission, save in the case of the EIS/VCT Placing Shares which are expected to be admitted and accordingly enabled for settlement in CREST on the business day prior to Admission. Accordingly, settlement

of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

23. FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III to VII of this document which contain further additional information on the Group.

PART II

RISK FACTORS

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

The risk factors set out below apply to the Company and Group as at the date of this document. The risk factors which are most material, in the assessment of the Company, are set out first.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Company and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment.

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

RISKS RELATING TO THE GROUP'S BUSINESS

1. Influencer model

The Group's business model is based heavily on designing products in conjunction with influencers and marketing these products using both the Group's and the relevant influencer's social media platforms. Influencer clothing ranges currently account for 87 per cent. of e-commerce sales.

If the Group is not able to develop and maintain positive relationships with its network of influencers, the Group's ability to promote and maintain awareness of its brand and leverage social media platforms to drive visits to its website and app may be adversely affected. The Group's network of influencers is currently relatively concentrated, with over 15 influencer relationships accounting for 87 per cent. of sales. Negative publicity relating to any one of these influencers (including in relation to the matters discussed at brand reputation risk factor below) or a breakdown in such relationship with the Group may have a material adverse effect on the Group's business, results of operations and financial condition. Influencer commissions may increase over time and/or the market for influencers may become more competitive over time. There is no guarantee a new influencer will be a success.

2. Social media

Social media platforms may change their advertising policies from time to time, or be required to do so by changes to regulation. If any change to these policies delays or prevents the Group from advertising through these channels or reduces the effectiveness of its influencer strategy, the Group could experience reduced traffic to its website and app, and reduced sales of its products.

In addition, the Group's social media presence amplifies consumer engagement with the brand but comes with less control, due to consumer comments and hashtags, than more traditional public relations and marketing methods. This could associate the brand with content which is not aligned with the Group's values and result in negative publicity. Such negative publicity may have a material adverse effect on the Group's business, results of operations and financial condition.

3. Reliance on key individuals

The Group's business, development and prospects are dependent on a small number of key management personnel. The loss of the service of one or more of such key management personnel may have an adverse effect on the Group. The Directors believe that the experience, technical know-how and commercial relationships of the Group's key management personnel help provide the Company with strategic focus and a competitive advantage.

Adam Frisby maintains relationships with the Group's network of influencers and is the key point of contact for possible future influencers and their agents. These relationships are crucial to the Group's strategy and success. If Adam were to leave the business or access to his relationships with influencers was reduced, there may be a material adverse effect on the Group's business, results of operations and financial condition.

The Group's ability to develop its business and achieve future growth and profitability will depend in large part on the efforts of these individuals and the Group's ability, when required, to attract new key management personnel of a similar calibre. The loss of the services of any key management personnel, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Group. The Directors believe that the Group operates a progressive and competitive remuneration policy which will play an important part in retaining and attracting key management personnel.

4. Brand reputation

The Group's performance is closely linked to its image and reputation. This depends on many factors including the quality of its products, product design, the image and presentation of its app and website, its communication activities including social media, advertising, public relations and marketing, and its general corporate and market profile, which can be adversely affected for reasons within and outside the Group's control.

The Group's brand value also depends on its ability to maintain a positive consumer perception of its corporate integrity and culture. Negative claims, publicity or breach of advertising standards or other related regulations involving the Group, its agents or influencers or its products, or the production methods of any of its suppliers (for example, claims about factory working conditions), could seriously damage the Group's reputation and brand image, regardless of whether such claims or publicity are accurate.

A substantial failure to maintain favourable brand recognition could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

5. Customer retention and acquisition

If the Group does not promote and sustain its brand and platforms through marketing and other tools, it may fail to retain existing customers or acquire the new customers required to maintain or increase the Group's revenue.

An important element of the Group's customer acquisition strategy is providing a high-quality user experience and establishing a relationship of trust with its customers. If the Group's customers are dissatisfied with the quality of the products sold by the Group, or its B2B Partners, or the customer service they receive and their overall customer experience, customers may stop purchasing the Group's products. The Group's ability to provide a high-quality user experience is also dependent on external factors over which the Group may have little or no control, including, for instance, the reliability, performance and perception of the Group's third-party B2B Partners and delivery partners.

The Group's failure to provide its customers with a high-quality service and/or products for any reason could substantially harm the Group's reputation and brand image, which could undermine new customer acquisition and customer retention and have a material adverse effect on the Group's business, results of operations and financial condition.

The Group currently operates in a competitive online segment of the fashion market, being primarily in the UK market. Increased levels of competition and/or discounting by competitors may negatively impact the Group's achievement of its sales and profitability targets in the future.

6. B2B Partners

The Group relies on three main B2B Partners, in particular ASOS, as well as smaller clearance businesses for approximately 21 per cent. of its sales (or approximately £7.4 million of unaudited revenue for the nine months ended to 31 December 2020). This represents a 493 per cent. increase on the prior year.

The Group has little control over the timing or size of orders from its B2B Partners and certain of the Group's agreements with B2B Partners, including ASOS, allow the counterparty to terminate for convenience on fewer than three months' notice. If the Group were to lose any of its B2B Partners, in particular ASOS, or if the Group's B2B Partners ceased to place orders of existing quantities, the Group's business, financial condition and results of operations will be materially adversely affected.

7. Changes in consumer preferences

The apparel market in which the Group competes is subject to changes in fashion trends and consumer preferences and future sales may suffer if the online fashion industry does not continue to grow or if consumer preferences shift away from the Group's products.

The Directors believe that the Group's historical success is attributable, in part, to its influencer campaign-led products which represent an authentic and cost-effective way to both drive customer engagement and sales, and to respond to changing preferences as these influencers in part help to define consumer preferences. The Group typically adds around 200 new lines per week, so is able to respond quickly to changing fashion trends.

Consumer preferences, perceptions and spending habits may shift due to a variety of factors that are difficult to predict and over which the Group has no control. In addition, the Group's success depends, in large part, on its ability to anticipate and react to changing fashion trends in a timely manner. Any sustained failure to identify and respond to such trends could materially adversely affect the Group's business, results of operations and financial condition and may result in the write-down of excess inventory.

8. Suppliers

The Group's ability to remain competitive is highly dependent on its success in maintaining access to its production facilities and an efficient distribution network. ITS typically works with a relatively tight supplier base of approximately 35 to 45 product suppliers and so the loss of one or a handful of those suppliers could have a material impact on the Group's business.

One or more of the Group's suppliers may be unable to supply or decide to cease supplying the Group for reasons beyond the Group's control, or they may increase prices significantly where it is not possible to pass on price increases to customers. Alternative suppliers may be difficult or impossible to identify and, in any event, may take a significant period of time to begin supplying the Group. Moreover, if the Group expands beyond the production capacity of its current suppliers as it continues to grow, it may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner. The Group operates a just-in-time supply chain in relation to stock which adds risk to the business model.

The Group's supply chain could also be materially adversely affected by a number of other factors, including, among other things, potential economic and political instability in countries where its suppliers are located, increases in shipping or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of pandemics (including the COVID-19 pandemic as set out below in the risk factor titled COVID-19), natural disasters, political crises, civil unrest and other catastrophic events. Given the profit margins of the business, any supply chain cost inflation of disruption that leads to higher costs, could have a significant impact on profitability given it may not be possible to pass on price increases to customers.

The Group may also be subject to potential reputational damage if one or more of its suppliers violates or is alleged to have violated applicable laws or regulations including improper labour conditions or human rights abuses, fails to meet the Group's requirements or does not meet industry standards and safety specifications.

The Group's enhanced supply chain mapping exercise is on-going and until it is complete the risk of potential reputational damage in relation to their existing supplier base is enhanced.

9. Transport and delivery partners

The Group relies on third party providers for distribution to its warehouse, delivery to customers and returns processing. These facilities and service providers are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, and the impact of pandemics (including the COVID-19 pandemic as set out below in the risk factor titled COVID-19), natural disasters, political crises, civil unrest and other catastrophic events. Such disruption could have an adverse effect on the availability of the Group's products and would divert financial and management resources from beneficial uses.

The Group's distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from the Group's warehouse. If the Group encounters problems with its distribution systems, its ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected.

Additionally, the success of the Group's business and the satisfaction of consumers depend on their timely receipt of products. The efficient flow of the Group's products requires that its distribution facilities have adequate capacity to support the current level of sales and any anticipated increased levels that may follow from the growth of the Group's business.

10. Payment services outsourced

The payments for approximately 20 per cent. of the Group's orders by value are processed by services including Klarna, Clearpay and Laybuy. These providers allow the Group's customers to delay payment, pay in instalments, or pay via credit. Interest free instalment products, known as 'buy-now-pay-later' ("**BNPL**"), are currently unregulated in the UK and exempt from FCA authorisation.

The Woolard Review published by the FCA on 2 February 2021 (the "**Woolard Review**") set out recommendations to the FCA, Government and other bodies with respect to change and innovation in the unsecured credit market, including BNPL products. On 2 February 2021, HM Treasury published a press release in response to the Woolard Review, announcing that BNPL products are to be regulated by the FCA.

The findings of, and responses to, the Woolard Review may lead to regulatory changes which impede the customer purchase journey, as customers may have to receive additional pre-contractual information, enter into a regulated credit agreement and have their affordability assessed. This may result in a loss of sales, which would adversely affect the Group's business, financial condition, results of operations and prospects.

The Group uses third-party payment service providers on all its platforms. If the Group's third-party payment services were disrupted, the Group could incur substantial delays and expenses in finding and integrating alternative third-party payment service providers, and the quality and reliability of such alternative payment service providers may not be comparable. Any long-term disruption that impedes the ability of the Group's customers to pay easily and securely on the Group platforms could undermine the Group's model of and aim to provide a positive consumer experience, and could have an adverse effect on the Group's business, results of operations and financial condition.

11. Performance of technology platforms

The success of the Group is largely dependent on its technical capabilities and it relies to a significant degree on the efficient and uninterrupted operation of its website and app, and the systems of its third-party suppliers, such as external hosting providers, including the internet.

Customer access to the Group's platforms and the ease with which a customer is able to navigate through the platforms are factors which affect the attractiveness of the Group's products.

Due to its dependency upon technology, and its cloud servers, the Group is exposed to a significant risk in the event that such technology or the Group's systems experience any form of damage, interruption or

failure. Any material malfunctioning of the Group's technology and systems, or those of key third-party suppliers, even for a short period of time, could result in a lack of confidence in the Group's platforms, with a consequential material adverse effect on the Group's business, revenue, financial condition, profitability, prospects and results of operations. The Group's systems are vulnerable to damage or interruption from events including, but not limited to natural disasters, telecommunication failures, power loss, software failures, computer hacking activities, acts of sabotage and acts of war or terrorism.

12. Data protection

The Group holds some personally identifiable information of its customers, employees and other stakeholders and the Group is subject to data protection and privacy regulations such as the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**"), which forms part of domestic law pursuant to the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019. The GDPR, which came into force on 25 May 2018, implemented more stringent operational requirements for the Group's use of personal data. These more stringent requirements include expanded disclosures to the Group's customers in respect of how the Group may use their personal data, increased controls on profiling customers and increased rights for customers to access, control and delete their personal data. In addition, there are mandatory data breach notification requirements and significantly increased penalties of the greater of £17.5 million or 4 per cent. of global turnover for the preceding financial year.

The Group has policies and procedures in place in relation to data protection but there can be no guarantees that even strict compliance with such policies and procedures will completely eliminate all risk in this regard. Any perceived or actual failure by the Group, including by its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm the Group's reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers and consumers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

13. Cyber security

The Group relies on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its consumers, customers, suppliers, employees and others, including credit card information and personal information.

There is a risk of whole or partial failure of this technology to protect transaction data or other sensitive and confidential information from being breached or compromised. In addition, e-commerce websites are often attacked through compromised credentials, including those obtained through phishing and credential stuffing. The Group's security measures may not detect or prevent all attempts to breach the Group's systems, denial-of-service attacks, ransomware attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardise the security of information stored in or transmitted by the Group's websites, networks and systems or that it or such third parties otherwise maintain.

If any of these breaches of security should occur, the reputation of the Group could be damaged, customers could develop the perception that the Group's platforms are not secure, its business may suffer, it could be required to expend significant capital and other resources to alleviate problems caused by such breaches, and it could be exposed to a risk of loss, litigation or regulatory action and possible liability.

14. Unfavourable contract terms

The Group has a small number of contractual relationships which include indemnities provided on an uncapped basis. Whilst these indemnities are limited in scope and application, such indemnities create an inherent risk that any liability on the Group's part for any breach could be material, given the uncapped basis. A successful claim under such indemnities may have a significant impact on the Group's profitability.

In addition, the Group has a number of contractual relationships under which (i) the counterparty may terminate for convenience or otherwise unilaterally change contractual terms; (ii) there lacks appropriate termination rights in favour of the relevant Group Company; or (iii) the incorporated terms and conditions

are not as fulsome as they might otherwise be. In the event that any one of these factors affects a contract which is material to the Group's business, the Group's profitability could be significantly impacted.

15. COVID-19 pandemic

The spread of any contagious disease that may result in an epidemic or pandemic on a regional or global scale may have a negative impact on the operations and results of the Group and the markets in which it operates. If one or more of the geographical areas in which the Group operates are affected by contagious diseases that cause an epidemic or pandemic on a regional or global scale, the operations of the Group could be significantly affected. The operations of the Group may also be significantly affected by any outbreak of contagious diseases at its warehouse or third party facilities.

Since December 2019, there has been a rapid spread of the new respiratory virus Coronavirus 2019-nCoV ("**COVID-19**"). Many countries in a first phase imposed particularly restrictive measures to limit the spread of the virus, including, among other things, the temporary interruption of production activities, commercial activities and restrictions on the movement of goods and people.

The growth in revenue experienced by the Group during 2020 was due, in part, to the COVID-19 lockdown restrictions in place in the jurisdictions in which the Group sells its products, and the resulting shift to online purchases as many shops and other retail outlets were closed or had limited operations. However, any new customers acquired during the COVID-19 lockdown may not remain or continue following the end of any lockdown period. The Group has no control over the nature of length of government-led restrictive measures and the impact these measures may have on consumer demand for the type of products the Group sells.

Due to the continuation of the COVID-19 pandemic, it is not possible to predict for how long various restrictions will last or when or if they will be re-introduced. In general, the spread of COVID-19 could lead to a deterioration in the economies of the countries directly affected and at a global level, with possible negative effects on customers' purchasing power. Any further regional or global epidemics or pandemics or the further spread of COVID-19 may have an adverse effect on the Group's business, results of operations and financial condition.

16. Brexit

On 29 March 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("**Brexit**"). On 24 January 2020, a withdrawal agreement was entered into between the European Union, the European Atomic Energy Community and the United Kingdom, setting the terms of the withdrawal of the latter from the former two. On 24 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement (the "**Trade and Cooperation Agreement**"), which took effect on 1 January 2021 and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the United Kingdom and the European Union.

Due to the size and importance of the economy of the United Kingdom, the uncertainty and unpredictability concerning the United Kingdom's future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws) as well as its legal, political and economic relationships with Europe following its exit of the European Union may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to European Union markets. Brexit could result in adverse economic effects across the United Kingdom and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, a portion of the Group's staff in the United Kingdom are from other European countries and there is a risk that Brexit will affect the ability of the Group to recruit skilled workers from this wider European labour market for its operations in the United Kingdom.

17. Intellectual property

The Group's business carries with it the risk of alleged intellectual property right infringement, including but not limited to: copyright infringement, design right infringement, trademark infringement and passing off. Similarly, other businesses could infringe the Group's intellectual property rights.

The Group tries to protect its intellectual property rights by relying on trademark and copyright protection and confidentiality laws and contracts. There may be instances in the future when the Group is not able to acquire appropriate intellectual property in certain countries, however the Directors believe that the Group's current portfolio will enable the execution of its strategy. If the Group was alleged to have infringed the intellectual property rights of a third party or if a third party infringed the Group's intellectual property rights, the Group may be required to incur significant legal and other professional costs in defending itself. This might have an adverse effect on the Group's reputation, business, results of operations and financial condition.

The Group may also not be able to register or maintain its domain names in all countries in which it operates or into which it may seek to expand its operations. Companies with similar domain names may be able to successfully oppose the Group's right to operate country-specific domain names or rely on earlier rights to challenge the Group's domain names. In addition, if the Group's brand is confused with another's it may dilute the value of the Group's brand or damage the Group's reputation.

Similarly, the Group may from time to time become involved in claims made by other companies for passing off or infringing its intellectual property rights or damaging their brand or commercial interests, especially as the Group expands into new territories. Investors should be aware that there is a possibility that the Group could become involved in a claim alleging that it and others have acted to damage a competitor's commercial interests.

18. Expansion

Given the growth of the Group there is likely to be a requirement to move to a new warehouse in the short to medium term. There is no guarantee that the Group will be able to identify and secure an appropriate new warehouse and there is execution risk around any potential new move.

The Group may decide, in future, to expand into new markets in order to aid the growth strategy and increase the overall global footprint of the business (including in relation to the planned pilot of an international version of its app in another country in the financial year ending 31 March 2022). Whilst the Group aims to take appropriate precautions when developing new markets, this may involve greater legal, regulatory, supply and commercial risks than those associated with their current operations.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

1. General

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

2. Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and, in particular, in tax status or tax residence of the Group or in tax legislation (including, without limitation, the introduction of any specific online sales or related taxation) or practise may have an adverse effect on the returns available on an investment in the Company.

3. Risks relating to EIS and VCT relief

The Group has applied for advance assurance from HMRC that, subject to the receipt of a satisfactory compliance statement from the Company, HMRC would be able to authorise the Company to issue "compliance certificates" under the EIS Legislation for the purposes of enabling qualifying individual investors to apply for EIS Relief in respect of their subscription for Ordinary Shares. This advance assurance is expected to apply only in relation to the EIS Shares.

The HMRC advance assurance in connection with EIS was sought on the basis of the legislation as enacted at the date that the advance assurances was given, and on the basis of the facts set out in the application made to HMRC. In the event of any change to the legislation, any alteration to the Company's position or the rights attaching to the EIS/VCT Placing Shares, or if HMRC were to consider that all material facts were not set out in the application, the advance assurances given by HMRC may not apply.

The advance assurance in respect of EIS relates only to the requirements in the EIS Legislation that relate to the Company and the EIS Shares, and will not guarantee that any particular investor will be able to obtain EIS Relief in respect of a subscription for EIS Shares in the Placing. The availability of EIS Relief and the status of the relevant EIS Shares as a qualifying holding for VCT purposes will be conditional on (amongst other things) the Company and the investor, in the case of the EIS, both continuing to satisfy the relevant requirements, under the EIS Legislation, throughout, broadly, the period of three years from the date of issue of the relevant EIS Shares. Neither the Company, the Board nor the Group's advisers represent, warrant or undertake that the Company or the EIS/VCT Placing Shares will comply with the requirements of the EIS Legislation at or following the EIS/VCT Placing, that investors will be able to obtain EIS Relief in respect of their subscription for EIS Shares, or that in due course such EIS Relief will not be withdrawn.

Circumstances may arise (which may include the sale of the Company) where the Board believes that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status, or ensures that the Company and/or the EIS/VCT Placing Shares will continue to meet the conditions for EIS Relief. In such circumstances, the Company and the Board cannot undertake to conduct the activities of the Company in a manner designed to preserve any such relief or status. Should the relevant legislation regarding the EIS or VCTs change then eligibility for EIS Relief or qualifying status for VCT purposes previously obtained may be lost.

Any person seeking to obtain EIS Relief or a VCT intending to invest in the EIS/VCT Placing Shares should consult their own professional tax adviser in order that they may fully understand how the EIS Legislation and VCT Legislation applies in their individual circumstances. In particular, any such person should seek professional tax advice as to whether or not they are considered to be "independent", for the purposes of seeking EIS Relief. There is a risk that such a person may consider themselves to be "independent" but HMRC may does not agree with such classification.

Any investor who is a Shareholder at the time of the Placing will not be eligible to claim EIS Relief on their new investment in the Ordinary Shares.

4. General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Group.

5. Economic, political, judicial, administrative, taxation, environmental or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Group may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. The Group may not have been and may not be at all times in complete compliance with environmental laws, regulations and permits, and the nature of the Group's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Group violates or fails to comply with environmental laws, regulations and permits, it could be subject

to penalties, fines, restrictions on operations or other sanctions, and the Group's operations could be interrupted or suspended.

6. No prior market for the Ordinary Shares

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

7. Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress the Group may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include the performance of the Group, 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 certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in the Company's shares. The share price for publicly traded companies, particularly those at an early stage of development, such as the Company, can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

8. Substantial sales of Ordinary Shares

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 11(a) of Part VI of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Group may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

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

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

10. Investment in AIM traded securities

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

11. Issue of additional Ordinary Shares

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

PART III

INDEPENDENT CONSULTANT'S SUMMARY SUPPLY CHAIN REPORT

Public Report for In The Style

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Dated 10 March 2021

Disclaimer

Anthesis (UK) Limited ("Anthesis") has prepared this report for the sole use of Liberum Capital Limited ("Liberum") and for the purposes as stated in the agreement between Anthesis and Liberum under which this report was completed, including for inclusion in the admission document of In the Style Group plc dated 10 March 2021. Anthesis has exercised due and customary care in preparing this report but has not, save as specifically stated, independently verified information provided by others. No other warranty, express or implied, is made in relation to the contents of this report. The use of this report, or reliance on its content, by unauthorised third parties without written permission from Anthesis shall be at their own risk, and Anthesis accepts no duty of care to such third parties. Any recommendations, opinions or findings stated in this report are based on facts and circumstances as they existed at the time the report was prepared. Any changes in such facts and circumstances may adversely affect the recommendations, opinions or findings contained in this report.

The findings presented in this report represent our professional judgment based upon the information available to us during the time of the project. Any changes in such facts and circumstances may adversely affect the recommendations, opinions or findings contained in this report. In performing the review, Anthesis has necessarily relied upon publicly available information, information provided by Liberum and other third parties. Therefore, the findings presented in this report are valid only to the extent that the information provided to the Anthesis was accurate, current and complete. This report should not be regarded as providing any legal advice.

Anthesis Consulting Group

Anthesis is the sustainability activator. We seek to make a significant contribution to a world which is more resilient and productive. We do this by working with cities, companies, and other organisations to drive sustainable performance. We develop financially driven sustainability strategies, underpinned by technical expertise, and delivered by innovative collaborative teams across the world.

Anthesis combines the reach of big professional services groups with the deep expertise of boutiques. Anthesis has clients across industry sectors from corporate multinationals such as Reckitt Benckiser, Cisco, Tesco, Asos, The North Face and Target, Zalando and supports early-stage companies through Anthesis Ventures.

Anthesis brings together 550 experts operating in 40 countries around the world and has offices in Andorra, Brazil, Canada, China, Colombia, Finland, France, Germany, Ireland, Italy, the Middle East, the Philippines, Spain, Sweden, the UK, and the US.

Anthesis has experience with a range of global apparel clients and specializes in supply chain analysis and risk review, policies, standards and certifications and strategy development and target setting. Anthesis is recognised as a valued provider of advanced ESG due diligence work, which integrates the traditional compliance and legacy approach with new and material emerging risks, including climate change adaptation; water scarcity; supply chain security and reputational aspects; human rights and social impacts. With deep subject matter expertise in product and supply chains, Anthesis has experience in a variety of sectors covering a wide range of topics within human rights, ethical trade, GHG emissions, materiality, benchmarking, circularity, packaging, animal welfare and waste.

About the Authors

Ramesh has over 15 years' experience working with Fortune 500 and FTSE 250+ companies on creating, setting up managing ethical trade programmes, human rights, gender equality, modern slavery and sustainability programs across apparel and numerous sectors dealing with complex supply chains globally. He has worked for Debenhams Retail Ltd, Asda Walmart and SEDEX on various areas responsible and sustainable sourcing, supply

chain impact programmes on environmental, social and governance ("ESG") standards. He has worked closely with the UK factories and is one of the founder member of Fast Forward programme. His work included setting up process, systems, training, communication, remedy, multi-stakeholder engagement and worker representation. He is multilingual and has travelled globally, worked with suppliers/factories on implementation of these programmes. He sat on the advisory committee at the ETI on Gender Equality and Worker representation, thought leadership groups which includes collaboration with brands, NGOs and Unions.

Holly has been working in the Fashion Industry for over 14 years and spent 10 of those focusing on Sustainability and Ethical Compliance. She has spent time in-house (with retailers Ted Baker and Thomas Pink), working first in production and design teams, and then in sustainability, where she was responsible for creating and implementing their sustainability strategies, including managing ethical trade as a trained SA:8000 Auditor. Previously Head of Sustainable Product and Story at MADE-BY, she specializes in helping brands understand their sustainability impacts and make sense of the complex sustainability and ethical trading landscape. A consummate project manager, Holly has experience managing large, multi-stakeholder teams to deliver high-quality outputs.

About the Study

Anthesis undertook a thorough due diligence review of In The Style Fashion Limited's ("In the Style" or "ITS") Corporate, Social and Responsibility ("CSR") and Sustainability Programme and work to date. This work involved the thorough review of all ITS Policies and internal procedures, partnerships, audit programme, level of supply chain transparency as well as a competitor benchmark, full ESG review and desktop research on fast fashion sustainability. Anthesis spoke to key ITS team members and external stakeholders to form a view on the work done to date, as well as the businesses aims for the future and developed a series of recommendations to assist ITS to continue their journey on the same impressive trajectory in which they have begun in. The work has resulted in two reports.

The first is a private report which remains the intellectual property of ITS, and contains the full study, including methodology and full due diligence report prepared to help ITS take their next steps on the CSR journey, and identify where existing policies, procedures and controls could be further enhanced (in line with ITS's aim to progress down a path of continual improvement).

This report forms the second output, which gives an overview of the work, the findings and seeks to assist potential investors to understand the business and its performance in the context of the current fast fashion climate in which it operates.

Throughout the study Anthesis uses a good, better, best framework to guide the reader as to ITS's progress to date, and where we expect ITS will be by 2022 on each area if they continue to perform at the same speed and rate of change.

Anthesis Performance Indicators
Early Stages
Good
Better
Best

Executive Summary

Anthesis was commissioned by Liberum to undertake an independent due diligence assessment and evaluate the work done to date on the Corporate Social Responsibility and Supply Chain Management Strategies of the celebrity fashion and lifestyle e-tailer In The Style.

ITS is a relatively small, but rapidly growing fashion and lifestyle e-tailer, with both its own collections, and those of celebrity influencers. ITS retails through its own site, but also through wholesale channels such as ASOS and Shop Direct. ITS makes products that are of the moment and inspire their young female customers (mostly aged 16 – 35) to purchase. Products are designed and delivered on a fast critical path, with up to 3 live launches a week featuring their celebrity influencers.

It is therefore critical for the business to work with suppliers that can deliver the right on-trend products in the correct timeframe to suit the growing business, but also to work with suppliers that meet their growing and very positive attitude to CSR and Ethical Trading. This attitude is shared by ITS's largest current wholesale customer, ASOS, and ITS's strong and growing partnership with this brand is underpinned by a shared desire and ambition to understand and protect workers in the supply chain. Working with ASOS's exacting requirements in mind, ITS has worked swiftly to understand and map their supply chains, driven by a passionate and engaged team at board level to implement the relevant resource, practices and procedures in the business to support their aims.

ITS has achieved a lot in a short time to meet their desire to 'do the right thing' in terms of their supply chain. In 2018, the business set in place a suite of highly ambitious policies (well prior to the industry exposés of some of ITS's competitors) and has worked in the interim to understand its supply chain and suppliers within it. ITS is now in the process of growing internal capacity, knowledge, and resource to support adherence to these policies, aiming for continuous improvement.

ITS has set in place a specific CSR governance structure uncommon for a brand of their size, with a CSR committee and internal CSR lead. This is supported by external expertise from both consultants and partnerships with key external stakeholders, such as Fast Forward UK and The Reassurance Network ("TRN"), showing its intent and ambitions in this area. Anthesis has also been engaged on this project as advisers in relation to implementing enhanced supply chain and wider business practices and procedures for the future.

Anthesis found much to praise about ITS during the short time we spent on the project, including its energetic and passionate team, ambitions to 'do the right thing' and make positive supplier relationships as well as its efforts to understand their supply chain. Anthesis was impressed to find that when benchmarked against competitors (both large and similar size) ITS is indeed performing well. The business is often outperforming the much larger competition with respect to ethical trading.

There were some key areas in which Anthesis found opportunities existed to improve the management of risk in the business and we noticed some areas where ITS could use the positive work undertaken to date to gain a competitive advantage on other businesses not yet performing at ITS's level.

Anthesis believes that ITS is committed to continuously improving and adapting their CSR behaviours and standards, and with the wisely chosen support of its team of external advisors and stakeholders is making impressive progress to date for a relatively small, but fast-growing business. ITS is planning for success and working quickly to lay the foundations of what should be, with support, an impressive and well thought through ethical trading programme.

We believe that ITS's efforts stand up to scrutiny, and that real change has been made in a short time, bringing ITS close to the progress made by some larger and more established competitors. When further strengthened by the improvements they have committed to make on the back of this project, we consider that ITS is focussed on being a responsible business and is continually looking for ways to improve and grow.

Anthesis

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1. Introduction to ITS: Background and Context

In The Style is an online lifestyle and fashion brand, which launched in Manchester in 2013 and has grown rapidly since then. The last year has brought further rapid growth for ITS as it has adapted to a change in demand, particularly within loungewear and nightwear products. ITS has a unique business model based on collaborations with celebrities and influencers to create new ranges, including Jac Jossa and Lorna Luxe.

The celebrity influenced ITS ranges are regularly launched through social media platforms and allow customers access to celebrity fashion at affordable prices. The ITS consumer group is largely young women in the 16-35 age group, but this has expanded to a broader consumer base as it has grown. ITS retails through its own website, but a growing part of the ITS business is through wholesale channels such as ASOS and Shop Direct. ITS states its key values are to empower women and be an inclusive brand, promoting body confidence and mental health awareness, supported through collaborations and charity work including with the Samaritans.

ITS currently has a relatively small supplier base of 41 suppliers over 65 sites in five key countries: UK (46%), China (32%), Pakistan (12%), Turkey (8%) and Thailand (2%). As ITS is seeing such increased growth and demand currently, it is likely that a lot will change within the business including the ITS supply chain. It is therefore vital to ensure that this growth is supported by appropriate protection and transparency in ITS's supply chains through implementation and management of supplier policies and auditing.

ITS has made good progress by forming industry partnerships to prepare for this, including becoming members of the Fast Forward Programme and beginning to create a tailored pre-auditing and auditing programme through The Reassurance Network is to be rolled out across UK supplier base and internationally. There are plenty of opportunities for ITS to further develop their partnerships and work, which will provide support and reassurance, particularly for their wholesale stakeholders.

1.2 Introduction to Investor Interest

The fast fashion sector is made up of complex supply chains that often remain opaque and is, consequently, punctuated with ethical and sustainability related risks and challenges. These risks and challenges are compounded further given the very nature of the fast fashion business model: high volumes, quick turnaround times, low prices, increasingly frequent collections, numerous suppliers and, often, a supply base operating largely in developing markets. In response, many fast fashion brands, and retailers, in collaboration with other key stakeholders, are recognising the need to address these risks and take responsibility for the ethical and sustainability issues inherent within their supply chains and businesses. Due to these risks and impacts, Corporate Social Responsibility is becoming an increasingly important part of businesses in the fast fashion industry and must therefore be integrated into the business model of companies such as ITS. It is also becoming incredibly important to consumers that brands are more ethical and sustainable[1], which will drive changes in the industry.

To increase Investor Confidence, fund groups have started to weigh up the long-term sustainability risks and reputational impacts associated with investing in the fashion industry. Considering the media attention on alleged exploitative working conditions in global apparel supply chains, investors are paying specific attention to a company's supply chain, corporate governance structure, and culture. Investors now require external ESG agencies to calculate a brands ESG performance not just by looking at the company's internal performance by asking ESG questions, but by looking at external validations in terms of supply chain sustainability and

[1] https://www.businessinsider.com/sustainability-as-a-value-is-changing-how-consumers-shop?r=US&IR=T

reputation. Investors are additionally looking at adherence to UK and global employment laws and business-specific codes of conduct that have been brought into the spotlight as workers' rights issues have been uncovered on numerous occasions in the UK apparel supply chain especially in recent years.

The disruptive impact of the Covid-19 pandemic has further clouded supply chain visibility and impacted on relationships between fast fashion companies and their suppliers due to changes in demand and inability to visit sites. Cases where workers have been unable to socially distance in their workplace by the UK employers and their limited alternatives for work, has highlighted the potential for abuse of unequal relationships and the vulnerability of workers.

It is in this light that Liberum partnered with Anthesis to undertake an independent evaluation of the In The Style supply chain prior to listing on the AIM investment market. This independent study has been undertaken to instil investor confidence, to demonstrate that ITS takes corporate social responsibility in its supply chains seriously, and to help show how well ITS is performing in this area for a business of their size and scale. ITS is understanding of their need to learn and grow in certain areas, and Anthesis has provided a roadmap in a private report for ITS to assist them on their journey to becoming an even more responsible and sustainable e-tailer in the marketplace.

1.3 Fast Fashion Sector Introduction

Anthesis has considered the current sustainability landscape in the Fast Fashion industry, to investigate how a more sustainable purchasing model can be developed for brands such as ITS. There are several impacts and risks throughout the apparel supply chain; the identification and understanding of each of these potential risks can allow brands to achieve a more transparent and sustainable purchasing model. We can summarise the principal topic areas that make up a holistic sustainability agenda across the fast fashion space as purchasing practices, stakeholders (beyond suppliers), natural resources and raw materials, transparency and reporting, and legislation and governance. These key risk areas are assessed through this report.

In The Style is a fast-growing business, which began its sustainability journey in 2018 and has been developing since then. Through its journey it can take further concrete steps to integrate sustainability into its business model, addressing key risks and impacts and leveraging opportunities to become more efficient, more informed and become a leader amongst its peers. Looking at the activities undertaken by ITS's competitors and peers can provide a guide ITS on the key building blocks that are required to form a robust and respected sustainability agenda. Internal purchasing process and procedures such as planning, design, sampling and production process have an impact on a sustainable model. The ITS business model where stock is bought in smaller quantities initially to assess demand before larger orders are placed, which in turn can reduce waste produced during these stages.

Purchasing practices across fast fashion industries can have huge impacts on workers in the supply chain as well as the environment. Best practice for this includes increasing planning and forecasting with suppliers to ensure capacity to respond to the changing requirements within the fast fashion business model, accounting for trends and seasonal changes.

Considering In The Style's relative size and nature as a young, nimble, digitally, and consumer-driven brand, the business can leverage this to its advantage, embedding key policies and practices and credibly expanding their sustainability agenda in line with the level of ambition and investment seen in much larger brands. The complex and dynamic nature of the fashion sector means best practice framework is continually evolving, however, requiring brands like In The Style to keep an eye to the sustainability issues and trends on the horizon and integrating these into their future activities.

Competitor Benchmarking

Anthesis looked at some of ITS's key competitors across a spread of different business sizes and length of operation. The competitor benchmark was performed based on publicly available information about the various organisations chosen, and we performed the same exercise for ITS based on their publicly available information.

By investigating the practices of other brands within the fast fashion landscape, ethical and sustainable practices can be rated as good, better, and best. As a relatively small and developing business, ITS can use the best practice frameworks and standards set by the larger businesses with robust ethical and sustainability policies and governance, as an opportunity to develop above its direct competitors and grow into a more sustainable and ethical business.

Based on the recently published ITS CSR pages, Anthesis was pleased to see ITS already meets or outperforms its competitors large and small in several of the key areas covered by the benchmark. The key areas benchmarked, and a summary of ITS's performance against the best practice competitor is shown here:

Benchmark area	Current Status	Best Practice Competitor and Opportunities
Social Responsibility: *Code of Conduct, Modern Slavery Reporting*	ITS has published information on its Code of Conduct and Modern Slavery reporting.	ITS is in line with best practice of direct competitors. There is room for improvement within this including policies and targets.
Supplier Training and Support: *Capacity building and remediation*	ITS has signed up to the Fast Forward programme, and provides training for suppliers, support, and training for internal teams on ethical trading issues and relevant partnerships that support the work they are doing.	ITS is in line with best practice of direct competitors. There is room for increased training and support in-country.
Governance *How CSR and Sustainability initiatives are progressed*	CSR team in ITS is developing but ITS have made progress to make a more structured team.	Best practice is a well-defined CSR team, including senior buyers and experts that meet regularly and communicate to senior board meetings, feeding into sustainability reporting.
Supply Chain Transparency *Commitments and information gathering*	ITS has mapped its Tier 1 suppliers and published this information online.	ITS is in line with best practice of direct competitors. All competitors have room to increase transparency beyond Tier 1 as well as signing up for the Transparency Pledge.

For colour meaning, refer to table on page 4.

2. ITS Timeline

Highlights

- ITS started its CSR journey in 2018 with the roll out of a suite of Ethical Trading Policies.
- 2020 was a busy and successful year in terms of CSR for ITS (as shown on the timeline below).
- The CSR Board Committee set up in 2021, and policy was communicated externally.
- ITS released its first Modern Slavery Statement in 2021.
- Work done to date is impressive for a relatively small and young business and shows desire to succeed.



2018

Ethical Trading Policy and Supplier Code of Conduct created.

Communication to all suppliers on Ethical trade policies.

2019

Began Supplier Mapping.

Created CSR structure, programme & dedicated resource.

Signs & works with ASOS Transparency Commitments & Pledge.

Engages The Reassurance Network (TRN) for Fast Forward audit programme and pre-assessment visits.

2020

Communication to all suppliers on policy & COVID-19 guidelines.

Joins Fast Forward Programme.

Fast Forward Training for Internal teams and suppliers.

2021

Creates CSR committee at Board level governance.

Creates public CSR policy commitment and publishes Tier 1 Suppliers.

Liberum engage Anthesis for independent study.

Releases first Modern Slavery Statement FY 2020.

Becomes signatory to Apparel and General Merchandise Public Private Partnership.

2021 and beyond opportunities for ITS to concentrate on:

- Supplier/Site set up procedure.
- Policy review
- Governance and salient risks
- Supplier Communication and Manual
- Mapping and Transparency
- Systems and Tech
- Training and capacity building
- Audit programme and visits
- Supplier remediation

Figure 1: Timeline of ITS CSR activities thus far and recommended future development.

ITS has been on an upward trajectory in establishing its CSR programme from 2018 and has worked swiftly in 2020 investing in resources and developing partnerships. The policy commitment from the board and the Modern slavery statement published highlights the organisations drive to the lead the CSR agenda. To drive the required change, ITS has set in place the required resource (see below sections on business accountability and partnerships for more detail).

3. Business Accountability: Governance and Policy

3.1 Accountability and Governance

Highlights

ITS Current Performance	ITS Journey Trajectory
Better	Best

- ITS has made a public commitment to operate the business transparently, responsibly, and inclusively.
- The CEO and CFO have board level accountability and oversight of the CSR programme.
- The CSR committee has been set up to assist the board in overseeing the CSR programme, activities, policies and objectives which include strategy, monitoring risk and reporting.
- ITS published its first Modern Slavery Statement for Financial year ended 31 March 2020 highlighting commitments for 2021.
- Ambition and enthusiasm for this in evidence throughout the business and seen by Anthesis during their work.

ITS had an ambition and appreciation of the need to improve its social agenda in its supply chain management and its internal business, which has resulted in various initiatives and planning processes. ITS understands that CSR is a continuous improvement process and since beginning its journey in 2018 has acted in both good faith and with transparency to the partners they are operating with. A public policy commitment has been made, and a public facing page on sustainability has been added to the website.

To achieve these public commitments, ITS has begun to set in place the necessary team and structure, supported by the resource to do so (see organogram below). The interaction of the wider management supports the inclusion of CSR into all essential parts of the business, for example its interaction with suppliers and customers.

The board has also realised the need for further internal expertise and engaged an external expert in December 2020. Anthesis understands that the business is keen to make this external resource a senior internal resource which would further support ITS to progress on its journey.

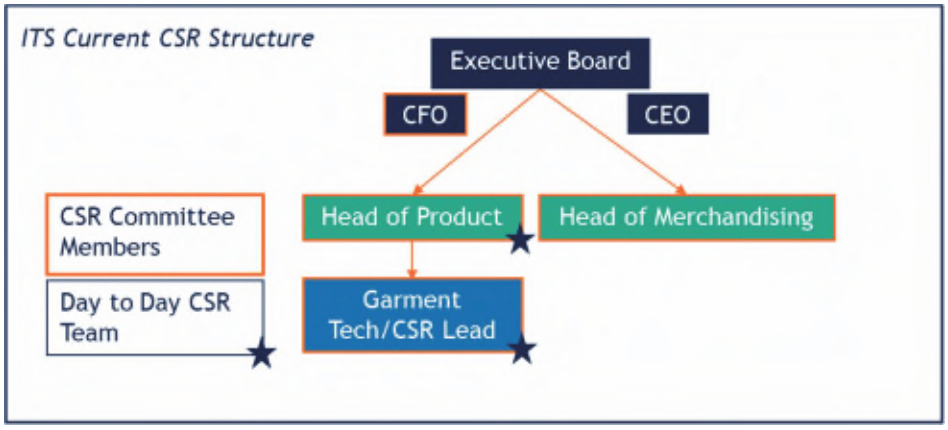


Figure 2: ITS Current CSR Structure.

The CFO has a senior level of oversight and accountability of human rights and is a part of the internal CSR monthly meetings which feed into the board meetings. The CEO and CFO are responsible for ensuring that ITS meets its CSR objectives, with day-to-day responsibilities carried out as shown by the Garment Tech/CSR Lead.

In addition to this structure ITS has recently set up a CSR committee. The role of the committee includes assisting the board to oversee In The Style's CSR activities, understand the social and environmental impact of ITS's operations through the supply chain, understanding charitable initiatives and safeguarding ITS's reputation.

The CEO confirmed during Anthesis interview that the CSR Committee *'has a big job'*, and that CSR is an important agenda item for the board, not just to fulfil expectations of external stakeholders, but to ensure that ITS is *'doing the right thing and living up to their brand values'.* He also confirmed that this was an item on their celebrity agendas, and that a reason the celebrities chose to work with ITS is because of its work on *'inclusivity, diversity and sustainability'.*

There are two regular CSR meetings held:

1. CSR Monthly Meeting: The day-to-day CSR team holds monthly meetings looking at the supply chain and key compliance issues. Recent meetings have covered issues such as the pre -audit assessment meetings, recommendations from TRN as to the suppliers, use of agents in the business and how ITS can improve and streamline their supply chain. These meetings cover all the necessary agenda items Anthesis would expect. The CFO attends these meeting on a regular basis.
2. CSR Committee Meetings: Going forward the highlights from the CSR monthly meetings will be fed into the CSR committee meetings, which includes board representation also including the CFO as noted. These meetings will be held quarterly, the first one to take place this spring.

ITS will also need to use the CSR Committee to support it to identify the salient business risks. Anthesis has recommended how salient risk identification can be improved in the private report with suggested methods and process.

ITS has published its first Modern Slavery Statement published in accordance with the Modern Slavery Act (2015). This statement sets out ITS's activities to identify risk and take steps to prevent modern slavery in its business operations and supply chain between January 2020 and December 2020. Additionally, it sets out the future commitments for 2021. The statement covers policies, governance, risk assessments, mapping and supply chain transparency, monitoring and training activities conducted by ITS. Anthesis thought the tone and level of ambition were correct for a business of ITS's size.

3.2 Policy

ITS Current Performance	ITS Journey Trajectory
Better	Best

Highlights:

- Policies were put in place in 2018.
- Policies overall are in line with standard industry practices and some go above and beyond standard requirements, setting ambitious aims for ITS and their supply chain.
- There are opportunities for policies to be developed further towards best practice by including further detail and updating the policies with developments in supply chains.
- With further resource and implementation of management systems, the ITS policies will ensure workers in its supply chains are well protected.

The following documents and policies were reviewed by Anthesis:

All ethical trading policies relating to ITS including:

- Ethical Trading Policy
- Child Labour, Remediation and Young Worker Policy
- Homeworking Policy
- Forced Labour and Modern Slavery Policy
- Cotton Sourcing Policy
- Sandblasting Policy
- Animal Welfare Policy
- Environmental Policy

This review aimed to address three key topics, policy correctness, completeness, and content. Overall, Anthesis found that the policies in ITS's suite were well written, and ambitious, and if ITS was to ensure these policies were used in its supply chain, would afford workers with more protection that local laws in some cases which is a great ambition to have. ITS has highlighted its commitment to the supply chain through these policies, by highlighting their desire to support on remediation and strive for continuous improvement.

However, ensuring compliance with these policies will take resource and understanding from the ITS team – suppliers will need help and assistance to make ITS's worthy aims a reality. Anthesis has set recommendations and opportunities within the private ITS report to align its policies with best practice in all areas and has suggested the policies to focus its attentions on in the short and medium term. These opportunities include the inclusion of management systems to ensure implementation of policies and additional points for policies to further protect workers and the environment.

Below, the best practices within each of the policies are highlighted, rating each against a good, better, best framework. Anthesis believes that with relatively few amendments to these policies that there is a good level of achievable improvement in the mid – long term in this suite of policies, which would take ITS to better or best practise in most of the suite by the end of 2022. Some of these policies may become more or less relevant depending on the outcome of the supplier mapping that ITS are currently engaged with e.g., homeworking.

ITS Policy	Current Status
Ethical Trading Policy	Best practice for recruitment, right to work, freedom of association, wages, working hours, anti-discrimination and bans zero hour contracts.
Child Labour, Remediation and Young Worker Policy	ITS must be informed of child labour and will ensure the child's interests are prioritised and wages paid until they reach legal working age.
Homeworking Policy	The policy outlines the value of homeworkers in supply chains and states that these workers must receive the legal minimum wage for their work.
Forced Labour and Modern Slavery Policy	This policy clearly defines these terms along with ILO Indicators of Modern Slavery. Responsible recruitment and the 'employer pays' principle are key focusses in this policy.

Cotton Sourcing Policy	This policy outlines the difficulties with traceability of cotton sourcing, and bans cotton from Turkmenistan, Syria, and Uzbekistan, explaining the reasons for the ban and stating that if the issues are resolved, ITS policy would change accordingly.
Sandblasting Policy	ITS has a standard policy around sandblasting, which states that suppliers must declare locations of sites where artificial aging of garments takes place.
Animal Welfare Policy	ITS commits to ensure good animal husbandry in their supply chain and has banned the use of feather and down in its products.
Environmental Policy	The policy is relatively simple and touches upon various areas such as the management systems to cover environmental regulations.

4. Commercial Assurance

ITS Current Performance	ITS Journey Trajectory
Better	Best

Highlights

- ITS has signed up to the transparency pledge as a part of its's commitment to the CSR agenda.
- ITS is committed to meeting the exacting requirements of their wholesale customers e.g., ASOS which are considerable, and it is to ITS's credit that it has succeeded in meeting those requirements.
- Over 90% of ITS's ranges are linked to celebrity influencers who are happy and confident to associate themselves with ITS rather than other businesses where CSR may not be as high on the agenda.
- ITS has identified celebrity influencers as key stakeholders to champion sustainability and will work with them going forward.

Wholesale customers

The current wholesale customers like ASOS and The Very Group are CSR led businesses who expect their partners to be the same.

'The wholesalers wanted details on supplier information, ethical trading policies. Brands like ASOS who were one of our biggest customers required ITS to sign the transparency pledge and join the Fast Forward programme - Head of Merchandising.'

In September 2020 ASOS required all of its third-party brands to follow four commitments:

- To sign the 'Transparency Pledge', requiring a business to provide transparency into its manufacturing supply chain and comply with country and region-specific laws on modern slavery.
- To build on the above pledge by mapping its UK based supply chains, ensuring it has visibility across all UK-based facilities.

- To provide evidence of this visibility to ASOS.
- To join Fast Forward, the UK-focused labour standards auditing programme (as covered in partnerships below)

This is alongside the five minimum requirements that ASOS requires to form the core foundation of any basic ethical trade and sustainability programme.

These are difficult actions to take for any business, and Anthesis noted that all the above four commitments are being followed. Importantly, ITS's senior leadership team understand this drive for CSR from their wholesale customers and are clear that this could evolve and change in the future. All the work ITS are doing in terms of governance and supply chain transparency will support ITS to continue to meet, if not exceed wholesale customers expectations.

Celebrity Influencers

ITS considers celebrities to be key stakeholders to its business, as the majority share of ITS's collections are celebrity endorsed. The celebrities are involved in key aspects from design, to pricing and align themselves with ITS's business, relying on ITS to uphold their reputations, as well as encouraging ITS to work with on any specific agendas that are close to their hearts, for example the #bekind initiative which ITS supported.

The celebrities also influence ITS to create more sustainable products, such as Lorna Lux's recent collection which is made from 90% recycled content. ITS has recognised that the celebrity influencers who represent its business could support them to champion more sustainable ways of living, helping the brand to create wider positive impacts. The CEO talked about his desire to *'not make cheap, disposable fashion, but that which is good quality but affordable'.* He also believes that his customers and celebrities want to make and buy garments that are better quality and more sustainable and explained how they use their influencers to champion products from previous seasons to promote longevity of their garments, and style these with garments from new collections to keep garments in use in consumers wardrobes for longer.

ITS is continuing working with the celebrities to enhance its sustainable product offering and build on its commitment to sustainability which Anthesis believes is a real opportunity for ITS.

There is further scope for celebrities to engage with the ethical agenda as well as the environmental one, and an opportunity to talk about good working conditions and environmental activism. Celebrities understanding how their decisions affect the workers down the supply chain would drive good practise down the supply chain.

5. ITS Supply Chain Audit Programme

ITS Current Performance	ITS Journey Trajectory
Early Stages	Better

Highlights

- ITS is a relatively small, fast growing business and therefore the formalising and imbedding of its procedures is constantly evolving.
- ITS is not as advanced as some much larger businesses but has done a lot in a short time to accelerate and improve their performance (see partnerships section which covers positive relationships with TRN and the Fast Forward Programme).

- ITS had a tight supply base, however, has experienced very rapid growth due to the demand in new product categories due to the COVID-19 pandemic, and therefore the number of suppliers ITS has needed to engage with has grown considerably in a short space of time.
- Despite the difficulties, ITS has progressed with mapping its suppliers and has worked with suppliers to get self-assessments during the COVID period to sustain due diligence where there were no third-party audits available.
- ITS has begun to identify its tier 1, 2 and 3 suppliers both in the UK and globally and is strongly enhancing their visibility and due diligence monitoring.

Supplier Onboarding and Tracking

ITS Current Performance	ITS Journey Trajectory
Early Stages	Good

Identification of suppliers occurs through various channels; from prior experience of team members, through to advertisement on channels such as LinkedIn. ITS works with the suppliers to understand whether they are fit for purpose, which includes checking whether they have worked with other brands or whether they have been Fast Forward audited (UK Only).

The need for new suppliers is not yet linked to a business case due to the speed of ITS's growth and need for suppliers of different product types; however, Anthesis suggests this should be implemented going forward.

ITS currently follows a six-step process to onboard new suppliers, starting from understanding their capabilities and product specialisms through to collecting the documentation required for review such as audits and site information. ITS also sends its documentation – the Supplier Manual and Terms and Conditions - through for the Supplier to sign and return. Only after all of the above documents have been collected should the orders be placed. New suppliers are also invited to ITS headquarters to discuss about ITS's ways of working. This process has many good practises within it, however, needs formalising and strengthening across the business with all the teams involved to ensure that this is followed correctly.

ITS has the intention of visiting suppliers prior to working with them, however yet this is not a practise that has been put in place due to several factors, primarily the COVID-19 pandemic but also team resource.

A supplier and site master tracker spreadsheet are maintained by CSR and Technical Lead to record suppliers. This tracker is used for 3 purposes:

- To track current suppliers and sites.
- To track current suppliers with new sites.
- To track new suppliers with unknown sites.

Additional information for each site, such as policies, audits, Fast Forward training, manufacturing site questionnaires and records are all tracked through this master tracker updated by the CSR and Technical lead. This tracker is shared within departments to highlight the status of each factory. Improvements to the tracker have been recommended by Anthesis in the private report – if implemented these will assist ITS to drive efficiency and visibility of its supply base.

ITS Audit Programme: Desired Programme and Progress to Date

1. UK Suppliers:

ITS Current Performance	ITS Journey Trajectory
Good	Better

For UK suppliers and sites all production sites will have to join and participate in the Fast Forward programme and undertake a Fast Forward audit (if they do not already have one). TRN is the current partner identified to conduct the Fast Forward audits (see partnerships).

Clear communication has been sent by ITS supporting its suppliers to meet the legal and ethical labour standard requirements. The communication highlighted that ITS as a Fast Forward member would like its suppliers to attend the Fast Forward training workshop which would support them to improve, uncover hidden exploitation and be recognised as leading partners. This communication was sent to all suppliers and manufacturers. Those suppliers who were slow to respond to the CSR Lead were sent further emails from the Head of Product.

ITS has been working with TRN to conduct pre-assessment visits of existing suppliers prior to audits. These visits are good practise, with the purpose of the pre-assessment visits to firstly to map the sites it is working with, and secondly to prepare suppliers for a Fast Forward Audit.

The pre-assessments are brief half day assessments to identify and cover information such as company legal status, company house registration, site location and description, subcontractors, tax and insurance status, payment of wages, working hours and health and safety.

TRN is giving an auditor's professional view of good practises and areas of improvement on the site. The first pre-assessment visits were undertaken in November and December, and these are scheduled to continue soon (COVID-19 restrictions permitting). Corrective Action Plan Report ("CAPRs") are provided with actions scheduled according to the level of criticality determined by TRN. If the factories show lack of response or no intention to change, they would be escalated to the senior management to action whether they are the right partner suppliers for ITS. If the site completes the necessary actions as well training, ITS will initiate the Fast Forward audit.

This pre-assessment stage has been very useful already to ITS, with more than 60% of sites having completed them to date. It has been well received by suppliers but has also highlighted some suppliers where ITS should not be placing work without considerable improvement; thus, beginning the process of identifying key suppliers to its business.

Once UK Suppliers have completed their pre-assessment visits and have corrected the CAPR's noted by TRN, ITS will then conduct Fast Forward Audits of each site. A Standard Operating Procedure needs to be formalised for this, as well as a Service Level Agreement with TRN (covered in the partnerships section). Audits and CAPRs will be studied by the ITS team, with follow up audits scheduled to ensure that suppliers are indeed making the necessary improvements.

2. Non-UK Suppliers

ITS Current Performance	ITS Journey Trajectory
Good	Better

For non-UK suppliers, SMETA audits or other available third-party reports are currently requested from a list of approved audit bodies (including the main players in the field such as BV, Intertek, and others). Approximately 50% of sites have an in-date audit in place currently.

Going forward, ITS is going to engage TRN to create ITS specific audits for these suppliers and commence a global audit programme. This will enable ITS to collect region specific information from the suppliers as well as concentrate on specific salient risk issues within key categories of products to drive more visibility of its supply chains which may not be available from other standard audits.

Anthesis has recommended areas of improvement in the private report for the audit programme which includes establishing monitoring and evaluations systems and the use of technology to drive robust reporting and communication mechanisms.

Self-Assessments

During the COVID-19 restrictions it became challenging to visit sites and conduct audits, so the ITS team created a site self-assessment documentation for suppliers, sent out in June 2020. This supported the work ITS was doing on the Transparency Pledge and kept both the supplier and the site being aware of ITS requirements and desire to understand their supply chain.

The self-assessments were done to monitor the sites being used for ITS production – ensuring that suppliers did not relax their process of due diligence, and furthermore that they were adequately protecting workers during the pandemic. The form looked at key areas of working conditions in the factories which included contracts, age verification, working hours and wages, grievance process, freedom of association, COVID-19 responsibility and personal protective equipment, health and safety and fire safety risk assessments. Evidence in the form of attachments were requested to be sent along with photographs for verification. This was good practise on the part of ITS, and suppliers supported this initial with 50% participation worldwide.

Transparency in the Supply Chain

ITS Current Performance	ITS Journey Trajectory
Good	Better

The ITS CSR impacts over 7000 (known to date) workers in its supply chain, and therefore it is of critical importance that ITS builds and engages in a CSR programme that:

- Meets legal requirements (such as the Modern Slavery Act).
- Maximises ITS's competitive advantage such as dealing with wholesale clients like ASOS, NEXT, Very Group to meet their requirements and be a collaborative partner.
- Protects corporate reputation, build brand image and trust in consumers.
- Builds trust with investors.

ITS has 41 suppliers with 65 sites, and sourced from five key countries, UK having the highest number of factories followed by China, then Pakistan, Turkey, and Thailand.

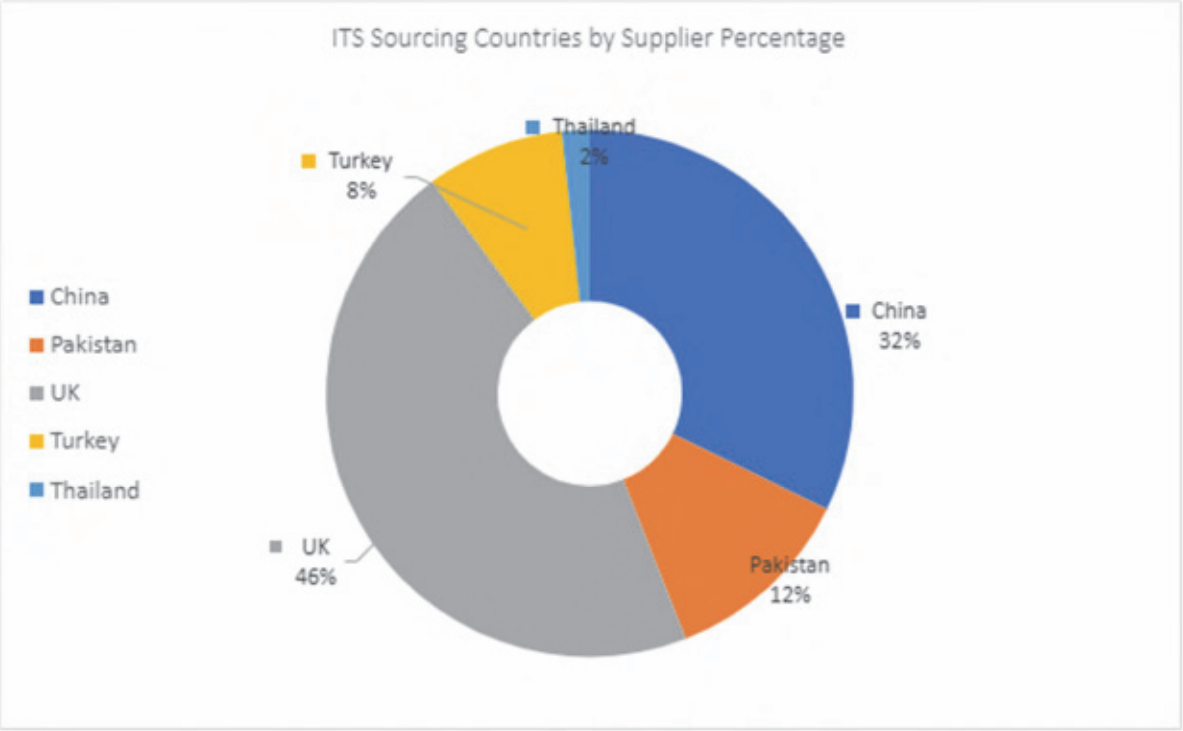


Figure 3: ITS Suppliers by Country Location

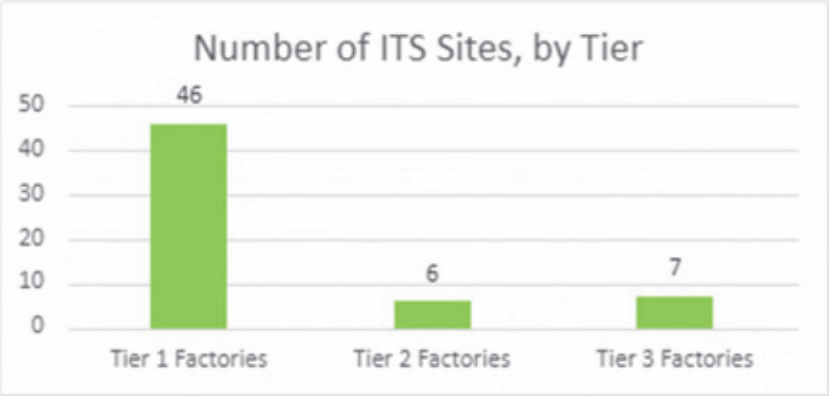


Figure 4: ITS Suppliers by Tier

ITS started mapping its supply chains in 2019, which has provided it now with a good level of visibility of Tier 1 suppliers both UK and non-UK. ITS has a clear understanding of the correct definitions of its Tier 1, 2 and 3 supply chains which enables it to have consistency in the mapping process.

ITS has now published a list of tier 1 factories, as a part of the Transparency Pledge which they intend to update twice a year. This includes factory names, addresses, as well as some additional information about the factories.

6. Partnerships

ITS Current Performance	ITS Journey Trajectory
Good	Better

Highlights

- ITS has aligned themselves with two reputable stakeholder partnerships: Fast Forward Programme through Alliance HR and The Re-assurance Network.
- ITS has joined the Apparel and General Merchandise Protocol to address due diligence in the manufacturing sector in the UK.
- The partnerships underline ITS's ambition for and dedication to continual improvement.
- ITS intend to work with Anthesis on the recommendations from the private report with future implementation of the areas highlighted in the report.

ITS recognises that partnerships and stakeholder engagement is critical in its business as it enables collective action, and through resource efficiencies leads to more effective solutions and remediation of supply chains. Problems in particular regions such as Leicester, where ITS is exposed for example, tend to be systemic and cannot be tackled by one company alone. Transparency enables better flow of information from the supply chain and leads to more informed decision-making. It allows brands to work with suppliers to resolve problems before they reach levels of crisis.

ITS has started strongly, choosing three reputable engagement partners that are recognised as supporting industry best practise to guide it on its journey, both will support ITS to take a phased step by step approach. The partners ITS have chosen will deliver direction, provide training and capacity building, eliminate risk, and provide guidelines for the business.

1. Fast Forward Programme:

Fast Forward is a forensic audit process that helps to uncover audit evasion and hidden exploitation including indicators of forced labour. It assesses adherence to employment laws and across ethical labour standards requirements. The current brands who are part of the programme include ASOS, M&S, The Very Group, River Island, Next, Fred Perry, I saw it First, New Look and Missguided. The programme makes it a mandatory requirement for all Tier 1 CMT (at a minimum) to be declared along with the completion of the Fast Forward training before an audit is conducted.

Input from the Fast Forward stakeholder confirmed that ITS has been well-engaged and had *'shown real commitment to the programme from the start'* with good attendance at meetings, and has been proactive at quarterly check-ins. There are further increased requirements around transparency and manufacturing, sharing information amongst members. Fast Forward requires that information gained by individual brands is shared between sites. ITS has taken advantage of this, mapping its existing sites against others in the programme and collaborating with other brands to gain knowledge about new suppliers.

2. The Reassurance Network

ITS has engaged The Reassurance Network to develop and strengthen ITS's ethical trade programme. TRN is an international team of specialists and an audit body who work closely with clients to build more sustainable

supply chains They specialise in sustainable sourcing, understanding risks, improving working and welfare conditions, and monitoring performance.

ITS have been working with TRN since November 2020 to firstly carry out the important pre-assessment visits (as noted in the section above), and internal staff training. It will also be working with TRN to carry out Fast Forward Social Audits on manufacturing sites in the UK (when suppliers are ready) and are working to develop specialist audits for their global sites.

ITS is working with TRN to set up its global audit programme and put in place a service level agreement ("SLA") to drive audit governance. An SLA will be very valuable to ITS, highlighting the key performance indicators as well as audit quality, audit delivery time frames.

3. Engagement with Apparel and General Merchandise Public Private Protocol ("AGMPPP")

ITS is a signatory to the Apparel and General Merchandise Public Private Protocol which commits to work with enforcement bodies and other signatories to eradicate Modern Slavery and exploitation in the textile supply chain.

The AGMPPP's aim is to stop unethical practices in UK fast fashion, working collaboratively within the AGMPPP structure. Being part of this coordinated approach, which brings together the industry, manufacturers, retail brands, workers, government bodies both national and local, community groups and associations will help ITS to have a good insight of apparel industry in the UK. The current key members include brands, supplier's, industry bodies like the ETI, NGOs, Leicester City Council and Enforcement bodies and the trade unions.

Given the volume of product sourced from the UK by ITS, this kind of engagement is crucial to ensuring that an integrated approach is used to tackle any underlying problems in this sector. It also promotes good practices to enhance co-operation and collaboration between stakeholders.

4. Other Partnerships

As the scope of work on Ethical Trading grows, further engagement of stakeholders will be required to support ITS on its journey. This also includes at a product sustainability level where partnerships would support them to focus on areas such as recycled content, sustainable fibres, and circularity.

7. Training & Capacity Building

ITS Current Performance	ITS Journey Trajectory
Good	Better

Highlights

- All members from Buying, Design, Product departments have completed Fast Forward Training
- All Buying, Design, Product and CSR and commercial staff have completed an Ethical Trading workshop.
- All suppliers and manufacturing sites are undergoing the Fast Forward Training

All businesses have the responsibility to incorporate training and communication to its internal and external stakeholders if a CSR programme is to be implemented effectively. Training and awareness are essential to understand the importance of supplier and factory engagement, and this in turn helps to maintain open working relationships, encourage dialogue, and promote transparency. From the top down it was acknowledged that ITS is on a journey, and this journey is one which takes time, knowledge and the business must put in place the right framework. ITS is therefore working swiftly to build capacity in its team to understand and implement its CSR Programme.

Supplier Training

All UK suppliers have been invited for the Fast Forward training as a pre-requirement of conducting the Fast Forward audit through a full day interactive workshop. The Fast Forward scheme monitors the supplier attendance and reports back to ITS. Following the training attendees are given logins and access to the Fast Forward website, where a range of guidance, tools, and resources are provided to help embed Fast Forward requirements.

The pre-assessment visits are also vital on the ground training for suppliers – giving them a taster of the Fast Forward Audit procedure, and support suppliers to further understand the necessary requirements before they invest in an audit.

Internal Training

TRN conducted customised training for ITS's key internal staff within the business including Department Heads of Product and Merchandising, General Managers, Buying Managers, Designers, Account Manager, CSR Lead and Technical Manager. This and further externally supported training will assist ITS as it puts in place the necessary procedures to support its aims. Anthesis notes that knowledge is a large part of CSR – therefore continuing the team education on issues such as purchasing practises e.g., garment costing and forecasting will further support ITS's suppliers, and ITS to ensure that business is being conducted in suppliers that meet its aims and ambitions.

The topics covered areas on ethical trade, why CSR programmes are required in business context, developing a practical understanding of the ITS Code of Conduct, key challenges found in garment supply chains globally and locally, raising awareness on how design, buying and merchandising practices can impact supply chain workers through their actions highlighting key issues in supply chains. The training also covered key current salient issues the supplier may face, e.g., migrant workers/agency workers and responsible recruitment, working hours and pay practices, discrimination, and disciplinary practices. Other topics included remediation and focusing on continuous improvement with the suppliers.

Key aspects of Fast Forward audits including outcomes and gradings were also covered to support the buying and CSR staff to talk with confidence to the suppliers about their audits, improvements needed and timelines for these improvements.

The key buying, design, merchandising and CSR staff have also gone through the Fast Forward programme training, with the CSR Lead undertaking the 3 day Fast Forward Auditor Competence training to assess facilities in December.

8. ESG Materiality Screen for ITS Business

ITS Current Performance	ITS Journey Trajectory
Good	Better

Highlights:

- Formal overarching ESG and CSR governance and policy, including the development of a roadmap will allow ITS to bring together initiatives and focus on target areas for development.
- ITS should continue with their work under social aspects including health and safety, staff welfare, employment, diversity and inclusion, community engagement and customer welfare.
- Environmental aspects have opportunities to be developed further in policies and ESG committee work.

An initial Environmental, Social and Governance screening process was undertaken by Anthesis looking solely at the ITS business. This first stage screening covered the likely potential material ESG aspects associated with ITS, based on those that are considered characteristic of the apparel industry. The objective of the screen was to provide guidance on areas to be focused on during the review process.

The screening was based on outputs from the Anthesis RiskHorizon™ system, the Sustainability Accounting Standards Board (SASB) materiality map, our knowledge of the business and our extensive experience in the apparel sector. The relevant screen elements chosen were: ESG management, energy management, climate change, sustainable sourcing, circularity and waste reduction, water consumption and stress (supply chain), biodiversity, labour practices, health and safety, diversity and inclusion, business ethics and data security.

The key takeaways from this analysis show clearly that whilst there some topics that ITS due to its early stage on the CSR and Sustainability Roadmap has yet to tackle, there are some clear opportunities and quick wins that ITS could begin to capitalise on which are shown in the table below:

Area of Opportunity	Specific Area of Focus for ITS to pursue in the short term
Energy and Carbon	A clear focus area for consumers and investors alike; ITS could begin with some simply strategic work around their Scope 1 and 2 emissions that would have the potential to assist with making savings.
Sustainable Sourcing	Work undertaken in the Competitor Benchmark showed that ITS's competitors are yet to get a handle on sustainable sourcing for their fibres. ITS could reduce its business risks from the sourcing of unsustainable fibres, and potentially appeal to another group of consumers if they were able to address this topic in the short term. It is noted that several recycled fibres can now be purchased at price-parity, and so ITS may want to investigate sourcing options for circular materials.
Packaging	ITS reported that good progress has been made in this area with customer delivery bags composed of 100% recycled material and investigations underway regarding introducing recycled inner product bags. Highlighting this progress could be framed as a 'good news story' for ITS.
Waste	ITS is speaking to the Marine Conservation Society regarding working in partnership to reduce the problems of waste and plastic pollution. This should be explored further and actions for waste reduced undertaken, and good work publicised.

Circular Economy	ITS operates a credit scheme (ReGAIN App) whereby customers receive credit for items recycled and encourage customers to maximise they products lifecycle with information on the website regarding making clothes last longer and giving to charity shops after use. It was reported that, whilst ITS pushes and promotes the ReGAIN App, it is not widely used. ITS's competitors are also active in this space, but none speak about their work and this/other initiatives could help elevate ITS's work in this area and show the quality of their garments if they are able to last through another life. ITS management also mentioned a desire to show that their garments have a long life for their customers – ideas such as celebrities re-styling past seasons clothes to keep them in use in customer wardrobes ensures positive messaging about the value of fashion are included.
Diversity	Management could make more of the diversity of the ITS teams; particularly if that diversity is further strengthened at a board level.
Body Image and Body Confidence	ITS has a strong focus on inclusivity for customers and positive body image: "*We want to empower our customers to be brave, embrace body positivity and most of all, love themselves for who they are.*" Paired with vital consumer messages about confidence and mental health these are very valuable to ITS's young female customer base. These could further be strengthened with pledges not to photoshop models, and to continue to use a diverse range of models.
Charitable Engagement	Charitable engagement is a key part of the ITS business, notably within the local community of Manchester. This kind of community engagement should continue to be pushed, and could be strengthened with other programmes that would fit in with ITS's core values – e.g., mentorship programmes for young women, apprenticeships for young graduates etc.

9. Conclusion

The best conclusion for this report comes from ITS itself:

''Our corporate social responsibility (CSR) programme is based on the desire to operate our business transparently, responsibly, and inclusively. As a brand we are challenging ourselves to have a positive social impact on the people we work with and reduce our environmental impact. We are dedicated to working towards understanding our social and environmental impact, so we can take the necessary action to improve how we work for our future. '' ITS Website

Anthesis were impressed to find a committed team of individuals at ITS working together from the top down to set the foundations in place to have a positive impact on their supply chains. We enjoyed our time spent with the key individuals within the business from the CEO to the CSR Lead, finding them to be passionate and driven to making the difficult changes necessary to fully implement a robust CSR and Sustainability programme.

Overall, for their size of business we found it to have made impressive and commendable progress since embarking on this difficult journey and look forward to working with them in the future to support them to strengthen and grow.

PART IV

HISTORICAL FINANCIAL INFORMATION RELATING TO ITSFL

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION RELATING TO ITSFL



BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

The Directors
In The Style Group plc
Unit 5, Olympic Court
Salford
M50 2QP

10 March 2021

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London
EC2Y 9LY

Dear Sir or Madam

In The Style Fashion Limited ("ITSFL")

Introduction

We report on the financial information set out in Section B of Part IV of the admission document dated 10 March 2021 (the "**Admission Document**") of In The Style Group plc (the "**Company**").

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of ITSFL as at 31 March 2018, 2019 and 2020 and of its results, cash flows, and changes in equity for the years ended 31 March 2018, 2019 and 2020 in accordance with the basis of preparation set out in note 1 to the financial information.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

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

Basis of preparation

This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

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

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

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

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

Conclusions relating to going concern

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

Declaration

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

Yours faithfully

BDO LLP

Chartered Accountants

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

SECTION B: HISTORICAL FINANCIAL INFORMATION RELATING TO ITSFL

HISTORICAL FINANCIAL INFORMATION ON IN THE STYLE FASHION LIMITED

Statement of Comprehensive Income

	Note	*Year Ended 31 March 2018 £'000*	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Revenue	5	14,727	17,157	19,303
Cost of sales	6	(7,457)	(7,882)	(9,069)
Gross profit		7,270	9,275	10,234
Distribution costs	6	(3,880)	(3,672)	(4,189)
Administration expenses	6	(6,612)	(7,355)	(8,081)
Other operating income		–	205	224
Operating loss		(3,222)	(1,547)	(1,812)
Adjusted EBITDA[1]		(2,545)	(717)	(1,136)
Depreciation	15 & 22	(235)	(261)	(272)
Amortisation	14	(94)	(234)	(404)
Adjusting items	7	(348)	(335)	–
Operating loss		(3,222)	(1,547)	(1,812)
Finance income	10	–	2	3
Finance costs	11	(113)	(287)	(348)
Loss before taxation		(3,335)	(1,832)	(2,157)
Income tax	12	(12)	–	–
Loss and total comprehensive loss for the year		(3,347)	(1,832)	(2,157)
Loss per share – basic and diluted	13	(0.7p)	–	–

Note 1: Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation and adjusting items, is a non-GAAP metric used by management and is not an IFRS disclosure. Adjusting items are items which are material and non-recurring in nature as disclosed in note 7. Adjusted EBITDA is consistent with the way financial performance is measured by management and reported to the Board and assists in providing a meaningful analysis of trading results.

All results derive from continuing operations.

Loss and total comprehensive loss is attributable to equity holders of ITSFL.

Statement of Financial Position

	Note	*As at 31 March 2018 £'000*	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Non-current assets				
Intangible assets	14	951	1,162	1,374
Property, plant and equipment	15	449	366	303
Right of use assets	22	593	448	303
Deferred tax	16	–	–	–
Total non-current assets		1,993	1,976	1,980
Current assets				
Inventories	17	1,210	963	852
Trade and other receivables	18	276	310	920
Cash and cash equivalents	19	916	3,249	2,047
Total current assets		2,402	4,522	3,819
Total assets		4,395	6,498	5,799
Liabilities				
Current liabilities				
Lease liability	22	127	132	137
Trade and other payables	20	2,863	3,760	5,018
Total current liabilities		2,990	3,892	5,155
Non-current liabilities				
Borrowings	21	–	2,766	3,098
Lease liability	22	493	360	223
Total non-current liabilities		493	3,126	3,321
Total liabilities		3,483	7,018	8,476
Net assets/(liabilities)		912	(520)	(2,677)
Equity				
Share capital	24	17	15	15
Share premium		4,512	4,914	4,914
Accumulated losses		(3,617)	(5,449)	(7,606)
Total equity/(deficit)		912	(520)	(2,677)

Statement of Changes in Equity

	Share Capital £'000	*Share Premium £'000*	*Accumulated losses £'000*	*Total (deficit)/ equity £'000*
As at 1 April 2017	10	24	(270)	(236)
Loss for the year	–	–	(3,347)	(3,347)
Total comprehensive loss for the year	–	–	(3,347)	(3,347)
Transactions with shareholders:				
Shares issued during the year	7	4,488	–	4,495
As at 31 March 2018	17	4,512	(3,617)	912
Loss for the year	–	–	(1,832)	(1,832)
Total comprehensive loss for the year	–	–	(1,832)	(1,832)
Transactions with shareholders:				
Shares issued during the year	–	402	–	402
Cancellation of subscribed capital	(2)	–	–	(2)
Total transactions with shareholders	(2)	402	–	400
As at 31 March 2019	15	4,914	(5,449)	(520)
Loss for the year	–	–	(2,157)	(2,157)
Total comprehensive loss for the year	–	–	(2,157)	(2,157)
As at 31 March 2020	15	4,914	(7,606)	(2,677)

Statement of Cash Flows

	Note	*Year Ended 31 March 2018 £'000*	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Net cash flow from operating activities				
Loss for the year		(3,347)	(1,832)	(2,157)
Adjustments for:				
Amortisation of intangible assets	14	94	234	404
Depreciation of property, plant and equipment	15 & 22	235	261	272
Loss on disposal of property, plant and equipment		–	63	(1)
Finance income	10	–	(2)	(3)
Finance costs	11	113	287	348
Income tax expense	12	12	–	–
Working capital adjustments				
(Increase)/decrease in inventories		(747)	247	111
Increase in trade and other receivables		(54)	(36)	(611)
Increase in trade and other payables		760	1,297	948
Taxation paid		(12)	–	–
Net cash (used in)/from operations		(2,946)	519	(689)
Cash flows used in investing activities				
Purchase of intangible assets	14	(517)	(478)	(616)
Purchase of property, plant and equipment	15	(461)	(63)	(65)
Proceeds from sale of property, plant and equipment		–	–	1
Interest received		–	2	3
Net cash used in investing activities		(978)	(539)	(677)
Cash flows from financing activities				
Issue of ordinary shares	24	4,495	1	–
Issue of preference shares	24	–	2,500	–
Receipt from invoice discounting facility		–	–	312
Finance costs paid		(90)	–	–
Interest paid on lease liabilities	22	(23)	(21)	(16)
Repayment of lease liabilities	22	(107)	(127)	(132)
Net cash from financing activities		4,275	2,353	164
Net increase/(decrease) in cash and cash equivalents		351	2,333	(1,202)
Cash and cash equivalents brought forward		565	916	3,249
Cash and cash equivalents carried forward	19	916	3,249	2,047

Notes to the Historical Financial Information

1. Basis of preparation

In The Style Fashion Limited ("ITSFL") is domiciled in the UK, with company registration number 08792519. The principal activity is that of an online clothing retailer. The registered office is Unit 5 Olympic Court, Salford, England, M50 2QP.

This historical financial information ("Historical Financial Information") has been prepared on a going concern basis under the historical cost convention; in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and have been adopted as at the time of preparing this Historical Financial Information, except as described below.

The deemed transition date to IFRS, for the purposes of this Historical Financial Information on ITSFL is 1 April 2017, which is the beginning of the first year presented. Details of the transition are set out in Note 30. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exceptions and exemptions in the application of particular standards to prior years in order to assist companies with the transition process. ITSFL has not applied any of the optional exemptions except with regard to restatement of past business combinations under IFRS 3 and the recognition of leases for which the lease term ends within 12 months of the date of transition to IFRS. Contrary to the requirements of IFRS 1, a balance sheet as at the date of transition of 1 April 2017 has not been presented and this is therefore a departure from the requirements of IFRS. In all other respects IFRS has been applied. See 2.13 for the leases exemption.

This Historical Financial Information presents the financial track record of ITSFL for the three years ended 31 March 2020 and is prepared for the purposes of admission to AIM, a market operated by the London Stock Exchange. This Historical Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation summarised below.

The preparation of Historical Financial Information requires the Directors to exercise their judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The financial information for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 does not constitute ITSFL's statutory accounts for those years.

Statutory accounts for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 have been delivered to the Registrar of Companies.

The auditors' reports on the accounts for 31 March 2018, 31 March 2019 and 31 March 2020 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Historical Financial Information is presented in sterling and, unless otherwise stated, amounts are expressed in pounds, to the nearest thousand.

The Board is, together, considered the chief operating decision maker.

2. Summary of significant accounting policies

The principal accounting policies adopted are set out below.

2.1 ***Going concern***

Management have assessed the likely impact of coronavirus on ITSFL based on the latest available financial and non financial information and government guidance. This assessment has looked at the likely duration of the crisis as well as the sales that could be expected to be generated through each channel during an extended lockdown period, both at a national and local level.

The business has not experienced any significant disruption from employee absence, supply chain or distribution networks and none is anticipated for the foreseeable future.

During this period of uncertainty, the Directors have taken steps to mitigate the effect of coronavirus. Focus has been on adapting to change in consumer demand, cost reduction and efficiency, working capital reduction and staff retention. The Government have demonstrated their commitment to the economy and ITSFL has taken advantage of the Government support available through use of the furlough scheme and deferrals of VAT and PAYE payments.

At the current time, ITSFL is trading well against forecasts driven by the growth in its online market share. Whilst an element of uncertainty remains around the future effect of the coronavirus, the period of strong trading since the outset of the pandemic and ITSFL's ability to quickly react to changing consumer demands means the directors do not consider coronavirus to be a significant future risk to trading performance. Stress testing has been conducted and considered, taking into account the potential economic impact on consumers in the long term.

The working capital impact of an increasing wholesale element of the business has been mitigated to a large degree by an invoice discounting facility which has recently been increased and extended for a further twelve-month period through to November 2021. The directors have a reasonable expectation that this facility will be renewed as part of the normal course of business at that point.

Notwithstanding ITSFL's net liabilities, which are due to the preference shares issued in 2018, the directors have reviewed ITSFL's forecasts and projections to 2022, and the directors are of the opinion, having made due and careful, enquiry that ITSFL has sufficient working capital for its present requirements for at least 12 months from the date of admission. The Directors have a reasonable expectation that ITSFL has adequate resources to continue in operational existence for the foreseeable future.

2.2 ***Revenue recognition***

IFRS 15 has been adopted and applied from 1 April 2017. Revenue solely relates to the sale of goods and arises from the online and wholesale sale of fashion clothing. To determine whether to recognise revenue, ITSFL follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT, and other sales related taxes.

Revenue is recognised at a point in time as ITSFL satisfies performance obligations by transferring the promised goods to its customers as described below. Revenue is adjusted for returns. Expected sales returns are estimated based upon the historic returns rate. A refund liability is recognised for the goods that are expected to be returned. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer estimated based upon the latest returns rate.

Contracts with customers take the form of customer orders. There is one distinct performance obligation, being the distribution of products to the customer, for which the transaction price is clearly identified. Revenue is recognised at a point in time when ITSFL satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from ITSFL to the customer, which tends to be on physical receipt by the customer.

When payment is received in advance of delivery these amounts result in a contract liability which is deferred and presented as deferred income.

2.3 ***Marketing costs***

A range of marketing activities are used, including social media influencers, bloggers, and pay-per-click activities. All marketing costs are included within administrative expenses.

2.4 ***Research and development***

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project when certain specific criteria are met:

- It is technically feasible to complete the technological development so that it will be available for use;
- Management intends to complete the technological development and use or sell it;
- It can be demonstrated how the technological development will develop probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- Expenditure attributable to the technological product during its development can be reliably measured.

The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which is 3 years. If it is not possible to distinguish between the research and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 ***Finance income***

Finance income is recognised in the statement of comprehensive income using the effective interest method.

2.6 ***Finance costs***

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 ***Pension costs***

Defined contribution pension plan

ITSFL operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which ITSFL pays fixed contributions into a separate entity. Once the contributions have been paid ITSFL has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from ITSFL in independently administered funds.

2.8 ***Other income***

Research and development tax credits are recognised in other income within the statement of comprehensive income in the same period as the related expenditure

2.9 ***Income tax***

The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax

Current tax is based on taxable income for the year and any adjustment to tax from previous years. Taxable income differs from net income in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or

deductible. The calculation uses the latest tax rates for the year that have been enacted or substantively enacted by the dates of the Statement of Financial Position.

(b) Deferred tax

Deferred tax is calculated at the latest tax rates that have been substantively enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method. It is not discounted.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets and liabilities are offset when there is a right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 ***Adjusting costs and non-recurring items***

The Statement of Comprehensive Income separately identifies adjusting items. Such items are those that in the Directors' judgement are one-off in nature or non-operating and need to be disclosed separately by virtue of their size or incidence and may include, but are not limited to, professional fees and other costs directly related to refinancing, one-off costs of moving to new warehouse premises and re-organisation and restructuring costs at Board and Senior Management level. In determining whether an item should be disclosed as an adjusting item, the Directors consider quantitative and qualitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board.

2.11 ***Goodwill and other intangible assets***

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. The carrying value under old GAAP at the date of transition (cost less amortisation to the date of transition) has not been adjusted and is now the deemed cost as at 1 April 2017. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Such goodwill is subject to an impairment review, both annually and when there is an indication that the carrying value may be impaired. Any impairment is recognised immediately in the income statement and is not reversed.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Amortisation is charged on a straight-line basis over the useful economic life of 3 years in respect of website development costs.

2.12 ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on a straight-line basis starting from the month they are first used, as follows:

Property improvements – 10 per cent. – 33 per cent. per annum;
Plant and machinery – 20 per cent. per annum;
Motor vehicles – 14 per cent. per annum;
Fixtures and fittings – 10 per cent. – 50 per cent. per annum;
Computer equipment – 33 per cent. per annum.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.13 ***Leases***

IFRS 16 was adopted on 1 April 2017. ITSFL applied the exemption in IFRS 1 D9D(b) to account for leases in which the lease term ends within 12 months of the date of transition to IFRS (1 April 2017) as if they were short –term leases. ITSFL applied the full retrospective approach whereby the comparative financial information has been restated. At inception of a contract, ITSFL assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

ITSFL recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using ITSFL's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right of use asset is zero.

Short term leases and low value assets

ITSFL has elected not to recognise right-of-use assets and lease liabilities for short-term lease of machinery that have a lease term of 12 months or less or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

2.14 ***Inventories***

Inventories are valued using a first in, first out method and are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in the normal course of business in bringing the products to their present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income. Inventories also include the cost price of expected returns.

2.15 ***Financial instruments***

Financial assets and financial liabilities are recognised in the Statement of Financial Position when ITSFL becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables

Trade and other receivables are non-interest bearing and initially measured at transaction price less provisions for expected credit losses. ITSFL has adopted IFRS 9 from 1 April 2017 and applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. In the majority of cases cash is received when the order is placed and there is no risk of credit loss in respect of this revenue. Wholesale customers typically take 30 – 60 days to settle their invoices, however, these are covered by credit insurance which renders the expected credit loss negligible.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade and other payables

Trade and other payables are non-interest bearing and are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the "effective interest rate" to the carrying amount of the liability.

Invoice discounting facility

ITSFL has entered into an invoice discounting arrangement with the bank, where a proportion of the debts have been legally transferred but the benefits and risks are retained by ITSFL. Gross receivables are included within debtors and a corresponding liability in respect of the proceeds received from the bank are shown within liabilities. The interest element of the bank's charges are recognised as they accrue and included in the statement of comprehensive income within other interest payable.

Borrowings

Borrowings, being the preference shares, are initially recorded at fair value, which represents the fair value of the consideration received, net of any direct transaction costs associated with the relevant borrowings. Borrowings are subsequently stated at amortised cost and finance charges are recognised in the Statement of Comprehensive Income over the term of the instrument using an effective rate of interest. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities as ITSFL has an unconditional right to defer settlement of the liability for at least 12 months at the balance sheet date.

Classification as debt or equity

Debt and equity instruments issued by ITSFL are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by ITSFL are recognised at the proceeds received, net of direct issue costs.

2.16 ***Dividends***

Dividends are recognised as a liability and deducted from equity at the time they are approved. Otherwise dividends are disclosed if they have been proposed or declared before the relevant financial statements are approved.

2.17 ***Currencies***

Functional and presentational currency

Items included in the Historical Financial Information are measured using the currency of the primary economic environment in which ITSFL operates ("the functional currency") which is UK sterling (£). The Historical Financial Information is presented in UK sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.18 ***EBITDA and Adjusted EBITDA***

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA are non-GAAP measures used by management to assess the operating performance of ITSFL. EBITDA is defined as profit before net finance costs, tax, depreciation and amortisation. Adjusting and non-recurring items are excluded from EBITDA to calculate adjusted EBITDA.

The Directors primarily use the Adjusted EBITDA measure when making decisions about ITSFL's activities as this provides useful information for shareholders on underlying trends and performance. As these are non-GAAP measures, EBITDA and Adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

2.19 ***Operating segments***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there is one identifiable business segments, being online clothing retailing.

3. Financial risk management

3.1 ***Financial risk factors***

ITSFL's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of the economy at the current time and seeks to minimise potential adverse effects on ITSFL's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close co-operation with key staff, for further details see Note 23.

(a) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as competitor pricing, interest rates, foreign exchange rates. Financial instruments impacted by market risk include cash, trade creditors, and borrowings.

(b) Credit risk

Credit risk is the financial loss to ITSFL if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from ITSFL's cash and cash equivalents and receivables balances. As cash is received when online orders are placed and as credit Insurance is applied to all wholesale customer accounts, credit risk is considered low.

(c) Liquidity risk

Liquidity risk is the risk that ITSFL will not be able to meet its financial obligations as they fall due. This risk relates to ITSFL's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of ITSFL's liquidity and cash and cash equivalents based on expected cash flow. The undiscounted future payments required under ITSFL's lease liabilities can be seen in Note 22. The maturity profile of borrowings, being ITSFL's preference shares, can be seen on Note 21. ITSFL's trade and other payables and invoice finance facility are all repayable within 12 months.

3.2 ***Capital risk management***

ITSFL is funded by equity and loans. The components of shareholders' equity and debt are:

(a) The share capital and share premium accounts arising on the issue of shares, including preference shares.

(b) The retained reserve or deficit reflecting comprehensive income or expense to date.

(c) The banking facilities comprising an invoice discounting facility.

ITSFL's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of ITSFL is managed and adjusted to reflect changes in economic conditions. ITSFL funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet ITSFL's commitments and development plans. Quantitative data on what ITSFL manages as capital is included in the Statement of Changes in Equity and in Note 23 to the Historical Financial Information.

3.3 ***Fair value estimation***

The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

4. Critical accounting estimates and judgements

The preparation of this Historical Financial Information requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at each Statement of Financial Position date and the reported amounts of revenue during the reporting periods. Actual results could differ from these estimates. Information about such judgements and estimations are contained in individual accounting policies. The key judgements and sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of asset or liabilities within the next accounting period are outlined below:

Accounting estimates

4.1 ***Impairment of intangible assets***

ITSFL tests goodwill for impairment every year in accordance with the relevant accounting policies. The recoverable amounts of the cash-generating unit is determined by calculating value in use. This calculation requires the use of estimates.

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired and amounts to £528,000 as at 31 March 2020. At the date of preparation of the Historical Financial Information the Directors have not identified any indicators of impairment in respect of the goodwill.

4.2 ***Useful economic lives of intangible assets***

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4.3 ***Useful economic lives of property, plant and equipment***

Property, plant and equipment is depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4.4 ***Returns provision***

The provision for sales returns is estimated based on recent historical returns and management's best estimates and is allocated to the period in which the revenue is recorded. Actual returns could differ from these estimates. The historic difference between the provision estimate and the actual returns is not material.

Accounting judgements

There are no accounting judgements that are considered to be critical.

5. Segmental analysis

The Chief Operating Decision Maker ("CODM") has been identified as the Board of Directors. The Board reviews internal reporting in order to assess performance and allocate resources. The Board has determined that there is one operating segment, being online clothing retailing.

Information about major customers

ITSFL has not generated revenue from any individual customer that accounted for greater than 10 per cent. of total revenue.

Analysis of revenue by geographical destination

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
United Kingdom	13,818	16,094	17,956
Rest of Europe	333	380	505
Rest of the World	576	683	842
	14,727	17,157	19,303

The above revenues are all generated from contracts with customers and are recognised at a point in time. All assets of ITSFL reside in the UK.

6. Expenses by nature

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
The profit/(loss) is stated after charging/(crediting) expenses as follows:			
Inventories recognised as an expense	7,457	7,680	9,149
Impairment of inventories	253	20	–
Reversal of impairment of inventories	–	–	(66)
Staff costs – Note 8	3,016	3,488	3,154
Adjusting and non-recurring items – Note 7	348	335	–
Distribution costs	3,260	3,672	4,189
Loss/(profit) on disposal of property, plant and equipment and intangible assets	–	63	(1)
Depreciation – property, plant and equipment	102	116	127
Depreciation – right of use assets	133	145	145
Amortisation	94	234	404
Marketing expenses	2,815	2,745	3,149
Research and development income	–	(256)	(224)
Foreign exchange	–	4	30
Auditor's remuneration	17	32	40
Other operating expenses	454	631	1,243
Total cost of sales, distribution costs administration expenses	17,949	18,909	21,339

Qualifying research and development costs were £618,000, £671,000 and £881,000 in the year ended 31 March 2018, 2019 and 2020 respectively. Amounts capitalised were £517,000, £478,000 and £616,000 in those years.

7. Adjusting non-recurring items

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Distribution costs	–	17	–
Administration expenses	348	318	–
	348	335	–

To understand the underlying performance of the business, certain costs included within administrative costs have been classified as adjusting items on the basis of their size and their nature of being non-recurring.

These items principally relate to:

Legal and professional fees relating to securing the £2,500,000 equity investment from Causeway Capital Partners in the financial year ended 31 March 2019. These total £298,000.

The costs in the financial year ended 31 March 2018 related to re-organisation and restructuring of the board and introduction of a senior management team which the Directors consider to be a one-off event. These total £190,000.

In addition, the business moved warehouse premises in the financial year ended 31 March 2018 to facilitate ITSFL's high growth rate. One off costs relating to onerous leases, integration costs and legal fees have been classified as adjusting items. These total £158,000.

8. Staff and remuneration

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Aggregate remuneration of staff (including Directors):			
Wages and salaries	2,831	3,117	2,706
Social security costs	180	332	319
Other pension costs	5	39	129
	3,016	3,488	3,154

9. Key management compensation

Key management is considered to be the directors of ITSFL. Remuneration paid to these individuals on an aggregated basis is as follows:

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Salaries including bonuses and social security costs	138	434	428
Company contributions to defined contribution pension schemes	2	2	7
	140	436	435

10. Finance income

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Bank interest receivable	–	2	3
	–	2	3

11. Finance expense

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Bank interest payable	90	–	–
Preference share dividends	–	266	332
Interest on lease liabilities	23	21	16
	113	287	348

12. Taxation

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Deferred tax			
Origination and reversal of timing differences	12	–	–
Total deferred tax	12	–	–
Total tax expense	12	–	–

Factors affecting the charge

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Loss before taxation	(3,335)	(1,832)	(2,157)
Tax at the UK corporation tax rate of 19% (2019: 19%; 2018: 19%)	(634)	(348)	(410)
Expenses not deductible for tax purposes	2	112	59
Fixed asset differences	5	(6)	–
Adjustment to tax charge due to change in tax rates	68	–	–
Deferred tax not recognised	571	291	394
Income not taxable for tax purposes	–	(49)	(43)
Total tax expense	12	–	–

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that the previously enacted decrease in the corporate tax rate from 19 per cent. to 17 per cent. from 1 April 2020 would no longer happen and that rates would remain at 19 per cent. for the foreseeable future. The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020. The impact of the change has therefore been reflected in the Historical Financial Information.

13. Loss per share

Basic loss per share is calculated by dividing the net loss for the year attributable to ordinary equity holders after tax by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is not calculated as there are no potential dilutive instruments in issue.

The basic and diluted calculations are both based on the following:

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Loss for the year after tax	(3,347)	(1,832)	(2,157)
	No. ('000)	*No. ('000)*	*No. ('000)*
Weighted average number of shares – basic	489,192,603	140,315,191,781	152,841,701,080
Loss per share – basic and diluted	(0.7p)	–	–

14. Intangible assets

	Development costs £'000	*Goodwill £'000*	*Total £'000*
Cost			
At 1 April 2017	–	528	528
Additions	517	–	517
At 31 March 2018	517	528	1,045
Additions	478	–	478
Disposals	(49)	–	(49)
At 31 March 2019	946	528	1,474
Additions	616	–	616
At 31 March 2020	1,562	528	2,090
Accumulated amortisation			
At 1 April 2017	–	–	–
Amortisation charged in the year	(94)	–	(94)
At 31 March 2018	(94)	–	(94)
Amortisation charged in the year	(234)	–	(234)
Eliminated on disposals	16	–	16
At 31 March 2019	(312)	–	(312)
Amortisation charged in the year	(404)	–	(404)
At 31 March 2020	(716)	–	(716)
Carrying amount			
At 1 April 2017	–	528	528
At 31 March 2018	423	528	951
At 31 March 2019	634	528	1,162
At 31 March 2020	846	528	1,374

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired.

Impairment testing of goodwill is performed at least annually by reference to value in use calculations, in line with the requirements of IAS 36. These calculations show no reasonably possible scenario in which any of the goodwill balances could be impaired as at the date of transition, 31 March 2018, 31 March 2019, or 31 March 2020. There were no charges for impairment of goodwill in 2020 (2019: nil; 2018: nil).

Amortisation is charged to administrative expenses in the statement of comprehensive income.

15. Property, plant and equipment

	Property improvements £'000	*Plant and machinery £'000*	*Motor vehicles £'000*	*Fixture and fittings £'000*	*Computer equipment £'000*	*Total £'000*
Cost or valuation						
At 1 April 2017	–	–	2	60	106	168
Additions	102	38	–	216	105	461
At 31 March 2018	102	38	2	276	211	629
Additions	–	–	–	38	25	63
Disposals	(21)	(35)	(1)	(34)	(75)	(166)
At 31 March 2019	81	3	1	280	161	526
Additions	2	29	–	5	29	65
Disposals	–	–	–	(2)	–	(2)
At 31 March 2020	83	32	1	283	190	589
Depreciation						
At 1 April 2017	–	–	1	21	56	78
Depreciation charged in the year	25	3	–	23	51	102
At 31 March 2018	25	3	1	44	107	180
Depreciation charged in the year	21	1	–	43	51	116
Eliminated on disposal	(23)	(3)	(1)	(29)	(80)	(136)
At 31 March 2019	23	1	–	58	78	160
Depreciation charged in the year	22	4	–	47	54	127
Eliminated on disposal	–	–	–	(1)	–	(1)
At 31 March 2020	45	5	–	104	132	286
Carrying amount						
At 1 April 2017	–	–	1	39	50	90
At 31 March 2018	77	35	1	232	104	449
At 31 March 2019	58	2	1	222	83	366
At 31 March 2020	38	27	1	179	58	303

The depreciation charge for the year has been included in Administrative expenses in the Statement of Comprehensive Income.

16. Deferred tax

Movement in deferred tax in the year

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Balance brought forward	12	–	–
Charged to profit or loss	(12)	–	–
Balance carried forward	–	–	–

The value of the unrecognised deferred tax asset at 31 March 2020 is £1,021,000 (2019: £680,000; 2018: £571,000).

17. Inventories

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Finished goods and goods for resale	1,068	848	643
Right of return inventory	142	115	209
	1,210	963	852

The Directors believe that the replacement value of inventories at would not be materially different than book value.

Inventories at 31 March 2020 are stated after provisions for impairment of £207,000 (2019: £273,000; 2018: £253,000).

18. Trade and other receivables

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Trade receivables	–	100	511
Prepayments	276	210	409
	276	310	920

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables, ITSFL considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. There is no provision at 31 March 2020 for impairment loss against trade receivables (2019: nil; 2018: nil).

Trade receivables disclosed above include amounts which are past due at the reporting date but against which ITSFL has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The ageing of trade receivables, including those balances past due but not impaired, is shown below:

Ageing of trade receivables

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Current (not past due)	–	52	247
Less than 30 days	–	18	225
31 – 60 days	–	29	9
61 – 90 days	–	–	4
90 days +	–	1	26
Less provisions for impairment	–	–	–
	–	100	511

In determining the recoverability of a trade receivable ITSFL considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the nature of online trading, with payment being received at the point of order, and credit insurance is also in place for wholesale customers.

Details on ITSFL's credit risk management policies are shown in Note 23. ITSFL does not hold any collateral as security for its trade and other receivables.

19. Cash and cash equivalents

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Cash at bank and in hand	916	3,249	2,047

20. Trade and other payables

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Trade payables	1,244	1,071	1,592
Other taxation and social security	104	589	631
Invoice finance facility	–	–	312
Other payables	–	54	48
Accruals	1,492	1,852	2,073
Deferred income	23	194	362
	2,863	3,760	5,018

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Balance at 1 April	–	23	194
New and existing contracts with customers	23	194	362
Recognised as revenue in the year	–	(23)	(194)
Balance at 31 March	23	194	362

The Directors consider that the carrying value of trade and other payables approximates their fair value.

21. Borrowings

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Preference shares	–	2,766	3,098
	–	2,766	3,098

On 11 May 2018 ITSFL issued 2,500,000 redeemable preference shares at £1 each for £2,500,000. Each preference share had a nominal value of £0.0000001 and was issued at a premium of £0.999999 at £1 each.

The shares are non-voting shares and are redeemable, at par, on purchase or listing of ITSFL. They accrue a preference share dividend at 12 per cent. of the issue price per annum until they are redeemed. The preferred dividend will be rolled up in arrears every 12 months. Following this, the preferred dividend will accrue on the issue price and the aggregate of the rolled up dividends as though the issue price had been increased by an amount equal to the aggregate of all rolled up preference dividends.

The fair value of the preference shares is equal to the carrying value.

22. Leases

The group leases offices and warehouses. Rental contracts are typically made for fixed periods of 3 to 5 years. There are no judgements over the length of the lease term for any of ITSFL's leases. There are no variable lease payments in any of ITSFL's leases.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of ITSFL, the incremental borrowing rate is used, being the rate that ITSFL would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Amounts recognised in the Statement of Financial Position

The balance sheet shows the following amounts relating to leases:

	£'000
Right-of-use assets	
Balance at 1 April 2017	–
New leases recognised in the year	726
Depreciation charge for the year	(133)
Balance at 31 March 2018	593
Depreciation charge for the year	(145)
Balance at 31 March 2019	448
Depreciation charge for the year	(145)
Balance at 31 March 2020	303

The net book value of the right of use assets all relates to property leases.

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Lease liabilities			
Maturity analysis – contractual undiscounted cash flows			
Less than one year	148	148	164
More than one year, less than two years	148	164	171
More than two years, less than three years	164	171	103
More than three years, less than four years	171	103	6
More than four years, less than five years	103	6	–
More than five years	6	–	–
Total undiscounted lease liabilities at year end	740	592	444
Finance costs	(120)	(100)	(84)
Total discounted lease liabilities at year end	620	492	360
Lease liabilities included in the statement of financial position			
Current	127	132	137
Non-current	493	360	223
	620	492	360

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	Year Ended 31 March 2018 £'000	*Year Ended 31 March 2019 £'000*	*Year Ended 31 March 2020 £'000*
Depreciation charge (within administration expenses)	133	145	145
Interest expense (within finance costs)	23	21	16
Expense relating to leases of low-value assets	–	–	15

The total cash outflow for leases was £148,000 (2019: £148,000; 2018: £130,000).

23. Financial instruments

ITSFL is exposed to the risks that arise from its financial instruments. The policies for managing those risks and the methods to measure them are described in Note 3. Further quantitative information in respect of these risks is presented below and throughout this Historical Financial Information.

23.1 *Capital risk management*

Details of ITSFL's capital are shown in Note 24, as well as in the Statement of Changes in Equity.

23.2 *Market risk*

Competitive pressures remain a principal risk for ITSFL. The risk is managed through focus on quality of product and service levels, coupled with continuous development of new celebrity and influencer collaborations. Furthermore, ITSFL focuses on offering its customers a branded product range provides some protection to its competitive position in the market. Stock obsolescence risk is managed through closely monitoring slow moving lines and prompt action to manage such lines through the various distribution channels available to ITSFL.

In addition, ITSFL operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, foreign currency risk and interest rate cash flow risk. ITSFL has in place a risk management programme that seeks to limit the adverse effects on the financial performance of ITSFL by regularly monitoring the financial risks referred to above.

Given the size of ITSFL, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the Board are implemented by ITSFL's finance department.

23.3 *Credit risk*

ITSFL's sales are primarily made with credit terms of between 0 and 30 days, exposing ITSFL to the risk of non-payment by wholesale customers. ITSFL has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the board. In addition, ITSFL maintains a suitable level of credit insurance against its wholesale customer debtor book. The maximum exposure to credit risk is £nil per individual customer, as there is no insurance excess.

An analysis of trade receivables, including past due but not impaired balances, is given in Note 18.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

23.4 *Liquidity risk management*

ITSFL is funded by its shareholders. ITSFL utilises funding via preference shares that is designed to ensure ITSFL has sufficient available funds for operations and planned expansions. This is monitored on a monthly basis, including re-forecasts of the borrowings required.

23.5 *Foreign currency risk management*

ITSFL's activities expose it to the financial risks of changes in foreign currency exchange rates.

The following is a note of the assets and liabilities denominated at each year end in US dollars:

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Cash and cash equivalents	5	81	133
Trade payables	–	(7)	(70)
	5	74	63

The effect of a 20 percent strengthening of Pound Sterling at 31 March 2020 on the foreign denominated financial instruments carried at that date would, all variables held constant, have resulted in a decrease to total comprehensive income for the year and a decrease to net assets of £10,000, (2019: £12,000; 2018: £1,000). A 20 percent weakening of the exchange rate on the same basis, would have resulted in an increase to total comprehensive income and an increase to net assets of £16,000, (2019: £19,000; 2018: £1,000).

The following is a note of the assets and liabilities denominated at each year end in Euros:

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Cash and cash equivalents	8	484	97
Trade payables	–	(9)	(22)
	8	475	75

The effect of a 20 percent strengthening of Pound Sterling at 31 March 2020 on the foreign denominated financial instruments carried at that date would, all variables held constant, have resulted in a decrease to total comprehensive income for the year and a decrease to net assets of £12,000, (2019: £79,000; 2018: £1,000). A 20 percent weakening of the exchange rate on the same basis, would have resulted in an increase to total comprehensive income and an increase to net assets of £19,000, (2019: £119,000; 2018: £2,000).

The following is a note of the assets and liabilities denominated at each year end in Australian dollars:

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Cash and cash equivalents	1	37	15
Trade payables	–	–	(3)
	1	37	12

The effect of a 20 percent strengthening of Pound Sterling at 31 March 2020 on the foreign denominated financial instruments carried at that date would, all variables held constant, have resulted in a decrease to total comprehensive income for the year and a decrease to net assets £2,000, (2019: £6,000; 2018: £nil). A 20 percent weakening of the exchange rate on the same basis, would have resulted in an increase to total comprehensive income and an increase to net assets of £3,000, (2019: £9,000; 2018: £nil).

23.6 ***Interest rate cash flow risk***

ITSFL's interest bearing liabilities relate to its preference shares. As these are fixed ITSFL faces limited interest rate risk.

23.7 ***Price risk***

ITSFL's profitability is affected by price fluctuations in the sourcing of its products. ITSFL continually monitors the price and availability of materials but the costs of managing the exposure to price risk exceed any potential benefits given the extensive range of products and suppliers. The Directors will revisit the appropriateness of this policy should ITSFL's operations change in size or nature.

23.8 ***Maturity of financial assets and liabilities***

All of ITSFL's non-derivative financial liabilities and its financial assets at the reporting date are either payable or receivable within one year, except for borrowings as disclosed in Note 21.

23.9 ***Summary of financial assets and liabilities by category***

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

	As at 31 March 2018 £'000	*As at 31 March 2019 £'000*	*As at 31 March 2020 £'000*
Financial assets			
Financial assets measured at amortised cost			
Trade and other receivables	–	100	511
Cash and cash equivalents	916	3,249	2,047
	916	3,349	2,558
Financial liabilities			
Financial liabilities measured at amortised cost			
Non-current:			
Borrowings	(493)	(3,126)	(3,321)
Current:			
Borrowings	(127)	(132)	(137)
Trade and other payables	(1,244)	(1,125)	(1,952)
Accruals	(1,515)	(2,046)	(2,435)
	(3,379)	(6,429)	(7,845)
Net financial assets and liabilities	(2,463)	(3,080)	(5,287)
Non-financial assets and liabilities			
Property, plant and equipment	449	366	303
Right of use assets	593	448	303
Goodwill and other intangible assets	951	1,162	1,374
Inventory	1,210	963	852
Prepayments and contract assets	276	210	409
Other taxation and social security	(104)	(589)	(631)
	3,375	2,560	2,610
Total equity/(deficit)	912	(520)	(2,677)

24. Share capital

	As at 31 March 2018 £	*As at 31 March 2019* £	*As at 31 March 2020* £
Shares classified as equity			
Allotted, called up and unpaid			
102,448,200 (2019: nil; 2018: nil) ordinary A shares of £0.000001 each	–	–	102
Allotted, called up and fully paid			
Nil (2019: nil; 2018: 10,000,000) ordinary shares of £0.001000 each	10,000	–	–
Nil (2019: nil; 2018: 3,000,000) ordinary A shares of £0.000100 each	300	–	–
Nil (2019: nil; 2018: 250,000) ordinary C1 shares of £0.010000 each	2,500	–	–
Nil (2019: nil; 2018: 250,000) ordinary C shares of £0.010000 each	2,500	–	–
Nil (2019: nil; 2018: 375,000) ordinary D1 shares of £0.001000 each	375	–	–
Nil (2019: nil; 2018: 1,125,000) ordinary D shares of £0.001000 each	1,125	–	–
Nil (2019: nil; 2018: 518,000,000) B preference shares of £0.000001 each	518	–	–
11,962,050,000 (2019: 11,962,050,000; 2018: nil) ordinary A1 shares of £0.0000001 each	–	1,196	1,196
12,400,000,000 (2019: 12,400,000,000; 2018: nil) ordinary B1 shares of £0.0000001 each	–	1,240	1,240
128,470,950,000 (2019: 128,470,950,000; 2018: nil) deferred shares of £0.0000001 each	–	12,848	12,848
	17,318	15,284	15,386
Shares classified as debt			
Allotted, called up and fully paid			
2,500,000 (2019: 2,500,000; 2018: nil) preference shares of £0.0000001 each	–	2,766,301	3,098,258
	–	2,766,301	3,098,258

	As at 31 March 2018 No.	*As at 31 March 2019 No.*	*As at 31 March 2020 No.*
Shares classified as equity			
Allotted, called up and unpaid			
Ordinary A shares of £0.000001 each	–	–	102,448,200
Allotted, called up and fully paid			
Ordinary shares of £0.001000 each	10,000,000	–	–
Ordinary A shares of £0.000100 each	3,000,000	–	–
Ordinary C1 shares of £0.010000 each	250,000	–	–
Ordinary C shares of £0.010000 each	250,000	–	–
Ordinary D1 shares of £0.001000 each	375,000	–	–
Ordinary D shares of £0.001000 each	1,125,000	–	–
B preference shares of £0.000001 each	518,000,000	–	–
Ordinary A1 shares of £0.0000001 each	–	11,962,050,000	11,962,050,000
Ordinary B1 shares of £0.0000001 each		12,400,000,000	12,400,000,000
Deferred shares of £0.0000001 each	–	128,470,950,000	128,470,950,000
	533,000,000	152,833,000,000	152,935,448,200
Shares classified as debt			
Allotted, called up and fully paid			
Preference shares of £0.0000001 each	–	2,500,000	2,500,000
	–	2,500,000	2,500,000

All shares rank *pari passu* except the deferred shares which are non-voting and have no right to dividends.

During the year ended 31 March 2020 ITSFL issued 1,024,482,000 ordinary A shares of £0.000001 each and they are unpaid at 31 March 2020.

During the year ended 31 March 2019 ITSFL secured equity investment totalling £2,500,000 from Causeway Capital Partners and as a result of this funding new shares were issued and existing shares redesignated, resulting in the share structure above. £2,500,000 of this related to the preference shares (see note 20), with £1,240 related to 12,400,000,000 ordinary B1 shares. Based on the nominal value of these shares £1,240 has been taken to share premium on the shares issued. The remaining movement in share premium results from the capitalisation of a directors loan account (into B preference shares) in the year ended 31 March 2019, with no additional cash received by ITSFL. Again, based on nominal value of the shares in issue the impact to share capital is negligible. In relation to cancellation of shares in the year ended 31 March 2019, no transfer was made to a capital redemption reserve on the grounds it would be immaterial to do so.

During the year ended 31 March 2018 the previous Ordinary £1, Ordinary A £1, and Ordinary B £1 shares were redenominated into 10,000,000 Ordinary £0.001 shares. In addition, 523,000,000 Ordinary A, Ordinary C1, Ordinary C, Ordinary D1, Ordinary D, and B preference shares were issued as set out in the table above.

25. Pension commitments

ITSFL operates a defined contribution pension scheme. The assets of the scheme are held separately from those of ITSFL in an independently administered fund. The pension cost charge represents contributions payable by ITSFL to the fund and are disclosed in note 8. Contributions totalling £16,099 (2019: £6,777; 2018: £2,522) were payable to the fund at the reporting date and are included in creditors.

26. Related party transactions

Purchases from Causeway Capital, shareholder, of £26,847 (2019: £25,012; 2018: £nil) were made during the year. There was a creditor balance of £9,120 (2019: £6,250; 2018: £nil) at the year end.

Sales to Causeway Capital of £nil (2019: £14,993; 2018: £nil) were made during the year. There was a debtor balance of £nil (2019: £nil; 2018: £nil) at the year end.

During the year ended 31 March 2019, purchases from Livingbridge Services Limited, the previous shareholder, of £4,923 were made, and there was a £nil creditor balance at the year end. This is no longer a related party during the current financial year.

During the year ended 31 March 2019, the directors loan account balance of £398,529 was converted into share capital. This comprises of 3,980m shares with a nominal value of £0.0001.

27. Ultimate controlling party

There is no one controlling party based on percentage of share ownership and voting rights attaching to the shares.

28. Analysis and reconciliation of net debt

	1 April 2017 £'000	*Other non-cash changes £'000*	*Accrued interest £'000*	*Cashflow £'000*	*31 March 2018 £'000*
Cash at bank and in hand	565	–	–	351	916
IFRS 16 lease liability	–	(727)	(23)	130	(620)
Net debt	565	(727)	(23)	481	296

	1 April 2018 £'000	*Other non-cash changes £'000*	*Accrued interest £'000*	*Cashflow £'000*	*31 March 2019 £'000*
Cash at bank and in hand	916	–	–	2,333	3,249
Preference shares	–	–	(266)	(2,500)	(2,766)
IFRS 16 lease liability	(620)	–	(20)	148	(492)
Net debt	296	–	(286)	(19)	(9)

	1 April 2019 £'000	*Other non-cash changes £'000*	*Accrued interest £'000*	*Cashflow £'000*	*31 March 2020 £'000*
Cash at bank and in hand	3,249	–		(1,202)	2,047
Preference shares	(2,766)	–	(332)	–	(3,098)
Invoice finance facility	–	–	–	(312)	(312)
IFRS 16 lease liability	(492)	–	(16)	148	(360)
Net debt	(9)	–	(348)	(1,366)	(1,723)

29. Post balance sheet events

Coronavirus

The directors have no experience of a similar pandemic historically and it is difficult to predict the impact to online sales as the pandemic develops in the short term or the long term economic impact after the pandemic. It is not possible to determine how widespread the virus will be at any one time, how long the pandemic will last and what the medium to long term effect of this pandemic will be on consumer behaviour. Customers however are clearly still willing to spend and subsequent to 31 March 2020 ITSFL has had great

success with a wide range of releases through 2020. Traffic to the In The Style app and website has been extremely strong throughout the period and we consider the pandemic has significantly changed the retail landscape, in particular it has further heightened a shift to online purchasing habits across the wide variety of ranges we have introduced to our collections through 2020. The ongoing challenge for the business is to ensure we retain customer loyalty moving forward and continue to source new customers to our sales channels, to ensure that the sales increases seen in the current financial year are sustained into the foreseeable future.

The Directors priority is to keep operations as safe as possible for all customers and staff and the business has importantly been able to retain and support its employees during this challenging period. Planning focus has been centred around liquidity and working capital management and forecasting scenarios sensitised for varying levels of online sales.

The business has adapted to a rapidly changing world whilst continuing to provide exceptional service and a wide range of quality products to satisfy customer demands. ITSFL monitors competitor activity constantly and reacts where necessary to maintain market share and profitability.

Brexit

The directors have carefully considered the risks around Brexit and all preparations necessary to mitigate these risks have been undertaken. Due to the geographical nature of ITSFL's sales and also its key supply chains the directors do not consider Brexit to be a significant risk to the business.

30. Reconciliation from UK GAAP to IFRS

From 1 April 2017 ITSFL has adopted International Financial Reporting Standards (IFRS) in the preparation of this Historical Financial Information. The only items contributing to the change in financial information compared with that reported under UK GAAP as at the transition date are shown below. There were no other accounting policy changes other than the impact of the below items.

IFRS 16 – Leases

As explained in accounting policy 2.13 ITSFL has adopted IFRS 16. This has resulted in the recognition of a right of use asset and liability on the statement of financial position. The statement of comprehensive income has been adjusted to remove the rent expense and replace it with depreciation charged on the right of use asset and interest accrued on the lease liability.

IFRS 3 – Business Combinations

In accordance with IFRS 1, ITSFL has taken advantage of the exemption not to restate business combinations before the date of transition (1 April 2017) and that the carrying value at 1 April 2017 represents the cost of goodwill recognised on transition to IFRS. Subsequently, under IFRS 3, goodwill is not amortised therefore amortisation previously recognised under UK GAAP has been reversed.

IFRS 15 – Revenue from Contracts with Customers

As a result of adopting IFRS 15, Revenue from Contracts with Customers, ITSFL has changed the way it recognises expected stock returns. This has previously been recognised as a reduction to the accrual for returns and is now presented as part of the inventory balance.

The figures included as previously reported have been re-presented to better reflect the nature of certain items within the financial statements as follows:

IAS 12 – Income taxes

In accordance with IAS 12 deferred tax assets are disclosed as non-current.

STATEMENT OF CASH FLOWS

As a result of IFRS 16 lease payments, which were previously recorded in the statement of comprehensive income as a rent expense, are now shown on the statement of cash flows as depreciation and finance costs within net cash from operations, and lease liability repayments within net cash used in financing activities.

There are no other material differences between the cashflow statement presented under IFRS and that presented under UK GAAP.

STATEMENT OF COMPREHENSIVE INCOME RECONCILIATIONS

	As previously reported Year Ended 31 March 2018 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*Under IFRS Year Ended 31 March 2018 £'000*
Revenue	14,727	–	–	14,727
Cost of sales	(7,457)	–	–	(7,457)
Gross profit	7,270	–	–	7,270
Distribution costs	(3,880)	–	–	(3,880)
Administration expenses	(6,691)	(4)	83	(6,612)
Other operating income	–	–	–	–
Operating loss	(3,301)	(4)	83	(3,222)
Adjusted EBITDA[1]	(2,674)	129	–	(2,545)
Depreciation	(102)	(133)	–	(235)
Amortisation	(177)	–	83	(94)
Adjusting items	(348)	–	–	(348)
Operating loss	(3,301)	(4)	83	(3,222)
Finance income	–	–	–	–
Finance costs	(90)	(23)	–	(113)
Loss before taxation	(3,391)	(27)	83	(3,335)
Income tax	(12)	–	–	(12)
Loss and total comprehensive loss for the year	(3,403)	(27)	83	(3,347)

STATEMENT OF COMPREHENSIVE INCOME RECONCILIATIONS

	As previously reported Year Ended 31 March 2019 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*Under IFRS Year Ended 31 March 2019 £'000*
Revenue	17,157	–	–	17,157
Cost of sales	(7,882)	–	–	(7,882)
Gross profit	9,275	–	–	9,275
Distribution costs	(3,672)	–	–	(3,672)
Administration expenses	(7,439)	4	80	(7,355)
Other operating income	205	–	–	205
Operating loss	(1,631)	4	80	(1,547)
Adjusted EBITDA[1]	(866)	149	–	(717)
Depreciation	(116)	(145)	–	(261)
Amortisation	(314)	–	80	(234)
Adjusting items	(335)	–	–	(335)
Operating loss	(1,631)	4	80	(1,547)
Finance income	2	–	–	2
Finance costs	(266)	(21)	–	(287)
Loss before taxation	(1,895)	(17)	80	(1,832)
Income tax	–	–	–	–
Loss and total comprehensive loss for the year	(1,895)	(17)	80	(1,832)

STATEMENT OF COMPREHENSIVE INCOME RECONCILIATIONS

	As previously reported Year Ended 31 March 2020 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*Under IFRS Year Ended 31 March 2020 £'000*
Revenue	19,303	–	–	19,303
Cost of sales	(9,069)	–	–	(9,069)
Gross profit	10,234	–	–	10,234
Distribution costs	(4,189)	–	–	(4,189)
Administration expenses	(8,165)	4	80	(8,081)
Other operating income	224	–	–	224
Operating loss	(1,896)	4	80	(1,812)
Adjusted EBITDA[1]	(1,285)	149	–	(1,136)
Depreciation	(127)	(145)	–	(272)
Amortisation	(484)	–	80	(404)
Adjusting items	–	–	–	–
Operating loss	(1,896)	4	80	(1,812)
Finance income	3	–	–	3
Finance costs	(332)	(16)	–	(348)
Loss before taxation	(2,225)	(12)	80	(2,157)
Income tax	–	–	–	–
Loss and total comprehensive loss for the year	(2,225)	(12)	80	(2,157)

STATEMENT OF FINANCIAL POSITION RECONCILIATIONS

	As previously reported at 1 April 2017 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*IFRS 15 £'000*	*Reclasses £'000*	*Under IFRS as at 1 April 2017 £'000*
Non-current assets						
Intangible assets	528	–	–	–	–	528
Property, plant and equipment	90	–	–	–	–	90
Right of use assets	–	–	–	–	–	–
Deferred tax	–	–	–	–	12	12
Total non-current assets	618	–	–	–	12	630
Current assets						
Inventories	463	–	–	–	–	463
Trade and other receivables	223	–	–	–	(12)	211
Cash and cash equivalents	565	–	–	–	–	565
Total current assets	1,251	–	–	–	(12)	1,239
Total assets	1,869	–	–	–	–	1,869
Liabilities						
Current liabilities						
Borrowings	–	–	–	–	–	–
Trade and other payables	2,105	–	–	–	–	2,105
Total current liabilities	2,105	–	–	–	–	2,105
Net current (liabilities)/assets	(854)	–	–	–	(12)	(866)
Non-current liabilities						
Borrowings	–	–	–	–	–	–
Total non-current liabilities	–	–	–	–	–	–
Total liabilities	2,105	–	–	–	–	2,105
Net (liabilities)/assets	(236)	–	–	–	–	(236)
Equity						
Share capital	10	–	–	–	–	10
Share premium	24	–	–	–	–	24
Accumulated losses	(270)	–	–	–	–	(270)
Total (deficit)/equity	(236)	–	–	–	–	(236)

STATEMENT OF FINANCIAL POSITION RECONCILIATIONS

	As previously reported at 31 March 2018 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*IFRS 15 £'000*	*Reclasses £'000*	*Under IFRS as at 31 March 2018 £'000*
Non-current assets						
Intangible assets	868	–	83	–	–	951
Property, plant and equipment	449	–	–	–	–	449
Right of use assets	–	593	–	–	–	593
Deferred tax	–	–	–	–	–	–
Total non-current assets	1,317	593	83	–	–	1,993
Current assets						
Inventories	1,068	–	–	142	–	1,210
Trade and other receivables	276	–	–	–	–	276
Cash and cash equivalents	916	–	–	–	–	916
Total current assets	2,260	–	–	142	–	2,402
Total assets	3,577	593	83	142	–	4,395
Liabilities						
Current liabilities						
Borrowings	–	127	–	–	–	127
Trade and other payables	2,721	–	–	142	–	2,863
Total current liabilities	2,721	127	–	142	–	2,990
Net current (liabilities)/assets	(461)	(127)	–	–	–	(588)
Non-current liabilities						
Borrowings	–	493	–	–	–	493
Total non-current liabilities	–	493	–	–	–	493
Total liabilities	2,721	620	–	142	–	3,483
Net (liabilities)/assets	856	(27)	83	–	–	912
Equity						
Share capital	17	–	–	–	–	17
Share premium	4,512	–	–	–	–	4,512
Accumulated losses	(3,673)	(27)	83	–	–	(3,617)
Total (deficit)/equity	856	(27)	83	–	–	912

STATEMENT OF FINANCIAL POSITION RECONCILIATIONS

	As previously reported at 31 March 2019 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*IFRS 15 £'000*	*Reclasses £'000*	*Under IFRS as at 31 March 2019 £'000*
Non-current assets						
Intangible assets	999	–	163	–	–	1,162
Property, plant and equipment	366	–	–	–	–	366
Right of use assets	–	448	–	–	–	448
Deferred tax	–	–	–	–	–	–
Total non-current assets	1,365	448	163	–	–	1,976
Current assets						
Inventories	848	–	–	115	–	963
Trade and other receivables	310	–	–	–	–	310
Cash and cash equivalents	3,249	–	–	–	–	3,249
Total current assets	4,407	–	–	115	–	4,522
Total assets	5,772	448	163	115	–	6,498
Liabilities						
Current liabilities						
Borrowings	–	132	–	–	–	132
Trade and other payables	3,645	–	–	115	–	3,760
Total current liabilities	3,645	132	–	115	–	3,892
Net current (liabilities)/assets	762	(132)	–	–	–	630
Non-current liabilities						
Borrowings	2,766	360	–	–		3,126
Total non-current liabilities	2,766	360	–	–	–	3,126
Total liabilities	6,411	492	–	115	–	7,018
Net (liabilities)/assets	(639)	(44)	163	–	–	(520)
Equity						
Share capital	15	–	–	–	–	15
Share premium	4,914	–	–	–	–	4,914
Accumulated losses	(5,568)	(44)	163	–	–	(5,449)
Total (deficit)/equity	(639)	(44)	163	–	–	(520)

STATEMENT OF FINANCIAL POSITION RECONCILIATIONS

	As previously reported at 31 March 2020 £'000	*IFRS 16 £'000*	*IFRS 3 £'000*	*IFRS 15 £'000*	*Reclasses £'000*	*Under IFRS as at 31 March 2020 £'000*
Non-current assets						
Intangible assets	1,131	–	243	–	–	1,374
Property, plant and equipment	303	–	–	–	–	303
Right of use assets	–	303	–	–	–	303
Deferred tax	–	–	–	–	–	–
Total non-current assets	1,434	303	243	–	–	1,980
Current assets						
Inventories	643	–	–	209	–	852
Trade and other receivables	920	–	–	–	–	920
Cash and cash equivalents	2,047	–	–	–	–	2,047
Total current assets	3,610	–	–	209	–	3,819
Total assets	5,044	303	243	209	–	5,799
Liabilities						
Current liabilities						
Borrowings	–	137	–	–	–	137
Trade and other payables	4,809	–	–	209	–	5,018
Total current liabilities	4,809	137	–	209	–	5,155
Net current (liabilities)/assets	(1,199)	(137)	–	–	–	(1,336)
Non-current liabilities						
Borrowings	3,098	223	–	–		3,321
Total non-current liabilities	3,098	223	–	–	–	3,321
Total liabilities	7,907	360	–	209	–	8,476
Net (liabilities)/assets	(2,863)	(57)	243	–	–	(2,677)
Equity						
Share capital	15	–	–	–	–	15
Share premium	4,914	–	–	–	–	4,914
Accumulated losses	(7,792)	(57)	243	–	–	(7,606)
Total (deficit)/equity	(2,863)	(57)	243	–	–	(2,677)

PART V

UNAUDITED INTERIM FINANCIAL INFORMATION OF ITSFL

SECTION A: ACCOUNTANT'S REPORT ON THE UNAUDITED FINANCIAL INFORMATION OF ITSFL

BDO LLP
3 Hardman Street
Manchester
M3 3AT

The Directors
In The Style Group plc
Unit 5, Olympic Court
Salford
M50 2QP

10 March 2021

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London
EC2Y 9LY

Dear Sir or Madam

In The Style Fashion Limited ("ITSFL")

Introduction

We report on the interim financial information of ITSFL set out in Section B of Part V. This financial information has been prepared for inclusion in the admission document dated 10 March 2021 (the "**Admission Document**") of In The Style Group plc (the "**Company**"), on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed the financial information for the nine months ended 31 December 2019 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Company are responsible for preparing the interim financial information in accordance with the AIM Rules for Companies.

It is our responsibility to express a conclusion based on our review of the interim financial information.

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410) issued by the Financial Reporting Council for use in the United Kingdom.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of ITSFL for the nine months ended 31 December 2020 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

Declaration

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

Yours faithfully

BDO LLP

Chartered Accountants

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

SECTION B: UNAUDITED INTERIM FINANCIAL INFORMATION OF ITSFL

UNAUDITED INTERIM FINANCIAL INFORMATION ON IN THE STYLE FASHION LIMITED

Unaudited Statement of Comprehensive Income

	Nine months ended 31 December 2020 £'000	*Nine months ended 31 December 2019 £'000*	*Year Ended 31 March 2020 £'000*
Revenue	35,386	13,672	19,303
Cost of sales	(18,887)	(6,481)	(9,069)
Gross profit	16,499	7,191	10,234
Distribution costs	(5,728)	(2,980)	(4,189)
Administration expenses	(8,450)	(5,580)	(8,081)
Other operating income	–	–	224
Operating profit/(loss)	2,321	(1,369)	(1,812)
Adjusted EBITDA[1]	3,550	(955)	(1,136)
Depreciation	(210)	(203)	(272)
Amortisation	(414)	(211)	(404)
Adjusting items (note 5)	(605)	–	–
Operating profit/(loss)	2,321	(1,369)	(1,812)
Finance income	1	2	3
Finance costs	(294)	(262)	(348)
Profit/(loss) before taxation	2,028	(1,629)	(2,157)
Income tax	–	–	–
Profit/(loss) and total comprehensive income/(loss) for the year	2,028	(1,629)	(2,157)

Note 1: Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation and adjusting items, is a non-GAAP metric used by management and is not an IFRS disclosure. Adjusting items are items which are material and non-recurring in nature. Adjusted EBITDA is consistent with the way financial performance is measured by management and reported to the Board and assists in providing a meaningful analysis of trading results.

All results derive from continuing operations.

Loss and total comprehensive loss is attributable to equity holders of the company.

Unaudited Statement of Financial Position

	As at 31 December 2020 £'000	*As at 31 December 2019 £'000*	*As at 31 March 2020 £'000*
Non-current assets			
Intangible assets	1,155	1,405	1,374
Property, plant and equipment	278	324	303
Right of use assets	247	339	303
Deferred tax	–	–	–
Total non-current assets	1,680	2,068	1,980
Current assets			
Inventories	1,723	1,019	852
Trade and other receivables	2,776	958	920
Cash and cash equivalents	3,972	970	2,047
Total current assets	8,471	2,947	3,819
Total assets	10,151	5,015	5,799
Liabilities			
Current liabilities			
Lease liability	162	136	137
Trade and other payables	8,360	3,754	5,018
Total current liabilities	8,522	3,890	5,155
Non-current liabilities			
Borrowings	3,378	3,016	3,098
Lease liability	150	258	223
Total non-current liabilities	3,528	3,274	3,321
Total liabilities	12,050	7,164	8,476
Net liabilities	(1,899)	(2,149)	(2,677)
Equity			
Share capital	15	15	15
Share premium	–	4,914	4,914
Accumulated losses	(1,914)	(7,078)	(7,606)
Total deficit	(1,899)	(2,149)	(2,677)

Unaudited Statement of Changes in Equity

	Share Capital £'000	*Share Premium £'000*	*Accumulated losses £'000*	*Total deficit £'000*
As at 1 April 2019	15	4,914	(5,449)	(520)
Loss for the year	–	–	(2,157)	(2,157)
Total comprehensive loss for the year	–	–	(2,157)	(2,157)
As at 31 March 2020	15	4,914	(7,606)	(2,677)
As at 1 April 2019	15	4,914	(5,449)	(520)
Loss for the period	–	–	(1,629)	(1,629)
Total comprehensive loss for the period	–	–	(1,629)	(1,629)
As at 31 December 2019	15	4,914	(7,078)	(2,149)
As at 1 April 2020	15	4,914	(7,606)	(2,677)
Profit for the period	–	–	2,028	2,028
Total comprehensive income for the period	–	–	2,028	2,028
Transactions with owners:				
Dividend	–	–	(1,250)	(1,250)
Share capital reduction (note 4)	–	(4,914)	4,914	–
Total transactions with owners, recognised directly in equity	–	(4,914)	3,664	(1,250)
As at 31 December 2020	15	–	(1,914)	(1,899)

Unaudited Statement of Cash Flows

	Nine months ended 31 December 2020 £'000	*Nine months ended 31 December 2019 £'000*	*Year Ended 31 March 2020 £'000*
Net cash flow from operating activities			
Profit/(loss) for the period/year	2,028	(1,629)	(2,157)
Adjustments for:			
Amortisation of intangible assets	414	211	404
Depreciation of property, plant and equipment	210	203	272
Profit on disposal of property, plant and equipment	–	–	(1)
Finance income	(1)	(2)	(3)
Finance costs	294	262	348
Income tax expense	–	–	–
Working capital adjustments			
(Increase)/decrease in inventories	(871)	(56)	111
Increase in trade and other receivables	(1,856)	(648)	(611)
Increase in trade and other payables	2,786	(399)	948
Taxation paid	–	–	–
Net cash from/(used in) operations	3,004	(2,058)	(689)
Cash flows used in investing activities			
Purchase of intangible assets	–	–	(616)
Purchase of property, plant and equipment	(259)	(507)	(65)
Proceeds from sale of property, plant and equipment	–	–	1
Interest received	–	–	3
Net cash used in investing activities	(259)	(507)	(677)
Cash flows from/(used in) financing activities			
Dividends	(1,250)	–	–
Receipt from invoice discounting facility	552	397	312
Interest paid on lease liabilities	(10)	(12)	(16)
Repayment of lease liabilities	(112)	(99)	(132)
Net cash from financing activities	(820)	286	164
Net increase/(decrease) in cash and cash equivalents	1,925	(2,279)	(1,202)
Cash and cash equivalents brought forward	2,047	3,249	3,249
Cash and cash equivalents carried forward	3,972	970	2,047

Notes to the Unaudited interim financial information

1. Basis of preparation

The interim financial information of In The Style Fashion Limited for the nine months ended 31 December 2020, which is unaudited, has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ('IFRS') and the accounting policies adopted by In The Style Fashion Limited and set out in Section B of Part IV to this Admission Document. In The Style Fashion Limited does not anticipate any change in these accounting policies for the year ending 31 March 2021.

The unaudited interim financial information has been prepared on a going concern basis under the historical cost convention. The unaudited interim financial information is presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise indicated. The financial information, including for the year ended 31 March 2020, does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The statutory accounts for 31 March 2020 have been delivered to the Registrar of Companies and the auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

This unaudited interim financial information presents the financial track record of In The Style Fashion Limited for the interim periods ended 31 December 2019 and 2020 and is prepared for the purposes of admission to AIM, a market operated by the London Stock Exchange. This unaudited interim financial information has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation.

2. Summary of significant accounting policies

The principal accounting policies adopted are set out in this Section B of Part IV to this Admission Document except as follows:

2.1 ***Taxation***

Taxes on income in the interim periods are accrued using management's best estimate of the weighted average annual tax rate that would be applicable to expected total annual earnings.

2.2 ***Furlough claims***

It is the intention of the Directors to repay all monies claimed in relation to the Coronavirus Job Retention Scheme in the nine months ended 31 December 2020. All monies received have been recognised within trade and other payables at 31 December 2020.

3. Taxation

The income tax expense for the nine months ended 31 December 2020 is based upon management's best estimate of the weighted average annual tax rate expected for the full year ending 31 March 2021. In view of the availability of brought forward tax losses, no tax charge has been recorded in the periods ended 31 December 2019 or 2020 or the year ended 31 March 2020.

4. Share capital reduction

In the period to December 2020, the company undertook a reduction of capital by way of a solvency statement under section 643 of the Companies Act 2006 for the purposes of section 642 of the Companies Act 2006. This included the cancellation of £4,914,000 from the share premium which resulted in an increase in retained earnings of £4,914,000.

- A dividend of £1,250,000 was subsequently declared and paid.

5. Adjusting items

	Nine months ended 31 December 2020 £'000	*Nine months ended 31 December 2019 £'000*	*Year Ended 31 March 2020 £'000*
One-off bonuses	519	–	–
Professional fees	86	–	–
	605	–	–

In the period ended 31 December 2020 these items include one-off bonuses and other employee benefits and professional fees in respect of the share capital reduction shown in the Unaudited Statement of Changes in Equity.

6. Post balance sheet events

On 5 March ITSFL undertook a further reduction of capital by way of a solvency statement under section 643 of the Companies Act 2006 for the purposes of section 642 of the Companies Act 2006. This included the cancellation of all amounts standing to the credit of the share premium account (being an amount equal to the share premium created on the issue the C preference shares) and the crediting of the resulting amount to the distributable reserves of the company. Following this, ITSFL released its shareholders from any liability they may have to repay any amount of the dividend received by them from the company in December 2020.

In connection with Admission and the Placing, the Group has undertaken a reorganisation, the material steps of which are summarised in paragraph 2 of Part VI of the Admission Document.

PART VI

ADDITIONAL INFORMATION

1. The Company

1.1 The Company was incorporated and registered as a public limited company in England and Wales under the Act on 4 March 2021 with the name In The Style Group plc and with registered number 13245400.

1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.

1.3 The head and registered office of the Company is at Unit 5 Olympic Court, Salford M50 2QP. The Company's website is www.inthestyle.com and it does not have an external telephone number.

2. Group Reorganisation

2.1 In connection with Admission, the Group undertook the Group Reorganisation that resulted in the Company becoming the ultimate holding company of the Group. The Group Reorganisation steps comprised:

(a) the incorporation of the Company with the name In The Style Group plc and issued share capital of 23,499,999 Ordinary Shares (**"Step 1"**); and

(b) the sale by the shareholders of ITSFL of their shares in ITSFL to the Company in consideration for the issue of 23,499,999 new Ordinary Shares in the Company on the basis of one Ordinary Share for each ITS Ordinary Share held (**"Step 2"**).

2.2 The Group Reorganisation did not affect the Group's operations, which continue, post Admission, to be carried out through the Company's operating subsidiary (ITSFL).

3. Share capital and loan capital

3.1 As at 4 March 2021, being the date of incorporation of the Company, the issued share capital of the Company, all of which was fully paid up, was as follows:

	Issued	
	Number	*Amount*
Ordinary Shares	23,499,999	£58,750

3.2 As at 8 March 2021, being the date on which Step 2 was completed, the issued share capital of the Company, all of which was fully paid up, was as follows:

	Issued	
	Number	*Amount*
Ordinary Shares	46,999,998	£117,500

3.3 The issued share capital of the Company, all of which is fully paid up, as at the date of publication of this document is as follows:

	Issued	
	Number	*Amount*
Ordinary Shares	46,999,998	£117,500

3.4 The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

	Issued	
	Number	*Amount*
Ordinary Shares	52,499,998	£131,250

3.5 Details of the total number of options (all granted for nil consideration) under the EMI Scheme outstanding as at 9 March 2021 (being the latest practicable date prior to the publication of this document) are as follows:

EMI Scheme:

Date of grant	*Number of Ordinary Shares under option*	*Exercise price (p)*	*Exercise period*
9 March 2021	1,262,500	200	15.03.24 – 15.03.34

3.6 The Company intends to grant unapproved options to subscribe for up to 600,000 Ordinary Shares at an exercise price of 200 pence per share prior to Admission.

3.7 Pursuant to the Act, there is no limit on the maximum amount of shares that may be allotted by the Company.

3.8 Pursuant to an ordinary resolution of the Company dated 8 March 2021, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being **"relevant securities"**) up to an aggregate nominal amount of £59,000, such authority to be limited to the allotment of:

(a) 5,500,000 Ordinary Shares pursuant to the Placing;

(b) 600,000 Ordinary Shares in respect of unapproved options;

(b) relevant securities other than pursuant to sub-paragraphs (a) and (b) above, having an aggregate nominal value equal to £43,750,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 15 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.

3.9 Pursuant to a special resolution of the Company dated 8 March 2021, the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 3.8 above, and/or by way of a sale of treasury shares by virtue of section 573 of the Act, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to:

(a) the allotment of equity securities which fall within sub-paragraphs (a) and (b) of paragraph 3.8 above; and

(b) the allotment of equity securities in connection with an invitation or offer of equity securities to the Shareholders (excluding any shares held by the Company as treasury shares (as defined in section 724(5) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal, regulatory or practical problems arising under the laws of or the requirements of any overseas territory or by virtue of shares being

represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever); and

(c) the allotment (other than pursuant to the power referred to in sub-paragraphs (a) and (b) (inclusive) above) of equity securities up to an aggregate nominal value equal to £13,125,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 15 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

3.10 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 3.9 above.

3.11 Save as set out in this paragraph 3:

(a) no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

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

(c) there are no outstanding convertible securities issued by the Company; and

(d) no share capital or loan capital of the Company or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.

3.12 None of the Ordinary Shares has been sold or made available to the public in conjunction with the application for Admission.

3.13 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

3.14 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BMXMR838.

3.15 The Placing Price of 200 pence per Ordinary Share represents a premium of 199.75 pence over the nominal value of 0.25 pence per Ordinary Share and is payable in full on Admission under the terms of the Placing.

3.16 The net asset value of an existing Ordinary Share prior to the issue of the New Ordinary Shares, based on the net assets of the Company as at the date of this document, is 3 pence (the **"Net Asset Value Per Share"**).

3.17 The Placing Price of 200 pence per Ordinary Share represents a premium of 197 pence over the Net Asset Value Per Share.

4. Subsidiary undertakings

The Company is the holding company of the Group.

The Company currently has the following significant subsidiaries:

Name	*Registration number*	*Status*	*Place of incorporation*	*Percentage of voting share capital held*
In The Style Fashion Limited	08792519	Active	England and Wales	100
ITS123 Limited	11866046	Dormant	England and Wales	100
In The Style US LLC	0450401926	Dormant	New Jersey, United States	100

5. Summary of the Articles of Association of the Company

The Articles, which were adopted on incorporation of the Company on 4 March 2021, contain, *inter alia*, provisions to the following effect:

(a) ***Objects***

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

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

(b) ***Rights attaching to Ordinary Shares***

(i) *Voting rights*

Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

(ii) *Dividends*

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

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

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

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

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

Any dividend unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iii) *Return of capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) ***Transfer of shares***

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

(i) in respect of a share which is fully paid up;

(ii) in respect of a share on which the Company has no lien;

(iii) in respect of only one class of shares;

(iv) in favour of a single transferee or not more than four joint transferees;

(v) duly stamped (if so required); and

(vi) delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The Board shall register a transfer of title to any uncertificated share, except the Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

If the Board refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(d) ***Disclosure of interests in shares***

The provisions of rule 5 of the DTRs govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia,* this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("**disenfranchisement notice**") pursuant to which the following sanctions shall apply:

(i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(ii) where the default shares represent at least 0.25 per cent. in nominal value of their class:

(A) any dividend or other money payable in respect of the default shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and

(B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:

- the member is not himself in default as regards supplying the information required; and
- the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(e) ***Purchase of own shares***

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

(f) ***Variation of rights***

Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(g) ***General meetings***

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine, including by means of electronic facility or facilities determined by it. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

No business shall be transacted at any general meeting unless the requisite quorum is present but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(h) ***Board authorisation of conflicts***

Subject to and in accordance with the Act and the provisions of the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

(i) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;

(ii) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and

(iii) the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(i) ***Directors' interests***

Provided permitted by any relevant legislation and provided that he has disclosed to the Board the nature and extent of his interest in accordance with the Articles, a Director, notwithstanding his office:

(i) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;

(ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;

(iii) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

(iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

(j) ***Directors' ability to vote and count for quorum***

A Director shall not vote on or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

(i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

(iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;

(v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;

(vii) the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the Articles and is permitted pursuant to the provisions of the relevant legislation; or

(viii) the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

A Director may not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(k) ***Directors***

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £500,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time

determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director. If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(l) ***Pensions and benefits***

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Board may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(m) ***Indemnification of Directors***

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) may (at the discretion of the Board) be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(n) ***Borrowing powers***

Subject to the provisions of the Act and to the provisions set out in the Articles, the Board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed the greater of £20 million and an amount equal to three times the aggregate of:

(i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and

(ii) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the Company and its subsidiaries,

all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the Articles.

6. Directors and employees

6.1 The Directors and each of their respective functions are set out in Part I of this document.

6.2 The business address of the Directors is Unit 5 Olympic Court, Salford M50 2QP.

6.3 Details of the length of service of each of the Directors to date in their current office are set out below:

Name	*Date of birth*	*Commencement date in office*
Adam Bellamy	30 May 1969	With effect from Admission
Adam Frisby	20 April 1987	27 November 2013
James Sharp	9 June 1967	25 April 2017
Matthew Scaife	25 December 1982	11 May 2018
Nancy Cruickshank	24 December 1970	With effect from Admission
Paul Masters	4 May 1968	13 September 2018

6.4 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings are set out below:

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
Adam Bellamy	Gymfinity Kids Limited Loungers plc Ten Entertainment Group plc	Axis (Maidstone) Limited Axis (Rugby) Limited Axis Health and Fitness Limited Boomsign Limited Crown Sports Limited CS Leisure Limited Dragons (Gatwick) Limited Dragons Health Clubs Limited Greystone Leisure Limited Gym Bidco Limited Gym Midco 2 Limited Gym Midco Limited Gym Topco Limited LA Fitness (1998) Limited LA Fitness (Luton) Limited LA Fitness Employee Benefit Trust Limited LA Fitness Limited LA Hair and Beauty Limited LA Leisure Limited LA Westminster Limited Lambourne Golf Club Limited MOP Acquisitions (CS) Limited Ovalhouse Limited Pinnacle Bidco plc Pinnacle Midco 1 Limited Pinnacle Midco 2 Limited Pinnacle Topco Limited Pure Gym (Dudley) Limited Pure Gym Group plc Pure Gym Limited The 3D Entertainment Group (CRC) Limited The 3D Entertainment Group Limited The Rugby Club of St James Limited Tolmers Newco 1 Limited Tolmers Newco 2 Limited Trainstation Limited
Adam Frisby	In The Style US LLC ITS123 Limited	

Name	*Current directorships and partnerships*	*Previous directorships and partnerships*
James Sharp	Brunner Investment Trust plc Cortland Topco Limited Cropper Paper Foundation Feelunique International Limited James Cropper plc James Cropper EBT Limited Lloyd Square Consultancy Limited You Garden Limited	Seraphine Limited Sirius Equity LLP Stork Topco Limited St Paul's Steiner School St Paul's Steiner School Building
Matthew Scaife	Bakers + Baristas Limited Bakers + Baristas Holdings Limited Bakers + Baristas Ireland Limited Bakers + Baristas Marketing Limited Bakers + Baristas UK Limited BB's Coffee and Muffins Bizimply Holdings Limited Causeway Capital Advisers LLP Causeway CGP Limited Celtic Linen Limited Flour Power Group Limited Flour Power Holdco Limited Flour Power Holdco 2 Limited Flour Power Marketing Limited Group GTI Limited Harkglade Limited Hazelwood Demesne Limited Old Tom Properties Limited Patisserie Valerie Production Limited Patisserie Valerie Retail Limited Patisserie Valerie Stores Limited Pleasantdale Limited Spaceglen Limited	Aston Webb House Freehold Limited Causeway CFGP Limited Reachdale Limited
Nancy Cruickshank	Allegro plc Bango plc Flutter Entertainment plc	Carlsberg Group A/S Connock (London) Limited Miroma Design Studio Limited (formerly My Showcase Limited) Nancy Cruickshank Limited Onmobile Global Limited Sharing Economy UK Limited
Paul Masters	In The Style US LLC ITS123 Limited	Americana International Holdings Limited Lancashire and Cheshire Car Club Limited Mennace Limited Mischv Limited Missguided Limited Missguided Retail Limited Yankee Holdco Limited

6.5 Save as disclosed in paragraph 6.6 below, at the date of this document none of the Directors named in this document:

(a) has any unspent convictions in relation to indictable offences;

(b) has been declared bankrupt or has entered into an individual voluntary arrangement;

(c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

(d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

(e) has had their assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or

(f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.6 ***Directors' confirmations***

The Directors have held the following directorships in companies that have been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he or she was a director of that company or within the 12 months after he or she ceased to be a director of that company:

Director	*Company*[1]	*Date*
Adam Bellamy	ABCK (Realisations 2013) Limited	14 May 2013 (administration)
	ABCL (Realisations 2013) Limited	14 May 2013 (administration)
	Atmosphere Bars and Clubs Limited	14 May 2013 (administration)
	The 3D Entertainment Group Limited	26 February 2010 (administration)
	The 3D Entertainment Group (CRC) Limited	26 February 2010 (administration)
	Pure Gym Group Plc[2]	18 April 2019 (dissolved)
	L A Fitness Employee Benefit Trust Limited[2]	18 April 2019 (dissolved)
	Greystone Leisure Limited[2]	18 April 2019 (dissolved)
	L A Hair & Beauty Limited[2]	18 April 2019 (dissolved)
	L.A. Fitness (Luton) Limited[2]	18 April 2019 (dissolved)
	Dragons (Gatwick) Limited[2]	18 April 2019 (dissolved)
	Dragons Health Clubs Limited[2]	18 April 2019 (dissolved)
	L A Fitness (1998) Limited[2]	18 April 2019 (dissolved)
	Crown Sports Limited[2]	18 April 2019 (dissolved)
	Axis (Maidstone) Ltd[2]	18 April 2019 (dissolved)
	Boomsign Limited[2]	11 May 2019 (dissolved)
	Axis (Rugby) Ltd[2]	18 April 2019 (dissolved)
	Lambourne Golf Club Limited[2]	18 April 2019 (dissolved)
	Axis Health & Fitness Limited[2]	18 April 2019 (dissolved)
	MOP Acquisitions (CS) Limited	24 April 2019 (dissolved)
Matthew Scaife	Baker + Baristas UK Limited	29 October 2020 (creditors' voluntary arrangement)
Paul Masters	Americana International Holdings Limited	5 June 2014 (commencement of winding up)
	Yankee Holdco Limited	5 June 2014 (commencement of winding up)

Notes:

1. All information provided in this table is based on publicly available information at Companies House and other publicly available sources.
2. Dissolved pursuant to a members' voluntary liquidation.

6.7 Details of the number of the Group's employees for each of the three financial years ended 31 March 2020 are as follows:

Financial year ended	*Number of employees*
31 March 2018	135
31 March 2019	116
31 March 2020	127

6.8 As at 28 February 2021, the employees of the Group were employed as follows:

	Number
Executive	3
Marketing	13
Buying and merchandising	23
Ecommerce & Digital	7
Customer Services	19
Design	10
Finance	7
Operations	2
IT	5
Warehouse	52
Total	141

7. Directors' and other interests

7.1 The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

	As at the date of this document		*Immediately following Admission*	
Director	*Number of Ordinary Shares*	*Percentage of issued Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of issued Ordinary Shares*
Adam Bellamy	Nil	Nil	25,000	0.05
Adam Frisby	18,155,168	38.6	12,103,446	23.1
James Sharp	997,088	2.1	99,709	0.2
Matthew Scaife	Nil	Nil	Nil	Nil
Nancy Cruickshank	Nil	Nil	50,000	0.10
Paul Masters	2,966,256	6.3	1,977,504	3.8

7.2 Details of the total number of options granted to the Directors under the EMI Scheme outstanding as at 9 March 2021 (being the latest practicable date prior to the publication of this document) are as follows:

EMI Scheme:

Name	*Date of grant*	*Exercise price per Ordinary Share (p)*	*Number of Ordinary Shares under Option*	*Exercise period*
Adam Frisby	09.03.21	200	250,000	15.03.24 – 15.03.34
Paul Masters	08.03.21	200	250,000	15.03.24 – 15.03.34

7.3 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.

7.4 In addition to the interests of the Directors set out in paragraphs 7.1 to 7.3 above, as at the date of this document, insofar as is known to the Company, the following persons are, or will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

	As at the date of this document		*Immediately following Admission*	
Name	*Number of Ordinary Shares*	*Percentage of issued Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of issued Ordinary Shares*
Causeway Capital Partners I LP	23,839,114	50.7	7,609,878	14.5
Lombard Odier Asset Management (Europe) Limited	Nil	Nil	6,737,500	12.8
Premier Fund Managers Limited	Nil	Nil	5,000,000	9.5
Chelverton Asset Management Limited	Nil	Nil	2,125,000	4.1
Octopus Investments Limited	Nil	Nil	2,033,333	3.9
BMO Asset Management Limited	Nil	Nil	1,661,400	3.2
Blackrock Investment Management	Nil	Nil	1,588,087	3.0

7.5 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

7.6 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

7.7 The Company's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). No major Shareholder of the Company has any different voting rights from the other Shareholders.

7.8 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Group during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.

7.9 There are no outstanding loans or guarantees provided by the Company or the Group or to or for the benefit of any of the Directors.

7.10 Save as disclosed in paragraph 26 of Section B of Part IV of this document, there have been no related party transactions of the kind set out in the Standards adopted according to the UK version of Regulation (EC) No 1606/2002 as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018, that the Company has entered into since 31 December 2020.

7.11 Save in relation to Matthew Scaife's role as a partner at Causeway Capital and the fact that he is Causeway Capital's appointee to the Board (such potential conflict of interest having previously been authorised by the Board), there are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties he or she may have.

7.12 No Director nor any member of their immediate family nor any person connected with them (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

8. Directors' remuneration and service agreements

8.1 Adam Frisby is employed as Chief Executive Officer pursuant to the terms of a service agreement with the Company dated 10 March 2021. The agreement is terminable by either party on not less than six months' written notice. Mr Frisby is paid a basic annual salary of £198,000 and is eligible for an uncapped bonus, at the absolute discretion of the Company. His basic salary is subject to annual review by the Remuneration Committee. In addition, he is entitled to membership of the Group health and death in service schemes and receives a contribution of three per cent. of his basic salary to a personal pension plan of his choice. Mr Frisby also receives an annual car allowance of £12,000. Mr Frisby is subject to certain non-competition for a period of six months and non-solicitation covenants for a period of 12 months following the termination of his employment. The agreement is governed by English law.

8.2 Paul Masters is employed as Chief Financial Officer and Chief Operating Officer pursuant to the terms of a service agreement with the Company dated 10 March 2021. The agreement is terminable by either party on not less than six months' written notice. Mr Masters is paid a basic annual salary of £198,000 and is eligible for a bonus of up to 10 per cent. of his annual salary, at the absolute discretion of the Company. His basic salary are subject to annual review by the Remuneration Committee. In addition, he is entitled to membership of the Group health and death in service schemes and receives a contribution of three per cent. of his basic salary to a personal pension plan of his choice. Mr Masters also receives an annual car allowance of £12,000. Mr Masters is subject to certain non-competition for a period of six months and non-solicitation covenants for a period of 12 months following the termination of his employment. The agreement is governed by English law.

8.3 Pursuant to the terms of a letter of engagement with the Company dated 10 March 2021, Matthew Scaife has agreed to serve as a Non-Executive Director for an annual fee of £25,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Mr Scaife is removed from office by a resolution of the Shareholders or is not re-elected to office.

8.4 Pursuant to the terms of a letter of engagement with the Company dated 10 March 2021, Nancy Cruickshank has agreed to serve as Senior Independent Non-Executive Director for an annual fee of £45,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Ms Cruickshank is removed from office by a resolution of the Shareholders or is not re-elected to office.

8.5 Pursuant to the terms of a letter of engagement with the Company dated 10 March 2021, James Sharp has agreed to serve as a Non-Executive Director for an annual fee of £70,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Mr Sharp is removed from office by a resolution of the Shareholders or is not re-elected to office.

8.6 Pursuant to the terms of a letter of engagement with the Company dated 10 March 2021, Adam Bellamy has agreed to serve as an Independent Non-Executive Director for an annual fee of £45,000. This appointment is terminable by either party on not less than three months' written notice but will

terminate automatically if Mr Bellamy is removed from office by a resolution of the Shareholders or is not re-elected to office.

8.7 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company or the Group.

8.8 In the financial year ended 31 March 2020 (being the last completed financial year of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors, was £434,757.

8.9 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable including pension contributions and benefits in kind granted to the Directors for the year ending 31 March 2021 (being the current financial year of the Company) will be £680,000.

9. The EMI Scheme

9.1 ***Introduction***

The Directors believe that employee share ownership will continue to form a vital part of the culture and incentives structure of the business. The Company adopted the EMI Scheme on 9 March 2021, which it intends to operate after Admission.

9.2 ***EMI Scheme***

The following is a summary of the rules of the EMI Scheme:

(a) *Eligibility*

All employees and executive Directors of the Group are eligible to participate at the discretion of the Remuneration Committee providing that they work for the Group for at least 25 hours a week, or, if less, 75 per cent. of their overall working time.

(b) *Grant of options*

Option may be granted by the Remuneration Committee that are intended to be EMI options or options that are not EMI options (whether to participants in the UK or overseas).

Options may be granted by the Remuneration Committee normally during a period of 42 days starting on the announcement to the London Stock Exchange of the Company's interim or final results. In circumstances deemed exceptional by the Remuneration Committee, options may be granted outside the normal period. Options may not be granted more than 10 years after the date of adoption of the EMI Scheme. £1.00 consideration is payable for the grant of an option, or options may be granted under deed for no consideration. Options granted under the EMI Scheme are personal to a participant and, except on death, may not be transferred, assigned or charged.

When granting options the Remuneration Committee may specify objective performance targets to be satisfied before those options can be exercised.

(c) *Exercise price*

The price at which participants in the EMI Scheme may acquire Ordinary Shares shall not be less than the nominal value of an Ordinary Share.

(d) *Individual limits*

No option may be granted to a participant which would result in the aggregate unrestricted market value of Ordinary Shares (as measured at the date of grant) comprised in options (which remain unexercised, and have not lapsed or been cancelled or surrendered) granted to them under the EMI Scheme and any other equivalent Schedule 4 company share option plan of the Company or any associated company exceeding £249,999. This provision only applies to EMI options.

(e) *Dilution limits*

The EMI Scheme is subject to the limit that the number of Ordinary Shares which may be issued or issuable pursuant to rights granted in any 10 year period under the EMI Scheme and under any other employees' share plan adopted by the Company may not exceed 12.5 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury shares will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

This limit may be varied by the Remuneration Committee to take into account any variation in the Company's share capital from time to time.

Ordinary Shares issued to satisfy options made before Admission will not count towards this limit.

(f) *Exercise, lapse and exchange of options*

Options may normally be exercised in whole or in part during such period as the Remuneration Committee may determine at the time of grant. Options may be satisfied by the issue of Ordinary Shares or the transfer of existing Ordinary Shares.

Options will normally lapse on cessation of employment or office unless the individual ceases to hold any office or employment by reason of (i) injury or disability; (b) redundancy; (c) the employing entity ceasing to be controlled by the Company; (d) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006; or (e) any other reason determined by the Remuneration Committee. However, the Remuneration Committee may exercise its discretion to allow such a leaver to exercise their Option, to such extent and at such time as the Remuneration Committee may determine.

In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. There are also provisions for the exchange of options in specified circumstances. Options immediately lapse in the event of the participant's bankruptcy.

(g) *Adjustments*

The number of shares comprised in an option and/or exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of the Company's share capital occurs, provided the legislative requirements are met.

(h) *Rights attaching to shares*

All Ordinary Shares allotted under the EMI Scheme will rank *pari passu* with all other Ordinary Shares for the time being in issue, save as regards any rights arising by reference to a record date prior to the date of allotment. Application will be made for permission for any such Ordinary Shares to be admitted to trading on AIM.

(i) *Amendments*

The Remuneration Committee may at any time amend the EMI Scheme.

(j) *Income tax and national insurance*

The participant indemnifies the Company for any income tax liability and primary class I (employee) national insurance liability (and any similar liabilities in other jurisdictions) which arises on the grant to them or exercise by them of an option. In addition, participants may also be required to cover any employers' national insurance contributions which will arise for the Company on gains made on the exercise of options unless the Remuneration Committee determines and notifies the participants otherwise.

(k) *Other provisions*

The EMI Scheme will terminate on the tenth anniversary of the date of adoption or earlier if determined by the Remuneration Committee. The termination of the EMI Scheme will not affect outstanding options granted under them.

Benefits provided under the EMI Scheme are not pensionable and may not be transferred (other than on death).

Participants will not have dividend or voting rights in respect of Ordinary Shares under options until such Ordinary Shares have been issued or transferred to them.

10. Taxation

The following information is based on UK tax law and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

10.1 *Tax treatment of UK investors*

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

(a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or

(b) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

(c) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

10.2 *Dividends*

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers , and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

10.3 *Disposals of Ordinary Shares*

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain. The rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent., and for upper rate and additional rate is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase

an allowable loss. Subject to certain exemptions, the corporation tax rate applicable to taxable profits is currently 19 per cent.

10.4 ***Further information for Shareholders subject to UK income tax and capital gains tax***

Transactions in securities

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

10.5 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares. Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(a) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(b) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances. Any transfer of Sale Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

11. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group (i) within the period of two years immediately preceding the date of this document and which are, or may be, material or (ii) which contain any provision under which any member of the Group has an obligation or entitlement to the Group as at the date of this document:

The Placing and Admission

(a) *Placing Agreement and Lock-In Arrangements*

A placing agreement dated 10 March 2021 and made between (1) the Company (2) the Directors (3) the Major Selling Shareholders, (4) the Company as agent on behalf of the Other Selling Shareholder and (5) Liberum pursuant to which Liberum has agreed, subject to certain conditions, to act as agent for

the Company and the Selling Shareholders and to use its reasonable endeavours to procure placees to subscribe for or purchase (as the case may be) the Placing Shares at the Placing Price.

Pursuant to the Placing Agreement:

(i) each of the Directors, James Sharp and Garreth Todd has undertaken to the Company and Liberum (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company or otherwise with the prior consent of Liberum), not to dispose of their Ordinary Shares following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission (the **"Lock-in Period"**).

Furthermore, each of the Directors, James Sharp and Garreth Todd has also undertaken to the Company and Liberum not to dispose of their Ordinary Shares for the period of 12 months following the expiry of the Lock-in Period otherwise than through Liberum; and

(ii) Causeway Capital has undertaken to the Company and Liberum (subject to certain limited exceptions including transfers to affiliates and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company or otherwise with the prior consent of Liberum), not to dispose of the Ordinary Shares held by it following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) for the period of six months following Admission (the **"Causeway Lock-in Period"**).

Furthermore, Causeway Capital has also undertaken to the Company and Liberum not to dispose of its Ordinary Shares for the period of 6 months following the expiry of the Causeway Lock-in Period otherwise than through Liberum,

(together, the **"Lock-In Arrangements"**).

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 15 March 2021 (or such later date as the Company and Liberum may agree, being not later than 8.00 a.m. on 31 March 2021). The Placing Agreement contains warranties from the Company and the Directors in favour of Liberum in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. It also contains warranties from the Selling Shareholders in favour of Liberum in relation to, amongst other things, title to the Sale Shares. In addition, the Company has agreed to indemnify Liberum in respect of certain liabilities it may incur in respect of the Placing or Admission. Liberum has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties or a force majeure event.

(b) *Nominated Adviser Agreement*

A nominated adviser and broker agreement (the **"Nominated Adviser Agreement"**) dated 23 November 2020 and made between (1) ITSFL (2) the directors of ITFSL and (3) Liberum (which on 9 March 2021 was novated such that the Company and the Directors became parties to the exclusion of ITSFL and the directors of ITSFL, respectively) pursuant to which the Company has appointed Liberum to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Nominated Adviser Agreement contains certain undertakings, warranties and indemnities given by the Company and the Directors to Liberum. The Nominated Adviser Agreement is terminable upon not less than three months' prior written notice by either the Company or Liberum.

(c) *AF Relationship Agreement*

A relationship agreement (the **"AF Relationship Agreement"**) dated 10 March 2021 and made between (1) the Company and (2) Adam Frisby to regulate the relationship between the Company and Mr Frisby after Admission. The AF Relationship Agreement, which provides for the autonomous operation of the Company by the Board independently of Mr Frisby, will take effect on Admission and will be binding on Mr Frisby until he ceases, directly or indirectly, to exercise control over at least 10 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the AF Relationship Agreement, Mr Frisby also undertakes, amongst other things, that he will (and, in relation to his associates, will procure that each of his associates will): (i) conduct all transactions,

agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) ensure that no contract of arrangement between him and any member of the Group is entered into or varied without the prior approval of a majority of independent Directors; and (iii) exercise his voting rights to procure in so far as he is able that the Company is able at all times to carry on its business independently of Mr Frisby.

(d) *Causeway Relationship Agreement*

A relationship agreement (the **"Causeway Relationship Agreement"**) dated 10 March 2021 and made between (1) the Company and (2) Causeway Capital to regulate the relationship between the Company and Causeway Capital after Admission. The Causeway Relationship Agreement, which provides for the autonomous operation of the Company by the Board independently of Causeway Capital, will take effect on Admission and will be binding on Causeway Capital until they cease, directly or indirectly, to exercise control over at least 10 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Causeway Relationship Agreement, Causeway Capital also undertakes, amongst other things, that it will (and, in relation to its associates, will procure that each of its associates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) ensure that no contract of arrangement between it and any member of the Group is entered into or varied without the prior approval of a majority of independent Directors; and (iii) exercise its voting rights to procure in so far as it is able that the Company is able at all times to carry on its business independently of Causeway Capital. The Causeway Relationship Agreement also provides that for so long as Causeway Capital individually or together with its associates is interested in more than 10 per cent. of the voting rights in respect of the entire issued share capital of the Company, it shall, be entitled to nominate a director for appointment to the Board.

General

(e) *CC Investment Agreement*

An investment agreement dated 11 May 2018 and made between (1) ITSFL (2) the Managers (as defined therein) (3) the Individual Investors (as defined therein) (3) Causeway Capital and (4) Causeway CGP Limited pursuant to which Causeway Capital subscribed for 12,400,000,000 B1 Ordinary Shares and 2,500,000 C Preference Shares in the capital of ITSFL (the **"CC Investment Agreement"**). The CC Investment Agreement was terminated pursuant to the terms of a deed of termination dated 8 March 2021 and made between the parties to the CC Investment Agreement.

(f) *Subscription Agreement and Debenture*

A subscription agreement (the "**Subscription Agreement**") dated 10 December 2019 and debenture (the "**Debenture**") dated 20 January 2020 and each made between (1) Causeway Capital and (2) ITSFL pursuant to which Causeway Capital made available to ITSFL £2,500,000 1.5 per cent. monthly fixed rate secured convertible loan notes. No monies were ever advanced under the Subscription Agreement and, on 8 March 2021, the parties to the Subscription Agreement and the Debenture entered into a deed of release which provided for the release of the security provided by ITSFL pursuant to the Debenture and the release of ITSFL from any obligations that it had to Causeway Capital under the Subscription Agreement (including in relation to the loan notes created thereunder).

(g) *Invoice Finance Agreement*

An invoice finance agreement dated 20 November 2020 and made between (1) Bibby Commercial Finance Limited and (2) ITSFL pursuant to which ITSFL assigns its book debts to Bibby Commercial Finance Limited in return for a prepayment on those debts equal to 90 per cent. of the value of such debt (the **"IFA"**). The IFA is subject to a £4,000,000 funding limit and ITSFL's obligations are secured by way of an all assets debenture granting fixed and floating charges over ITSFL's assets in favour of Bibby Financial Services Limited as security trustee.

(h) Share Exchange Agreement

A share exchange agreement dated 8 March 2021 pursuant to which the Company acquired the entire issued share capital of ITSFL in consideration for the allotment and issue of an aggregate of 23,500,000 new Ordinary Shares to the shareholders of ITSFL.

12. Working capital

In the opinion of the Directors having made due and careful enquiry, taking into account the bank and other facilities available to the Group and the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

13. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

14. Significant change

14.1 There has been no significant change in the financial position or financial performance of the Company since incorporation on 4 March 2021.

14.2 There has been no significant change in the financial position or financial performance of the ITSFL since 31 December 2020, being the date to which the Unaudited Interim Financial Information in Part V of this document has been prepared.

15. Consents

15.1 Liberum Capital Limited of Ropemaker Place Level 12, 25 Ropemaker Street, London EC2Y 9LY is authorised and regulated in the United Kingdom by the FCA. Liberum has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

15.2 Anthesis (UK) Limited of Unit J, Taper Studios, 175 Long Lane, London SE1 4GT, has given and has not withdrawn its written consent to the issue of this document with the inclusion of their name and its report in Part III of this document and the references to such report and their name, in the form and context in which they appear.

15.3 BDO LLP, Chartered Accountants and registered auditors, of 3 Hardman Street, Spinningfields, Manchester M3 3AT, has given and not withdrawn its consent to the inclusion of its reports in Section A of Part IV and Section A of Part V of this document in the form and context in which they appear.

16. General

16.1 The net proceeds of the Placing are expected to be approximately £9.1 million net of expenses of the Placing which are estimated at £1.9 million, excluding VAT, and are payable by the Company.

16.2 Save as disclosed at paragraph 16.3 below, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

(a) fees totalling £10,000 or more;

(b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or

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

16.3 The Company has engaged the following professional service providers and advisers in the 12 months prior to Admission to provide the services set out below:

Service provider/adviser	*Services provided*
Accordance Ltd	VAT advice
Deloitte LLP	Advisory services
TLT LLP	Company secretarial services

16.4 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16.5 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

16.6 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

16.7 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

16.8 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.

16.9 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

16.10 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Brief details of the Panel, the City Code and the protections they afford are described below. The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed public company resident in the United Kingdom. The Company is a public company resident in the United Kingdom and its shareholders are therefore entitled to the protections afforded by the City Code. Under Rule 9 of the City Code, when (i) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the City Code) which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the City Code must be in cash (or with a cash alternative) and at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the City Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent. For the purposes of the City Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or

informal), cooperate to obtain or consolidate control of a company. Paragraph (9) of the definition of 'acting in concert' also deems any shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the City Code applies to be acting in concert for the purposes of the City Code unless the contrary is established.

16.11 Under the Act, if a takeover offer (as defined in section 974 of the Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the takeover offer relates (the **"Takeover Offer Shares"**) and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent.. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

16.12 The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares (being voting shares that carry voting rights in the Company), any holder of Ordinary Shares to which the offer relates who has not accepted the offer is entitled by a written communication to the offeror to require it to acquire its Ordinary Shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, the giving notice. If a Shareholder exercises his other rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

16.13 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.

16.14 The current accounting reference period of the Company will end on 31 March 2021.

16.15 The financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Act. The independent auditors of ITSFL for each of the years ended 31 March 2019 and 31 March 2020 were BDO LLP, a member firm of the Institute of Chartered Accountants in England and Wales, of 3 Hardman Street, Spinningfields, Manchester M3 3AT. The independent auditors of ITSFL for the year ended 31 March 2018 was Grant Thornton UK LLP, a member firm of the Institute of Chartered Accountants in England and Wales of 4 Hardman Square, Spinningfields, Manchester M3 3EB. A copy of the audited statutory accounts of ITSFL for each of the years ended 31 March 2018, 31 March 2019 and 31 March 2020 has been delivered to the Registrar of Companies in England and Wales. The auditors' reports on the statutory accounts for each of the years ended 31 March 2018, 31 March 2019 and 31 March 2020 were unqualified and contained no statements under section 498(2) and 498(3) of the Act.

17. Selling Shareholders

(a) The names and business addresses of each of the Major Selling Shareholders are set out below:

Name	*Address*	*Number of Sale Shares*	*Number of Ordinary Shares as at the date of this document*	*Number of Ordinary Shares immediately following Admission*
Adam Frisby	c/o Unit 5 Olympic Court, Salford M50 2QP	6,051,722	18,155,168	12,103,446
Paul Masters	c/o Unit 5 Olympic Court, Salford M50 2QP	988,752	2,966,256	1,977,504
James Sharp	c/o Unit 5 Olympic Court, Salford M50 2QP	897,379	997,088	99,709
Causeway Capital	4 Hatch Street Lower, Dublin 2, Republic of Ireland,	16,229,236	23,839,114	7,609,878

(b) The name and business addresses of the Other Selling Shareholder is set out below:

Name	*Address*	*Number of Sale Shares*	*Number of Ordinary Shares as at the date of this document*	*Number of Ordinary Shares immediately following Admission*
Garreth Todd	c/o Unit 5 Olympic Court, Salford M50 2QP	332,911	998,734	665,823

18. Availability of this document

A copy of this document is available at the Company's website www.inthestyle.com.

Dated: 10 March 2021

PART VII

TERMS AND CONDITIONS OF THE PLACING

The terms and conditions set out in this Part VII (the "**Terms and Conditions**") and the information comprising this document are restricted and are not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other state or jurisdiction in which such release, publication or distribution would be unlawful. The Terms and Conditions and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

Important information for invited Placees only regarding the Placing

Members of the public are not eligible to take part in the Placing. This document and the Terms and Conditions set out in this Part VII are for information purposes only and are directed only at: (A) persons in member states of the EEA who are qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time, (the "**EU Prospectus Regulation**") ("**Qualified Investors**"), (B) if in the United Kingdom, persons who are qualified investors within the meaning of the UK version of the EU Prospectus Regulation which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and who (i) have professional experience in matters relating to investments who fall within the definition of 'Investment Professionals' in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), or (ii) are high net worth companies, unincorporated associations or partnership or trustees of high value trusts as described in Article 49(2) of the Order and (C) otherwise, to persons to whom it may otherwise be lawful to communicate it to (each a "**Relevant Person**"). No other person should act or rely on this document and persons distributing this document must satisfy themselves that it is lawful to do so. By accepting the Terms and Conditions each Placee represents and agrees that it is a Relevant Person. This document and the Terms and Conditions set out herein must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and Conditions set out herein relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. This document does not itself constitute an offer for sale or subscription of any securities in the Company.

The Placing Shares have not been and will not be registered under the Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly within, into or in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Placing Shares in the United States.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

Each Placee should consult with its own advisers as to legal, tax, business, financial and related aspects of a subscription for the Placing Shares.

The Placees will be deemed to have read and understood this document in its entirety and to be making such offer on the Terms and Conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in these Terms and Conditions. In particular each such Placee represents, warrants and acknowledges that:

(A) it is a Relevant Person (as defined above) and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and

(B) in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:

  (a) it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and

(b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:

(i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors or in circumstances in which the prior consent of Liberum has been given to the offer or resale; or

(ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; and

(C) in the case of a Relevant Person in a member state of the EEA (each a **"Relevant State"**) who acquires any Placing Shares pursuant to the Placing:

(a) it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

(b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:

(i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances in which the prior consent of Liberum has been given to the offer or resale; or

(ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

Persons (including without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this document of which these Terms and Conditions form part should seek appropriate advice before taking any action.

Neither Liberum, nor any of its affiliates, agents, directors, officers or employees, make any representation to any Placees regarding an investment in the Placing Shares.

Application for admission to trading

Application has been made to the London Stock Exchange for admission to trading of the Placing Shares on AIM. It is expected that Admission of the Placing Shares will become effective at or around 8.00 a.m. on 15 March 2021 and that dealings in the Placing Shares will commence immediately after that time.

Participation in, and principal terms of, the Placing

1. Liberum is acting as agent of the Company in connection with the Placing and is acting as agent for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of these Terms and Conditions) as a client in relation to the Placing.

2. Participation in the Placing will be available only to persons who may lawfully be, and are, invited to participate by Liberum.

3. These Terms and Conditions apply to Placees. Each Placee hereby agrees with Liberum to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Placing Shares will be acquired in the Placing.

4. The Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Terms and Conditions set out herein relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

5. An offer (whether orally or in writing) to acquire Placing Shares will be made on these Terms and Conditions (which shall be deemed to be incorporated in such offer) and will be legally binding on the Placee and will not be capable or variation or revocation without Liberum's written consent.

6. If successful, each Placee's allocation will be confirmed to it by Liberum. Oral or written confirmation (at Liberum's discretion) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to subscribe and pay for the relevant number of Placing Shares at the Placing Price (the "**Placing Participation**"). Such commitment is not capable of termination or rescission by the Placee in any circumstances except fraud. All such obligations are entered into by the Placee with Liberum in its capacity as agent for the Company and are therefore directly enforceable by the Company.

7. Each Placee's commitment will be made solely on the basis of the information set out in the P-Proof. By participating in the Placing, Placees will be deemed to have read and understood these Terms and Conditions and the P-Proof in its entirety and to be participating and making an offer for the Placing Shares on these terms and conditions. Each Placee will be deemed to have read and understood these Terms and Conditions in their entirety and to be making such offer on the Terms and Conditions and to be providing the representations, warranties and acknowledgements and undertakings contained in these Terms and Conditions.

8. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

9. Irrespective of the time at which a Placee's allocation pursuant to the EIS/VCT Placing is confirmed, settlement for all EIS/VCT Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".

10. Irrespective of the time at which a Placee's allocation pursuant to the Non-Eligible Placing is confirmed, settlement for all Non-Eligible Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".

11. Except as required by law or regulation, no press release or other announcement will be made by Liberum or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

12. To the fullest extent permissible by law and applicable FCA rules, neither Liberum, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise).

Details of the Placing Agreement and of the Placing Shares

Liberum, the Company, the Major Selling Shareholders and the Directors have entered into a placing agreement on 10 March 2021 (the "**Placing Agreement**") pursuant to which Liberum has agreed that it will, as agent for and on behalf of the Company and the Selling Shareholders, use its reasonable endeavours to procure Placees at the Placing Price for up to: (i) 5,500,000 New Ordinary Shares and: (ii) 24,500,000 Sale Shares, proposed to be sold by the Selling Shareholders. The Placing is not underwritten by Liberum.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission.

Conditions of the Placing

Other than in respect of the EIS/VCT Placing Shares, the Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The Placing Agreement contains certain warranties from the Directors and certain warranties and indemnities from the Company, in each case for the benefit of Liberum. Liberum may after prior consultation with the Company (to the extent reasonably practicable in the circumstances) terminate the Placing Agreement if prior to Admission, *inter alia*, there is a market disruption event, there is a breach of any of the undertakings or any fact or circumstances arise which cause a warranty to become untrue, inaccurate or misleading.

None of the Company, the Directors or Liberum owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

If (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended in writing by Liberum) or have become incapable of fulfilment on or before the date or time specified for the fulfilment thereof (or such later date and/or time as Liberum may agree), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Liberum may waive certain conditions contained in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this document.

If (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by the Placee to Liberum will be returned to the Placee at its own risk without interest, and each Placee's rights and obligations hereunder shall cease and determine at such time and no claim shall be made by the Placee in respect thereof.

Neither Liberum nor any of its affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Liberum.

EIS/VCT Placing Shares

The issue of the EIS/VCT Placing Shares is not conditional upon the issue of the balance of the Placing Shares and Admission. However, it is conditional, inter alia, on (i) the performance by the Company of its obligations under the Placing Agreement in so far as the same fall to be performed prior to completion of the EIS/VCT Placing; (ii) the Placing Agreement having been entered into and it having not been terminated prior to the issue of the EIS/VCT Placing Shares; and (iii) the satisfaction or, where appropriate, the waiver of all other conditions set out in the Placing Agreement relating to the issue of the EIS/VCT Placing Shares.

Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) Schemes

The Group has applied for advance assurance from HMRC to the effect that, subject to receipt of a satisfactory compliance statement from the Company, the EIS/VCT Placing Shares are capable of satisfying the requirements for EIS Relief. The Company expects the EIS/VCT Placing Shares to be capable of constituting a qualifying holding for VCT purposes.

The status of the EIS/VCT Placing Shares as a qualifying holding for VCT purposes will be conditional (amongst other things) on the qualifying conditions being satisfied throughout the period of ownership. The status of the EIS/VCT Placing Shares as qualifying for EIS Relief will be conditional (amongst other things) on the qualifying conditions being satisfied, both by the Company and (as regards those conditions to be met by the investor) the investor throughout a period of at least three years from the date of issue. There can be no assurance that the Company will conduct its activities in a way that will secure or retain qualifying status for VCT and/or EIS purposes (and indeed circumstances may arise where the directors of the Company believe that the interests of the Group are not served by seeking to retain such status). Further, the conditions for a qualifying holding for the purposes of the VCT Legislation and EIS Relief are complex and relevant investors are recommended to seek their own professional advice before investing. This paragraph is without prejudice to any separate comfort letter which may have been given by the Company to certain VCT investors in connection with the EIS/VCT Placing.

Lock-In

The Company has agreed with Liberum that it will not at any time during the period of one year from the date of Admission, without the prior written consent of Liberum (such consent not to be unreasonably withheld or delayed), offer, issue, sell, contract to sell, issue options in respect of or otherwise dispose of

any securities of the Company (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing, other than pursuant to such share option schemes and other employee incentive arrangements as are described in this document or as contemplated by the Placing Agreement.

Right to terminate under the Placing Agreement

At any time before Admission, Liberum is entitled to terminate the Placing Agreement by giving notice in writing to the Company if, amongst other things: (i) the Company or the Directors or the Selling Shareholders fail to comply with any of their obligations under the Placing Agreement or the Deeds of Election; or (ii) any of the representations and warranties is, or has ceased to be, true and accurate or not misleading; or (iii) in the opinion of Liberum (acting in good faith) there has been a material adverse change in, or any development involving or reasonably likely to involve a prospective material adverse change in, or affecting, the condition (financial, operational, legal or otherwise) or the earnings, management, business affairs, properties, assets, solvency, credit rating or prospects of the Company, or of the Group (taken as a whole), whether or not arising in the ordinary course of business; or (iv) in the opinion of Liberum (acting in good faith) the occurrence of a market disruption event as specified in the Placing Agreement.

Upon such notice being given, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Liberum of any right of termination or other discretion under the Placing Agreement shall be within its absolute discretion and that they do not need to make any reference to Placees and that Liberum shall not have any liability to Placees whatsoever in connection with any such exercise and neither the Company nor Liberum nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing and no such prospectus is required (in accordance with the UK Prospectus Regulation or other applicable law) to be published and Placees' commitments will be made solely on the basis of the information contained in this document released by the Company today and any information publicly announced to a RIS by or on behalf of the Company on or prior to the date of this document and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that its commitment will be made solely on the information contained in the P-Proof. Each Placee agrees that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or Liberum or any other person and none of the Company, Liberum or any of their respective affiliates will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph should exclude or limit the liability of any person for fraudulent misrepresentation by that person.

Registration and settlement

Settlement of transactions in the EIS/VCT Placing Shares following the EIS/VCT Placing, and in the Non-Eligible Shares following Admission will take place within the CREST system administered by Euroclear, subject to certain exceptions. Liberum and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this document or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

It is expected that settlement will be on a delivery versus payment basis in accordance with the instructions set out in the trade confirmation.

If Placees do not provide any CREST details or if the Placees provide insufficient CREST details to match within the CREST system to its details, Liberum may at its discretion deliver the Placees' Placing Participation in certificated form provided payment has been made in terms satisfactory to Liberum and all conditions in relation to the Placing have been satisfied or waived.

Subject to the conditions set out above, payment in respect of the Placees' Placing Participation in respect of the EIS/VCT Placing is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Liberum:	7BUAG
Expected Trade date:	10 March 2021
Settlement date:	12 March 2021
ISIN code for the Placing Shares:	GB00BMXMR838

Deadline for Placee to input instructions into CREST: 12.00 p.m. (UK time) on 11 March 2021

Subject to the conditions set out above, payment in respect of the Placees' Placing Participation in respect of the Non-Eligible Placing is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Liberum:	7BUAG
Expected Trade date:	10 March 2021
Settlement date:	15 March 2021
ISIN code for the Placing Shares:	GB00BMXMR838
Deadline for Placee to input instructions into CREST:	12.00 p.m. (UK time) on 12 March 2021

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the Relevant Person within that organisation. So long as any transfer on sale, or unconditional agreement to transfer, the Placing Shares occurs at a time when the Placing Shares are admitted to trading on AIM and are not listed on a recognised stock exchange and included in the official list thereof, such transfer or agreement to transfer the Placing Shares should, subject to the representations and warranties provided below, be registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties and further terms

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) to the Company and to Liberum (in its capacity as agent of the Company) and its directors, agents and advisors, in each case as a fundamental term of its application for Placing Shares, that:

(A) it has read and understood this document and these Terms and Conditions in their entirety and that its participation in the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this document;

(B) no offering document or prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing;

(C) the Placing does not constitute a recommendation or financial product advice and Liberum has not had regard to its particular objectives, financial situation and needs;

(D) it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;

(E) that none of the Company, Liberum, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and none of them will provide, it with any material regarding the Placing Shares or the Company or any other person other than information included in this document, nor has it requested Liberum, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;

(F) has not relied on, received or requested, nor does it have any need to receive, any prospectus, offering memorandum, listing particulars or any other document other than this document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist them in making an investment decision in respect of the Placing Shares. It further confirms, represents and warrants that it is not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company or Liberum or by any of their respective officers, directors, agents, employees or advisers, or any other person in connection with the Placing other than information contained in this document and none of Liberum, the Company or any of their respective directors and/or employees and/or person(s) acting on behalf of any of them shall, to the maximum extent permitted under law, have any liability (except in the case of fraud) in respect of any such other information, representation, warranty, agreement, undertaking or statement. It irrevocably and unconditionally waives any right it may have in respect of such other information, representation, warranty, agreement, undertaking or statement. It further confirms, represents and warrants that in making its application under the Placing it will be relying solely on the information contained in this document and these Terms and Conditions and that it has reviewed this document, including the discussion of the conditions of the Placing Agreement, commission payable to Liberum, and the risk factors relating to the Company, its operations and the Ordinary Shares;

(G) (i) none of the Company, Liberum or any of their respective affiliates has made any representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of any publicly available information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold Liberum or any of its affiliates responsible for any misstatements in or omissions from any publicly available information. Nothing in this paragraph or otherwise in this document excludes the liability of any person for fraudulent misrepresentation made by that person;

(H) it and each account it represents is not and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be a resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan, New Zealand or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, transferred, taken up, renounced, distributed or delivered, directly or indirectly, within or into those jurisdictions;

(I) it and each account it represents is (i) located outside the United States; (ii) acquiring the Placing Shares in an "offshore transaction" as defined in Regulation S under the Securities Act; (iii) not acquiring any of the Placing Shares as a result of any form of "directed selling efforts" (within the meaning of Regulation S under the Securities Act); and (iv) acquiring the Placing Shares for investment purposes and is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States;

(J) it understands, and each account it represents has been advised that, (i) the Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States; (ii) the Placing Shares are being offered and sold only in an "offshore transaction" within the meaning of and pursuant to Regulation S under the Securities Act; (iii) if in the future it decides to reoffer, resale, pledge or transfer the Placing Shares, it will do so only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and (iv) no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;

(K) it will not distribute, forward, transfer or otherwise transmit this document or any other materials concerning the Placing (including any electronic copies thereof), in or into the United States;

(L) the content of this document is exclusively the responsibility of the Company and the Board and that neither Liberum, nor any of its affiliates, agents, directors, officers or employees or any person acting on behalf of Liberum has or shall have any liability for any information, representation or statement contained in this document or any information previously or subsequently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this document or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this document and any information previously published by the Company by notification to a RIS, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Liberum or the Company and neither Liberum nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;

(M) time shall be of the essence as regards obligations pursuant to these Terms and Conditions;

(N) it is the responsibility of any person outside of the United Kingdom wishing to subscribe for or purchase Placing Shares to satisfy himself that, in doing so, he complies with the laws of any relevant territory in connection with such subscription or purchase and that he obtains any requisite governmental or other consents and observes any other applicable formalities;

(O) it is acting as principal and for no other person and that its acceptance of the Placing Participation will not give any other person a contractual right to require the issue by the Company of any Placing Shares;

(P) from the point at which a request for admission to trading on AIM is made by the Company, the Company and its financial instruments will be subject to the provisions of UK MAR and that it will observe the provisions of UK MAR in relation to the Company's financial instruments, including in relation to the control of any inside information;

(Q) if in the United Kingdom, it has complied with its obligations under the Criminal Justice Act 1993, FSMA, UK MAR and, in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

(R) if a financial intermediary, as that term is used in the UK Prospectus Regulation, that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors, or in circumstances in which the prior consent of Liberum has been given to the proposed offer or resale;

(S) it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

(T) it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom or any member state of the EEA except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or within the meaning of the UK Prospectus Regulation, or an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;

(U) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

(V) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

(W) if in a member state of the EEA, it is a "Qualified Investor" within the meaning of the EU Prospectus Regulation;

(X) if in the United Kingdom, it is a qualified investor within the meaning of the UK Prospectus Regulation and a person (i) having professional experience in matters relating to investments and who falls within the definition of 'investment professionals' in Article 19(5) of the Order; or (ii) who is a high net worth entity falling within Article 49(2)(a) to (d) of the Order; or (iii) to whom this document may otherwise lawfully be communicated;

(Y) no action has been or will be taken by either the Company or Liberum or any person acting on behalf of the Company or Liberum that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

(Z) (i) it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in Liberum, the Company or any of their respective affiliates, directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing; and (iv) that the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

(AA) it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this document) and will honour such obligations;

(BB) it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the Terms and Conditions and this document, on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as Liberum may in its absolute discretion determine and without liability to such Placee;

(CC) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that Liberum or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

(DD) neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and the Placing Shares will not be allotted or transferred to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act of 1986 (depositary receipts and clearance services) and the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer Placing Shares into a clearance system;

(EE) neither the Company nor Liberum will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe the requirement in (EE) above. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company and Liberum and their respective affiliates, agents, directors, officers and employees in respect of any such liability and each Placee and any person acting on behalf of such Placee agrees that, on Admission becoming effective, the Placing Shares will be allotted to the Stock Account of Liberum who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

(FF) neither Liberum nor any of its affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them, is making any recommendations to it or, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Liberum and that Liberum does not have any duties or responsibilities to it for providing the protections afforded to Liberum's clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance

of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

(GG) in making any decision to subscribe for the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for and/or acquiring the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of Liberum;

(HH) in connection with the Placing, Liberum and any of its affiliates acting as investors for their own account may take up Placing Shares in the Company and in that capacity may subscribe for, retain, purchase or sell for their own account such Ordinary Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Liberum does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;

(II) these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Liberum in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

(JJ) the Company, Liberum and their respective affiliates and others will rely upon the truth and accuracy of acknowledgements, representations, warranties and agreements set forth herein and which are given to Liberum on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Liberum to produce any announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and Liberum;

(KK) it will indemnify on an after-tax basis and hold the Company, Liberum and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these Terms and Conditions and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing;

(LL) It undertakes to Liberum at the time of making its commitment to acquire Placing Shares that it will confirm in writing to Liberum in the form of confirmation sent by Liberum to Placees the number of Placing Shares it intends to acquire and in respect of which EIS Relief or a qualifying holding for the purposes of the VCT Legislation will be sought and those Placing Shares in respect of which such relief or qualifying holding will not be sought;

(MM) neither the Company nor Liberum owe any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement;

(NN) its acquisition of Placing Shares is in full compliance with applicable laws and regulations; and

(OO) its commitment to take up Placing Shares on the Terms and Conditions will continue notwithstanding any amendment that may or in the future be made to these Terms and Conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Liberum's conduct of the Placing.

The foregoing acknowledgements, confirmations, undertakings, representations and warranties are given for the benefit of each of the Company and Liberum (for their own benefit and, where relevant, the benefit of their respective affiliates and any person acting on their behalf) and are irrevocable.

Please also note that the agreement to allot and issue or transfer Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and stamp duty reserve tax relates only to their allotment and issue or transfer to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question and is subject to the representations, warranties and further terms above and assumes and is based on the warranty from each Placee that the Placing Shares are not being subscribed for, or acquired, in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor Liberum will be responsible and the Placees shall indemnify on an after-tax basis and hold harmless the Company and Liberum and their respective affiliates, agents, directors, officers and employees for any stamp duty, stamp duty reserve tax or other similar taxes paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify Liberum accordingly.

Neither the Company nor Liberum is liable to bear any capital duty, stamp duty or any other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition of any Placing Shares or the agreement by a Placee to acquire any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Liberum and their respective affiliates, agents, directors, officers and employees from any and all such capital duty, stamp duty and other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify Liberum accordingly.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Liberum or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Liberum, any money held in an account with Liberum on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Liberum's money in accordance with the client money rules and will be used by Liberum in the course of its own business; and the Placee will rank only as a general creditor of Liberum.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of Liberum and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others. If a Placee is a discretionary fund manager, he may be asked to disclose, in writing or orally, to Liberum the jurisdiction in which the funds are managed or owned.

All times and dates in this document may be subject to amendment by Liberum (in its absolute discretion). Liberum shall notify the Placees and any person acting on behalf of the Placees of any changes.

In this Part VII, "after-tax basis" means in relation to any payment made to the Company, Liberum or their respective affiliates, agents, directors, officers and employees pursuant to this Part VII that such payment shall be calculated in such a manner as will ensure that, after taking into account (i) any tax required to be deducted or withheld from the payment; (ii) the amount and timing of any additional tax which becomes payable by the recipient as a result of the payment's being subject to tax in the hands of the recipient of the payment, and (iii) the amount and timing of any tax benefit which is obtained by the recipient of the payment to the extent that such tax benefit is attributable to the matter giving rise to the payment or to the entitlement to, or receipt of, the payment, or to any tax required to be deducted or withheld from the payment, the recipient of the payment is in the same after-tax position as that in which it would have been if the matter giving rise to the payment had not occurred.