

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules. This document does not contain an offer of transferable securities to the public within the meaning of section 85 and 102B of FSMA and is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the FCA pursuant to section 85 of FSMA and a copy has not been delivered to the FCA under regulation 3.2 of the Prospectus Rules. Application will be made for the Enlarged Share Capital to be admitted to trading on AIM.

It is expected that Admission will become effective, and that dealings in the Enlarged Share Capital on AIM will commence on 29 June 2018. Although the whole text of this document should be read, the attention of persons receiving this document is drawn to the section headed "Risk Factors" contained in Part II of this document. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. 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 are set out on page 4 of this document, and the Company accept responsibility individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



RA International Group PLC

(Registered in England with Company Number 11252957)

Placing of 33,575,741 New Ordinary Shares to raise approximately £18.8 million

Admission of Enlarged Share Capital to trading on AIM



Nominated Adviser and Broker

Cenkos, which is authorised in the United Kingdom by the FCA for the conduct of investment business, is acting as nominated adviser and broker exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to any other person for providing the protections afforded to customers of Cenkos, or for advising anyone other than the Company on the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by Cenkos as to, and no liability whatsoever is accepted by Cenkos in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

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Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the offices of Dentons UK and Middle East LLP at One Fleet Place, London EC4M 7WS from the date of this document and for a period of at least one month from Admission.

Note to prospective investors in the UK

This document and the offer referred to therein, when made, are only addressed to and directed at persons in member states (“**Member States**”) of the European Economic Area (“**EEA**”) who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State of the EEA) and any implementing measure in each relevant Member State of the EEA (the “**Prospectus Directive**”) (“**Qualified Investors**”). In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, Qualified Investors: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) and Qualified Investors falling within Article 49(2)(a) to (d) of the Order; and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). This document must not be acted on or relied on: (i) in the United Kingdom, by persons who are not relevant persons; and (ii) in any Member State of the EEA other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to: (i) in the United Kingdom, relevant persons; and (ii) in any Member State of the EEA other than the United Kingdom, Qualified Investors, and will be engaged only with such persons.

Forward looking statements

Certain statements in this document are “forward looking statements” including without limitation, statements containing the words “believes”, “anticipates”, “expects”, “target”, “estimate”, “will”, “may”, “should”, “would”, “intend” and similar expressions. These forward looking statements are not based on historical facts but rather on the Directors’ expectations regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group’s actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in Part II of this document entitled “Risk Factors” which should be read in conjunction with the other cautionary statements that are included in this document.

Such forward looking statements, which have been made after due and careful enquiry and reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. Forward looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

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 (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 such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and 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 Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Cenkos 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.

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based upon the Company’s records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. All times referred to in this document are, unless otherwise stated, references to London time.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>Sangita Shah Soraya Muriel Narfeldt Lars Ola Narfeldt Andrew Bolter Alexander (Alec) Marshall Carstairs Philip Haydn-Slater Ian Henderson</p>	<p><i>Non-executive Chair</i> <i>Chief Executive Officer</i> <i>Chief Operating Officer</i> <i>Chief Financial Officer</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i></p>
Company Secretary	<p>AMBA Secretaries Limited 400 Thames Valley Park Drive Reading RG6 1PT</p>	
Registered Office	<p>One Fleet Place London EC4M 7WS</p>	
Nominated Adviser and Broker	<p>Cenkos Securities plc 66 Hanover Street Edinburgh EH2 1EL</p> <p>and</p> <p>6.7.8 Tokenhouse Yard London EC2R 7AS</p>	
Solicitors to the Company	<p>Dentons UK and Middle East LLP One Fleet Place London EC4M 7WS</p> <p>and</p> <p>Denton & Co Level 18, Boulevard Plaza 2 Burj Khalifa District PO Box 1756 Dubai United Arab Emirates</p>	
Reporting Accountant	<p>Ernst & Young Middle East (Dubai Br.) 28th Floor, Al Saqr Business Tower, P.O Box 9267 Dubai United Arab Emirates</p>	
Auditors to RAI FZCO	<p>Ernst & Young Middle East (Dubai Br.) 28th Floor, Al Saqr Business Tower, P.O Box 9267 Dubai United Arab Emirates</p>	
Solicitors to the Nomad and Broker	<p>Pinsent Masons LLP 141 Bothwell Street Glasgow G2 7EQ</p>	

Financial PR

IFC Advisory Limited
15 Bishopsgate
London
EC2N 3AR

Registrars

Computershare Investor Services PLC
The Pavillions
Bridgwater Road
Bristol
BS13 8AE

Company Contact Details

Tel: +971 4 368 2851

Company Website

www.rainationalservices.com

PLACING STATISTICS

Placing Price	56.0 pence
Number of Existing Ordinary Shares in issue prior to the Placing	140,000,000
Number of New Ordinary Shares being issued pursuant to the Placing	33,575,741
Number of Ordinary Shares on Admission	173,575,741
Percentage of the Enlarged Share Capital represented by New Ordinary Shares	19.3 per cent.
Estimated gross proceeds of the Placing receivable by the Company	£18.8 million
Estimated net proceeds of the Placing receivable by the Company	£16.4 million
Market capitalisation immediately following completion of the Placing at the Placing Price	£97.2 million
TIDM	RAI
SEDOL	BDZV6W2
ISIN Number	GB00BDZV6W26
LEI	213800N6RTATELJU6797

For the purpose of this document, the exchange rates applicable to RA International are, unless otherwise disclosed, as follows:

US\$: £1.3395

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and despatch of this document	25 June 2018
Admission effective and dealings in the Enlarged Share Capital commences on AIM	8.00 a.m. on 29 June 2018
CREST accounts (where relevant) expected to be credited	29 June 2018
Share certificates (where relevant) expected to be despatched no later than	13 July 2018

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change at the absolute discretion of the Company and Cenkos and without further notice.

PART I

INFORMATION RELATING TO THE GROUP

1. Introduction

RA International is a leading provider of services to remote locations in Africa and the Middle East. It specialises in five service verticals: construction; integrated facilities management; operation and maintenance; accommodation; and supply chain services. It has a strong customer base, largely comprising UN agencies, western governments and global corporations. The Group provides comprehensive, flexible, mission critical support to its clients enabling them to focus on the delivery of their respective businesses and services. RA International's focus on integrity and values alongside on-going investment in people, locations and operations has over time created a reliable and trusted brand within its sector.

RA International is a signatory, participant and contributor to the United Nations Global Compact ("UNGC"), which is dedicated to ethical and sustainable working practices. It is one of only a few companies working in remote locations that is able to both provide its services across all five verticals and to recognised international standards. The Group has comprehensive anti-bribery and corruption policies, the implementation of which is closely monitored and the Directors impose a zero-tolerance approach to non-compliance.

The Group is headquartered in Dubai, in the UAE and has 14 years of operational knowledge with a culturally diverse and multi-lingual workforce of over 1,600 people. RA International has a proven track record of strong financial growth and has successfully delivered over US\$400 million of projects in over 10 countries.

In FY2017, RA International generated revenue of US\$53.3 million (2016: US\$36.8 million) and profit for the year of US\$13.7 million (2016: US\$5.0 million). As at 30 April 2018, the Group had identified new contract opportunities for existing and new clients or received request for tenders which it was considering worth US\$2 billion over the next three years. On the same date, the Group had a pipeline of projects for which a tender had been submitted or was in preparation of approximately US\$200 million but which the Group had not yet secured as contracted work. Contracted revenue backlog at 30 April 2018 was US\$120 million.

2. Group Structure and History

RA International Group PLC was incorporated in England and Wales on 13 March 2018. It is the holding company of the Group which includes its main operating company RA International FZCO, a free zone company which was incorporated in JAFZA on 9 May 2004 and 15 Subsidiaries. Twelve Subsidiaries are based in Africa and the Group is currently fulfilling contracts in six jurisdictions.

RA International was conceived after its founders, Soraya and Lars Narfeldt, witnessed large organisations unable to provide a comprehensive range of services or manage and complete projects effectively when operating in remote locations, resulting in inefficiencies hindering the progress of peacekeeping, humanitarian and commercial projects. They identified a lack of companies that they believed could provide a comprehensive full service offering, and accordingly founded RA International as a specialist provider of services in remote and demanding environments.

After initially undertaking successful projects in Afghanistan, the Group expanded into Africa, supporting the United Nations across the continent and growing its client base substantially. The Company is now recognised as a leading provider of remote construction and support services in Africa and the Directors believe it is unique in its ability to deliver across all five service verticals, including project critical "last mile logistics", to international standards.

3. RA International's Services

RA International has a strong position within its market and consistently delivers projects across five verticals to international standards:

Construction

RA International undertakes a wide range of construction contracts which may be for a specific build or to facilitate a fixed customer spend over a set period. Projects may be “build only” or “design and build” and generally have had a value of between US\$1-10 million and vary in length depending on the complexity of the project. Construction services include civil construction (for example: paved roads, airport aprons) and physical structure construction (for example: tents, prefabricated structures, hard and soft wall buildings and converted containers) and can be capital intensive, particularly in the early stages of a contract.

Construction projects accounted for approximately 50 per cent. of the Group’s revenue in FY2017 and are often the first type of contract undertaken in new locations as customers require facilities and accommodation to be built before personnel arrive and the next phase of services can commence, as was seen by the Company in its operations in Somalia and is now the case in the Central African Republic. Revenue from construction contracts is recognised over the length of the contract according to build milestones which are agreed with the client. Invoices are typically issued on a monthly basis against the completed milestones or as a percentage completion of the project. RA International has recently executed, or is currently performing, the following projects:

- *Perimeter walls and concrete works (client: MINUSCA, combined contract value: US\$26.6 million, contract term: 36 months)*

RA International was contracted to construct security perimeter brick walls and concrete slabs at MINUSCA sites in the Central African Republic. The combined requirement of both contracts, which are ongoing, is the construction of 212 barracks and offices for peacekeeping troops to the UN mission in the Central African Republic.

- *Peacekeeping facilities (client: UNSOA, combined contract value: US\$13 million, contract term: 37 + 42 months)*

Through two contracts, the first commencing in 2009 and the second which is ongoing, RA International built large camps and facilities in 10 remote locations. This included the construction of all prefabricated structures for accommodation, administration, ablution and medical requirements, as well as the necessary infrastructure such as power generation and distribution, water distribution, wastewater drainage and septic tanks. The largest independent facility provided accommodation for approximately 1,000 personnel.

- *Training camp (client: UK Ministry of Defence, contract value: GBP5.0 million, contract term: 12 months)*

RA International built a turnkey camp, adhering to stringent UK standards, consisting of ballistic covered prefabricated/containerised offices and accommodation with all necessary infrastructure services. The team overcame various challenges including; a steeply sloping sea-facing site, security threats, challenging logistics, and a shortage in the availability of local materials and equipment.

Integrated Services (including integrated facilities management and operation and maintenance)

RA International provides a diverse range of integrated services to enable its clients to focus on their principal objectives. The Group’s service contracts, which accounted for approximately 37 per cent. of the Group’s revenue in FY2017 include:

Integrated Facilities Management	Operation and Maintenance
Facilities management	Facilities maintenance
Food supply and catering	Plant and equipment operation
Cleaning	Plant and equipment maintenance
Laundry	Vehicle fleet operation
Pest and vector control	Vehicle fleet maintenance
Waste management	Ground maintenance

Initial contract terms are generally between 12 to 36 months, with 2 one-year extension periods, and invoices are typically issued monthly based on a minimum level of services, with variable services added (as applicable). RA International has recently completed or is currently performing, the following projects:

- *Facilities maintenance (client: UNSOS, contract value: US\$26.3 million, contract term: 22 months)*
RA International was contracted to provide maintenance services to a group of facilities, many of which had fallen into a state of disrepair. The repair program brought the facilities up to an acceptable standard, following which the Group delivered planned maintenance, unscheduled breakdown services, spare parts and consumables management and supply services.
- *Heavy plant and equipment operation and maintenance (client: United Nations, contract value: US\$15.1 million, contract term: 50 months)*
RA International provides full operation and first line maintenance services on a large fleet of client owned heavy-duty plant and equipment. Across multiple sites, the fleet includes heavy-duty trucks, cranes, forklifts, bulldozers, graders and front-end loaders along with spare parts and consumables management and supply.
- *Plant and equipment maintenance (client: UNSOS, contract value: US\$10.9 million, contract term: 49 months)*
RA International provides routine maintenance and unscheduled repair services for a large fleet of mechanical and electrical plant and equipment, across 35 remote locations. The services provided include equipment for power generation, water treatment and distribution, air conditioning and waste management. The spare parts and consumables required for this operation were also supplied by RA International.
- *Facilities maintenance (client: World Bank, contract value: US\$1.5 million, contract term: 36 months plus two extension terms of one year)*
RA International provides facilities management services for the World Bank offices in Juba, South Sudan. This contract commenced in April 2007 to support the World Bank team in ensuring that their accommodation, offices and related infrastructure are fully maintained. RA provides generator, air conditioning, and building maintenance as well as plumbing, pest control, grounds keeping, and cleaning services. RA International also operates a 24/7 helpdesk service for the client.

Accommodation

RA International offers turnkey camp accommodation and full life support services. These contracts are often generated when a customer approaches RA International with a need to place staff in a remote area for a specific length of time. The Group is generally required to provide accommodation and working space on a full board basis as well as to cater to the specific needs of the incoming guests. In most cases, in addition to providing the infrastructure to accommodate the incoming guests, the Group provides conference services, internet and television connection, meals, laundry, cleaning and, as required, will arrange security services through a third-party provider. Contracts are normally billed on a per day, per person long-term lease basis and can be up to five years in length. RA International has recently completed, or is performing, the following projects:

- *Offices and accommodation (client: Adam Smith International, combined contract value: US\$4.5 million, customer relationship: 3.5 years)*
RA International was contracted to provide turnkey rental accommodation and offices for 14 to 18 personnel working for Adam Smith International in Somalia, providing services such as laundry, internet, full board catering and cleaning.

- *Accommodation and integrated services (client: US government, contract value: US\$1.0 million, contract term: 9 months)*
RA International provides accommodation, office and storage space, and full life support services to up to 40 resident US governmental personnel within a purpose built facility.
- *Offices and accommodation (client: United Nations, contract value: US\$19.0 million, contract term: 60 months).*
RA International was contracted to provide on-going accommodation and life support services for a 65 international personnel camp (also constructed by RA International) with en-suite accommodation for all residents. The camp has fully catered dining facilities, recreation facilities, meeting and conference rooms, a clinic and wireless internet services. Frozen, fresh and dry food supplies are delivered to the site by sea and air.

Supply chain

Supply chain management and logistics is at the core of RA International's operations. Efficient logistics enables the Group to deliver its construction, services and accommodation contracts whilst also offering logistics services to clients. In addition to forming strong partnerships with international suppliers (over 50 per cent. of RA International procurement is via the UAE with imports sourced primarily from UK, US, Europe, China and Turkey), RA International uses its deep understanding of logistics and distribution in Africa to ensure end-to-end, flexible logistics delivery and in so doing has created a reputation for providing successful "last mile logistics". This is something which the Directors believe the Group's competitors often fail to deliver efficiently and is demonstrated by the fact that a number of the Group's larger competitors choose to subcontract specific elements of a project to RA International, when RA International is better placed to provide the "last mile logistics" or already has an established presence in a challenging environment with an existing local supply chain.

Whilst RA International imports most of its project materials through the UAE, the Group seeks to procure certain materials locally, provided that the items and manufacturing processes meet the clients' requirements and it can do so within its procurement terms and conditions. The Group also assists local suppliers to upscale their business through investment or by teaching them how to improve quality control measures and deliver to better standards. RA International has recently completed the following projects:

- *Provision of modified sea containers (client: UNSOS, contract value: US\$1.5 million, contract length: 1 years)*
RA International was contracted to design and modify to specifications shipping containers to be used as accommodation for UN personnel in Somalia. 60 containers were built, shipped and installed in Somalia and were furnished as one bedroom accommodation with a desk, wardrobe and ensuite bathroom along with air conditioning.
- *Telecommunications (client: Alcatel, contract value: US\$0.3 million, purchase order)*
RA International was contracted to consolidate high value telecommunications equipment from Hong Kong, France and South Africa for delivery by air, sea and road to Somalia 'just in time' in parallel with the arrival of technicians and engineers who were tasked with the installation of the East African Fibre Optics Cable point at the Horn of Africa.
- *Spare part procurement (client: UNRWA, contract value: US\$0.1 million, contract term: 3 months)*
RA International procured and delivered vehicle spare parts to the UN in connection with their activities in Syria.

4. Clients

RA international has successfully delivered over US\$400 million of projects to a broad range of clients. Whilst the Company's operations are usually located in remote areas in Africa, RA International's clients are typically pre-eminent supranational, governmental, and corporate entities.



The growth of RA International's business has been achieved through securing contracts with new customers and by generating repeat business from its clients both in regards to new contracts and contract extensions. The Directors believe that this is due to the following features of the Group's business, which differentiate RA International from its competitors:

- Compliance with international and local regulations

RA International is a signatory, participant and contributor to the UNGC. The Company complies with relevant US Federal Acquisition Rules and is ISO 9001:2015, IS 14001:2015 and ISO 22000:2005 compliant. On establishing a country presence, RA International will review all relevant local legislation and regulation and, where required, amend its operating procedures to ensure compliance. Compliance is monitored and procedures amended on a regular basis.
- Trust

RA International recognises the value of reliable delivery to agreed cost requirements and timescales and has, therefore, developed a solid reputation and brand integrity within its market as a trusted partner to its clients.
- Risk management focused

RA International proactively seeks to identify and minimise risks across all areas of its business. At a Group level, this includes maintaining adequate insurance, ensuring compliance with international and local standards and regulatory requirements and implementing and applying appropriate anti bribery and corruption policies and procedures. The Group adheres to appropriate standards of corporate governance, and recognises its responsibilities for encouraging high standards for human rights, labour, health and safety, gender rights, and child labour protection in the countries where the Group operates.

- Intelligence-led approach

The Directors also believe that RA International's investment in local communities enables them to identify and manage risks inherent in operating in remote locations. Local intelligence in respect of labour, materials and regional variances and regulatory requirements gathered by the Group feeds into its tender process and accordingly, protects its operating margins.

RA International's research and intelligence-led approach also enables it to identify where new opportunities may arise which means it can mobilise quickly in new locations and capitalise on opportunities to deliver additional services to meet its client's needs.
- Clear reporting structures

RA International has two reporting structures. The Company establishes a local office in each geographical location in which it operates and appoints a Country Manager and Deputy Country Manager. The Country Manager, who reports to the Executive Management Team, has overall responsibility for the operation of the local office and leads finance, human resources, procurement and compliance and other enabling functions which allow the Group to operate within a location. The Deputy Country Manager reports to the Director of Project Management and is responsible for delivering active projects within the country. The two clear structures enable efficient project delivery, provide a segregation of duties and facilitate succession and development of staff.

RA International has developed a meritocratic workplace through the introduction of a target-centric culture, staff development and training programmes. It has developed ambitious yet achievable KPIs to motivate staff to perform to a higher level by offering them demonstrable evidence of professional growth.
- Strong track record of project delivery

RA International specialises in identifying and providing solutions to difficult problems in remote locations. By ensuring at the outset that only projects which fit within RA International's core competencies are tendered for, the Group is not only able to minimise the risk that a project will not be delivered on time and within budget, but it can be confident that the expected margins can be protected. RA International typically focusses on the 'last mile logistics' as this is often the aspect of a project which is most challenging when operating in remote environments, and is typically the area in which its competitors find most challenging to compete.

Consequently, the Group consistently delivers projects to the required timetable, budget and quality standards agreed with the client at the outset.
- On-ground personnel

RA International establishes a local company in many of the countries in which it operates, which provides a local presence but with the ability to draw on the resources and the expertise of the Group. The Group's workforce is multi-lingual and comprises of individuals from many African and international countries. Where possible, local employees are hired for positions working alongside international staff.

All staff are given the opportunity to benefit from training and skill transfer. Where possible, RA International establishes work programmes to improve the skills and competencies of its employees. While the focus is always on project delivery, the Directors believe, that RA International's success has been furthered by its ability to work with local communities and create lasting benefits.

- Meets local content requirements and runs capacity building programmes

Organisations and corporates may have to meet local government requirements in regards to employment of a local national workforce. The Directors believe that RA International benefits from its willingness and ability to engage and train the local workforce (rather than always using international staff). The Group aims to transfer technical capacity and constantly increase its local content in each country it operates in through capacity building and organised training workshops. RA International is often recognised by local governments for its commitment and achievements relating to upskilling local staff.

- Proactive in seeking Governmental approvals and permissions

Through local or international lawyers and/or senior corporate representation, the Company engages with the local government to identify relevant legislative and regulatory requirements which are then implemented by the Group in the relevant jurisdictions.

5. Tender process

RA International routinely receives invitations to tender for new projects due to its proven capabilities and demonstrable track record of successful project delivery. The Group also generates tender opportunities through its experienced business development team, which takes an intelligence-led approach to identifying clients, geographies and/or sectors where future spend is likely to be focussed both by existing and targeted customers, as well as extensive and ongoing marketing and monitoring of relevant tender websites. RA International maintains a detailed opportunity pipeline which enables management to identify projects which meet its key criteria, before it invests time in preparing a tender document.

Contract opportunities are also sourced through existing client relationships, review of government and United Nations opportunity databases and in response to invitations to tender for projects. For smaller tender contracts, the Country Manager may prepare tender documents at a local level for review by Bid Manager and Business Development Director. For contracts above US\$500,000, or which are determined to be significant for other reasons, the bid team structures the process as follows:

Initial screening of new business opportunities

The Group undertakes an initial assessment of the project to establish its key requirements and to ensure that the project deliverables fit with RA International's core competencies. This will often be undertaken on receipt of an Expression of Interest ("**EOI**") or Prequalification Questionnaire ("**PQQ**") from the client. As part of this assessment, management focus on the deliverability of the project from a country and client perspective. If the project is for a new client or requires entry into a new country, management will make an initial assessment of the merits of proceeding with a bid. In cases where the opportunity is in a new country where country implementation teams are not in place, an experienced research team is deployed into the country. In fact, this frequently happens during the EOI/PQQ stage, ahead of the Request for Proposal ("**RFP**") or Invitation to Bid ("**ITB**") release. The research team will conduct a detailed risk analysis of the complete project, with attention on the local and international supply chain, door-to-door logistics, in-country geopolitical challenges, operational challenges and constraints, security challenges and constraints, and climatic challenges. By ensuring at the outset that only projects which fit within RA International's core competencies are tendered for, the Group is not only able to minimise the risk that a project will not be delivered on time and within budget, but it can be confident that the expected margins can be protected. This

screening process is designed to identify the optimal projects which fit with the Group's requirements in terms of its ability to deliver a successful result for its client, whilst achieving RA International's strategic goals and achieving acceptable financial returns. The bid team will consider whether:

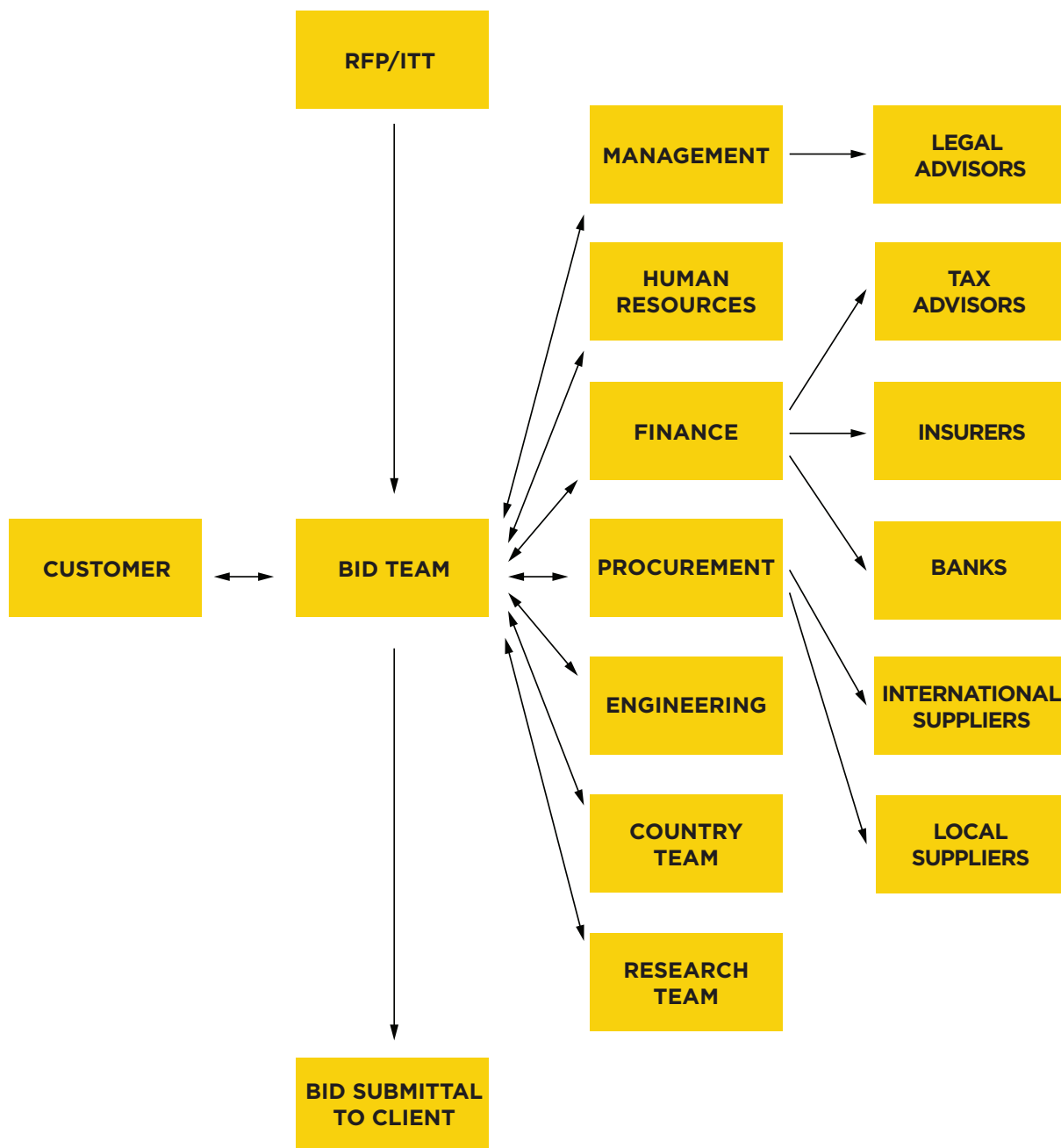
- the opportunity, based on the limited information available, is aligned with RA International's mission, vision and goals;
- the Group has the knowledge, experience and resources to undertake the project;
- the Group has the required past performance to qualify for the contract;
- RA International is able to meet or exceed the full spectrum of the client's requirements;
- RA International is able to satisfactorily manage the technical, commercial, operational and security risks; and
- the Group will be competitively priced, taking into consideration the likely risk mitigation measures.

If a decision is made to pursue the opportunity (in order to go forward to tender, or to obtain more information so that an informed decision can be taken later) RA International will respond to the client with its initial assessment or complete an EOI or PPQ, at which point the RFP and ITB will be provided.

Detailed assessment of all contract requirements

RA International's intelligence-led approach enables it to make an accurate assessment of the cost and deliverability of a contract to be carried out, which is key to protecting the Company's operating margins. RA International has established a robust bid process involving senior staff from all key areas of the business, supported by detailed research, to ensure that there is a scalable tender process which is highly accurate and captures all aspects of a bid to ensure final submissions are de-risked to the greatest extent possible. On receipt of the RFP or ITB, the opportunity is again reviewed and, where required, clarification sought. RA International will generally only pursue an opportunity if there is a strategic benefit to the Group and if it has a reasonable chance of securing an award. The Group ensures that it is confident in its ability to deliver the project to specified quality levels and within the required timeframe.

RA International has a core bid team led by Trevor Stratford, Director of Business Development, comprising eight individuals. However the bid process is collaborative, ensuring that all experience within the Group is accessible and utilised. The bid team is responsible for preparing the Group's tender documents and liaising with key staff based, or with experience of operating in, the project location to ensure that each bid input is up to date and accurate. Detailed pricing for each aspect of the bid is then calculated which would include, for example, the price of every single product and material to be delivered to a specific end location (and not, for example, just to the port). The human resource team, overseen by Lars Narfeldt, ensures that the labour cost assumptions are accurate and reflect fully burdened costs for international and local labour including travel, medical, insurance and leave.



Verification

In general, a contract tender requires both a technical and a financial submission. The Group endeavours to identify all potential variables and specify these in the technical submission and, where possible, calculate and add to the financial submission, following which each aspect of the tender is checked and verified by senior team members. In relation to tenders for significant contracts, John Mitchell, the Director of Project Management, will assess the technical requirements including the proposed project timing and on ground requirements against RA International's ability to deliver from a logistics, personnel and materials perspective. Each proposal is highly detailed and is supported by a comprehensive information package, which includes engineering calculations, material and equipment data sheets, drawings, schedules, programmes and implementation plans.

The finance team, led by Andrew Bolter, CFO, is focused on reviewing bid financing and financial returns, risk management, overhead planning, insurance, bonding, hedging strategies and coordinating any banking and regulatory requirements. Where possible all costs, such as materials, are fixed and locked-in for the term of a contract with suppliers.

RA International does not rely on third parties for bid pricing and verification, instead drawing from input within the Group to ensure bids are accurately priced, verified and can be delivered on time and on budget.

Identification of variables

Following the preparation of a bid, transparency with the client is key. Where there are aspects of a contract that are dependent on client deliverables, the technical and financial submission will identify the impact of non-delivery by the client and the possibility of subsequent amendments to the scope of the contract together with any additional charges the client may incur. RA International's engineering and pricing process is both thorough and accurate, erring on the side of caution. As a result, contingency allowances can be minimised and generally incorporated to cover risks such as political instability, heightened security threat levels, regulatory changes in the country of operation and weather. All variable aspects of a contract are discussed and agreed with the client prior to entry into the contract. This provides a high level of transparency and builds trust between RA International and its clients which together with the Group's established relationships and local knowledge is leveraged to reduce costs and maintain margins.

6. Competition

Large international companies

RA International is competitive on price in its tenders, but, according to clients, can often be the stand out organisation in terms of its technical expertise and project delivery credentials. The Group's competitors are typically large, international multi-service organisations which are focused on large contract deliverables on multi-billion-dollar projects and are therefore not always able to demonstrate the local knowledge and flexibility to provide the services in remote locations, especially when rapid mobilisation is necessary.

Accordingly, a number of the Group's international competitors have chosen to partner with RA International through subcontracting arrangements to support them in completing contracts in the regions where RA International operates.

The Group has worked with KBR, Inc., Saab Group, DynCorp International, and Pacific Architects and Engineers, specifically to execute humanitarian and defence sector projects. The Group has also worked with Sodexo and Fluor, which are companies focused on executing globally significant projects, as they often seek to subcontract works such as supply chain and construction to partners.

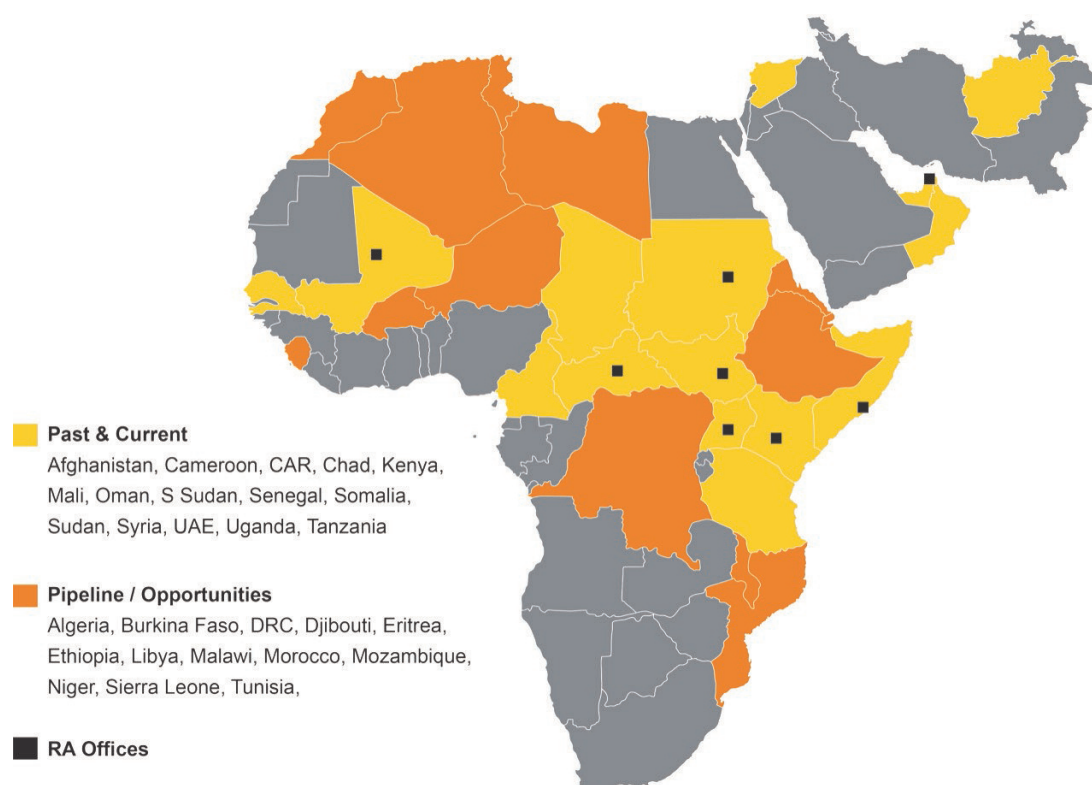
It is anticipated that Admission will enable RA International to capitalise further on attractive subcontracting, teaming and joint venture opportunities as they become available.

Local service providers

RA International also competes with smaller, regional service providers which generally cannot match the Group's comprehensive service offering, or meet client requirements in regards to compliance with international standards, levels of insurance, bonding capability, and/or past performance.

7. Growth strategy

RA International has successfully operated in many countries in Africa and the Middle East.



The Group has delivered strong growth over the last few years, with revenues increasing from US\$21.1 million in FY2015 to US\$36.8 million in FY2016 and US\$53.3 million in FY2017 (CAGR of 59% over this period). In each of FY2016 and FY2017, revenue of over US\$30 million was delivered from contracts also delivered partly in the previous year. Profit for the year increased from US\$1.0 million in FY2015 to US\$5.0 million in FY2016 and US\$13.7 million in FY2017 (CAGR of 253% over this period).

The Group's management has identified a clear strategy to further develop the business and continue its expansion. The key elements to RA International's strategy are described below:

Take on larger contracts, which meet RA International's key criteria

RA International already undertakes contracts worth tens of millions of US dollars and will continue to tender for contracts of this size. In addition, however, it has identified a number of projects with larger contract values of approximately US\$50 million to US\$150 million which would meet its selection criteria. These fall into three categories; US Government construction, mining camp management, and UN rations supply. The Group has been approached to bid for these types of projects but its ability to take on or actively target such contracts has previously been constrained by funding, with management having to be extremely selective in the projects undertaken to ensure appropriate working capital is maintained to deliver ongoing contracts. Therefore, due to a lack of financial resources the Group has either turned these opportunities down or has been eliminated from the tender process. One contract identified by the Group is the proposed construction of the US Embassy located in the MIA compound in Somalia. The total estimated construction cost for this project exceeds US\$100 million. RA International, alongside its bidding partner, believes it is one of three bid groups which remain in the selection process.

It is expected that the net proceeds of the Placing will strengthen the Group's balance sheet and raise its profile when bidding on larger contracts therefore enabling RA International to secure more significant contracts (either individually or by way of more teaming arrangements, such as subcontracting relationships or joint ventures) and continue the Group's growth.

Upsell additional services to current clients in existing territories

The Group has in the past successfully upsold its services through the life cycle of a project, as it is often the case that project requirements expand and develop over time. RA International's research and intelligence-led approach enables management to identify where these opportunities may arise and the Group is typically well placed to capitalise on opportunities to deliver additional services to meet its client's needs.

Management has identified a pipeline of opportunities with clients where it expects RA International to be able to upsell its services, across all five verticals, as project requirements develop and contract life extends.

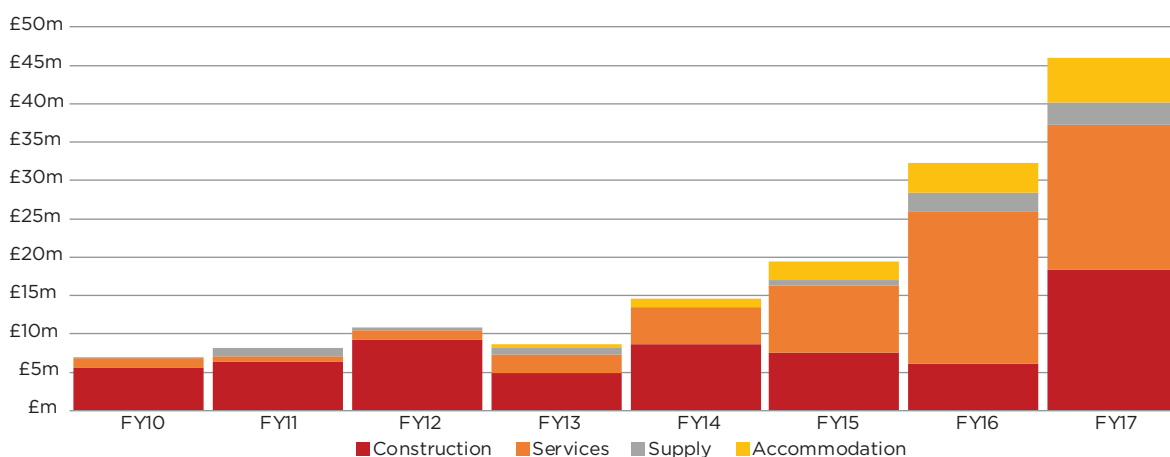
Enter new territories and sectors through leveraging existing relationships and reputation

As a research and intelligence-led organisation with strong relationships with its clients, RA International often has visibility on the likely direction of customer spending ahead of its competitors. This enables RA International to follow the direction of its customer spending quickly, and before the Group's competitors, as their clients take decisions on which jurisdictions in which to deploy.

Management intends to focus on early entry into countries and sectors where future business is likely, with both new and existing clients. This strategy has already been successfully delivered in Afghanistan and is currently evolving in Somalia, whilst being rolled out in the Central African Republic.

The Directors have identified the mining sector as one area where RA International's comprehensive service delivery could be replicated. RA SB Ltd, a subsidiary of the Group, won its first mining client in 2014 and the Group is currently in early stage discussions regarding its involvement in a number of other mining projects.

The chart below depicts the profile of revenue growth in Somalia.



8. Market

Overseas development aid (“ODA”) expenditure by international governments is driven by a number of aims including providing stability in conflicted regions, promoting democracy, contributing to counter terrorism and law enforcement efforts, as well as humanitarian aid to alleviate short term humanitarian crises. ODA can be delivered bilaterally, directly by individual governments, or multilaterally, through a multitude of organisations such as UN agencies, and charitable organisations. RA International typically undertakes contracts for western governments and international agencies to help deliver ODA in remote locations, as well as acting for international companies.

In 2016, UN agencies and USAID spent approximately US\$4.4 billion and US\$3.1 billion respectively in the Central African Republic, the Democratic Republic of Congo, Eritrea, Ethiopia, Libya, Mali, Somalia, South Sudan and Sudan. These are all countries in which the Directors believe the Group is currently able to provide its services at short notice. In the same year the UK, which is the

second largest contributor by monetary value in overseas aid to Africa (after the US), spent approximately £2.9 billion in ODA to Africa. In aggregate, over US\$100 billion in planned expenditure has been announced by the US, UK, United Nations and mining sector for investment in Africa in the next three years. The Directors believe that a proportion of this planned expenditure will be directly related to the services the Company is able to deliver and it is the Directors intention to actively target contract wins from this expenditure, where the project deliverables meet RA International's key criteria.

At the present time, the Group's active contracts are primarily located in Somalia and the Central African Republic. The United Nations peacekeeping operation budget for Somalia (UNSOA/UNSOS) has grown from approximately US\$490 million in 2014/2015 to US\$569 million for 2018/2019 and Central African Republic (MINUSCA) from approximately US\$629 million to US\$946 million in the same period. RA International has in the past benefitted from increased expenditures on existing projects and the Directors believe that this trend could continue as large projects are extended and RA International's services are required to continue to support a project.

As at 30 April 2018, the Group had identified new contract opportunities for existing and new clients or received request for tenders which it was considering worth US\$2 billion over the next three years.

9. Historical Trading

The following financial information for RA International FZCO and its Subsidiaries for the three years ended 31 December 2017 has been derived from the financial information contained in Part IV of this document prepared in accordance with IFRS and should be read in conjunction with the full text of this document. Investors should not rely on the summarised information.

	Years ended 31 December		
	2017 USD	2016 USD	2015 USD
Revenue	53,261,580	36,835,857	21,075,940
Direct costs	(32,331,791)	(24,610,178)	(15,280,128)
GROSS PROFIT	20,929,789	12,225,679	5,795,812
Other income	1,152,824	190,306	112,847
Selling expenses	(327,246)	(263,366)	(126,529)
Administrative expenses	(5,969,071)	(5,575,983)	(3,643,169)
Profit before depreciation, amortisation, and finance costs	15,786,296	6,576,636	2,138,961
Depreciation	(935,382)	(724,277)	(583,893)
Amortisation	(16,775)	(33,551)	(33,551)
Finance costs	(1,159,767)	(784,394)	(482,481)
PROFIT FOR THE YEAR	13,674,372	5,034,414	1,039,036
Other comprehensive income for the year	—	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	13,674,372	5,034,414	1,039,036

10. Current Trading and Prospects

Since the year ended 31 December 2017, the Group's financial results have met the Board's expectations. Revenue generated in the first quarter of FY2018 has increased by approximately 14 per cent. compared with the fourth quarter of FY2017 whilst maintaining margins. The Group's cash position has increased from US\$7.5 million at the end of 2017 to US\$10 million as at 31 March 2018.

In the first quarter of FY2018 the Group was awarded contracts with a value of approximately US\$31 million by various United Nations and UK government agencies. One of these contracts is to provide construction and facilities management services to a UK government agency in Oman. This contract, executing remote site works in the Gulf Cooperation Council region, is in line with the Group's customer led growth model. Including new contract awards in 2018, the Group's contracted revenue backlog at 30 April 2018 was approximately US\$120 million. In FY2017, reported revenue

was US\$53.3 million and the Group's contract backlog was approximately US\$100 million at the beginning of that year.

In addition to new awards, through its acquisition of RA SB Ltd effective 1 January 2018, the Group is now providing life-support and maintenance services to a mining operation in a remote region of Sudan. The Group will continue to tender on work for companies in the extractive industries who require a similar range of services as its non-governmental and governmental customers.

Overall, the Board is encouraged by the current trading results which are consistent with the Group's strategic plan.

11. UN Global Compact

RA International has been a signatory to the UNGC since 2008 and recently stepped up its commitment to "Participant" tier actively engaging at the global level with the UNGC. The Group has also been a contributor to the Foundation for the Global Compact since 2011.

The UNGC's operating guidelines can be considered the gold standard in corporate responsibility and draw on ten principals which are derived from: the Universal Declaration of Human Rights, the International Labour Organisations Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

RA International submits a Communication on Progress each year to the United Nations reaffirming its commitment to the UNGC and detailing initiatives undertaken in its support. RA International takes its participation in the UNGC very seriously and spends a considerable amount of time working to advance its 10 principles.

12. Anti-Bribery and Corruption

The Bribery Act, which prescribes criminal offences for businesses engaged or allowing others to engage in bribery or corrupt practices came into force 1 July 2011 and applies to the Group and to the Directors by virtue of the Company being incorporated in the UK.

The Directors acknowledge that ensuring that the Group and its employees are operating within the requirements of the Bribery Act is critical to the Group's operations. RA International has adopted and implemented comprehensive anti-bribery and corruption policies and procedures (the "**ABC Policies**") and the Directors impose a zero tolerance approach to non-compliance. It is the Directors responsibility to ensure that all of the Group's employees, in various locations, are complying with the ABC Policies and that the Group has in place adequate procedures to ensure that its partners, contractors and suppliers do not engage in bribery or corrupt activity.

The ABC Policies are incorporated into the Group's code of conduct, which all employees are required to adhere to and local staff are trained on the importance of compliance with the ABC Policies.

RA International has implemented an internal structure which minimises the risk of actions of bribery and corruption by its staff. There is always more than one point of contact with clients and controls are in place and monitored at all levels of the Group. Procurement is managed from the Company's headquarters in Dubai, with goods being transported to each country of operation (as required). When it is practical and permitted to do so, RA International also sources materials locally. When dealing with local suppliers, the Company will insist upon payments to local suppliers being made to a specified bank account, which means that there are minimal cash payments. All material payments require senior approval within the Group (typically a US\$100 threshold is applied).

Suppliers and sub-contractors of the Group are required to sign-up to stringent terms and conditions and RA International conducts diligence checks on its partners, internally and externally, for compliance with its policies. Further to this, the Group submits these policies for approval by, *inter alia*, the United Nations, governmental clients and other regulatory bodies.

13. Corporate Social Responsibility

The Directors believe that running a sustainable business should benefit everyone, including its customers, employees and the host communities in locations in which the Group operates. Having a multi-cultural and multi-lingual workforce of people who know how things work in Africa and beyond is key to delivering this. Accordingly, RA International staff, from the Directors to local employees cooperate respectfully with people on the ground, building trust and goodwill. The Group provides stable employment and training to local unskilled or semi-skilled labourers. In this way, the Group has a direct impact on the wellbeing of its employees' families, and on the local economy in general, and the Directors take this responsibility seriously.

Furthermore, the Directors believe that private enterprises have an important role to play in overcoming some of the world's most serious challenges and reaching the targets set out in the UN Development Programme's Sustainable Development Goals. The Directors believe that a successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the centre, are needed at the global, regional, national and local level. Much of what RA International does, from specific community engagement initiatives to the way it conducts its daily business, makes a contribution to meeting these aims.

14. Reasons for Admission and Use of Proceeds

The Directors consider that Admission is an important step in the Group's development enabling it to raise additional capital to support its strategic objectives as suitable opportunities arise. Securing PLC status will enable the Group to raise its profile within its markets, which is expected to be beneficial for future discussions with counterparties on more significant projects. From Admission, RA International will operate a Share Option Scheme, which will provide the Group with a means through which it can attract, retain and incentivise high calibre employees and allow them to participate in the Group's future success.

The Placing of the New Ordinary Shares will raise approximately £18.8 million (before expenses) for the Company. The net proceeds of the Placing, together with the Group's existing cash resources, will be utilised to fund the following:

- strengthen the Group's balance sheet enabling it to meet customer demand to bid on larger scale contracts within its core competencies;
- promote a client multiplier effect, adding to the Group's ability to upsell additional services to existing clients. Opportunities for upselling have been identified across all five verticals; and
- enter new territories and sectors through leveraging existing relationships and reputation.

15. Directors, Senior Management and Employees

A. The Board

On Admission, the Board of the Company shall comprise three executive Directors and four non-executive Directors whose biographical details are as follows:

Sangita Shah, (Non-executive Chair)

Sangita Shah has extensive experience in corporate finance, journalism and senior consultancy. She is the non executive Chair of AIM traded Bilby plc, a board director of NASDAQ listed Forward Industries Inc. and a director to Global Reach Technology EMEA Limited. She has held a number of senior roles within blue chip organisations, including Unilever, Mars, Ernst & Young and KPMG and is a past President of the Chartered Institute of Journalists. Sangita is also a regular consultant to a number of companies and to HM Cabinet Office. Sangita is a qualified accountant and a frequent key note speaker in forums for the Windsor Leadership Trust, European Parliament and European School of Management.

Soraya Narfeldt, (CEO)

Soraya Narfeldt is a UK citizen who was raised in Sierra Leone by a Scottish father and a Lebanese/African mother. In 2004, Soraya set up RAI FZCO to provide catering, procurement and

other services to US multi-nationals, various UN agencies and other western governments. She is a strong advocate and supporter of responsible business practice and has contributed articles on the subject to a number of recognised journals such as Forced Migration Review. Soraya also consults regularly with Government officials where she advises on Aid Funded Projects and Corporate Social Responsibility initiatives.

Lars Narfeldt, (COO)

Lars Narfeldt is a Swedish citizen who spent the first fifteen years of his post university career working with the Swedish government and the UN. Lars worked with SIDA in Palestine and with the UN in the Democratic of Congo, Uzbekistan, Sierra Leone and Afghanistan. While in Sierra Leone, Lars managed a team of over 2,000 individuals and ran the UN Volunteer Programme.

Andrew Bolter, (CFO)

Andrew Bolter joined RA International from Ernst & Young (Middle East) Transaction Advisory Services group where he was primarily responsible for assisting multi-national corporations to establish operations in the Middle East and Africa. He is a Canadian Chartered Accountant, Chartered Professional Accountant (CA, CPA), and a Chartered Business Valuator (CBV).

Alec Carstairs, (Non-executive Director)

Alec Carstairs is a chartered accountant with over 35 years experience of advising companies ranging from new start-ups to multi-national corporations, principally in the oil & gas sector. During his time at Ernst & Young LLP he acted as Head of UK Oil and Gas Mergers and Acquisitions and became Managing Partner of its Aberdeen office. Alec has previously served as an independent non-executive director of Ithaca Energy Inc., and is currently a non-executive director of CUL Holdings Limited and a director of Cela Consulting Limited. Alec also has a number of charitable interests and is currently a Director of The Vine Trust and Techfest-Setpoint and was formerly President of the Aberdeen & Grampian Chamber of Commerce.

Philip Haydn-Slater, (Non-executive Director)

Philip Haydn-Slater has over 35 years of City experience, principally within institutional sales with a number of well-known firms. Philip was co-founder of HD Capital Partners Ltd, where he was a director for over five years. Prior to this he spent eight years as Head of Corporate Broking at WH Ireland Ltd in London, where he was responsible for originating and managing the sales process for a range of transactions, including flotations and secondary placings for corporate clients on AIM and other international exchanges, largely in the resources sector. Philip has worked in both London and Sydney for financial organisations that include ABN Amro, Bankers Trust, James Capel & Co and Bain Securities (Deutsche Bank) Sydney.

Ian Henderson, (Non-executive Director)

Ian Henderson had a distinguished career as an investment manager in London for over 35 years, during which time he managed, *inter alia*, JP Morgan's Natural Resources funds for over 20 years, which reached assets of over US\$10bn, and JP Morgan's Global Financials fund. Following his retirement as manager, Ian became an investment adviser for the JP Morgan Natural Resources funds before serving as a non-executive director of Endeavour Mining Corporation, the TSX-V listed gold mining company operating in West Africa. He is currently a non-executive director of BMO Capital Markets Limited, a London-based subsidiary of Bank of Montreal. Ian is a qualified chartered accountant (ACA and FCA) and holds an LLB in Scots Law and an MA in Philosophy and Politics from Edinburgh University.

B. Senior Management

Trevor Stratford, (Director of Business Development)

Trevor joined RA International as Business Development Director in 2011. Trevor was born and educated in Zimbabwe and has worked across Africa, the Middle East and South America. He has over 20 years experience in business development and brings a deep understanding of remote site service delivery, project management, contract management, technical knowledge and client satisfaction. His mandate at RA International is to expand the Group's service offering, extend its

geographical reach and develop new and existing customer relationships. Trevor was previously responsible for managing strategic operations in the areas of design, manufacturing, installation and commissioning projects across a variety of industries including electrical contracting, water treatment and mining.

John Mitchell, (Director of Project Management)

John has over 35 years of experience in military and commercial environments with particular expertise in operational and business management. John joined RA International in 2010 and is responsible for directing and controlling the Group's operations. John currently leads a team of Country Managers, engineers and other technical experts who are responsible for contract implementation and project delivery in each operational location. John previously served in the Royal Navy, holding several senior posts. John's background in post-conflict areas makes him especially well-placed to work alongside people from diverse cultures, religions and world views.

C. Employees

The following table shows the number of permanent employees working for the Group as at 31 December 2015, 31 December 2016 and 31 December 2017:

Year	Number of employees
31 December 2015	447
31 December 2016	656
31 December 2017	620

The following table shows the number of permanent employees working for the Group in each geographic location as 31 December 2017:

Country	Number of employees as at 31 December 2017
Somalia	485
Central African Republic	63
Dubai	38
Kenya	15
South Sudan	17
Uganda	2

In addition to the permanent employees referred to above, the Group had 1,191 temporary employees as at 31 December 2017. This figure includes individuals employed on an agency basis on behalf of the Group.

16. The Placing and Admission

Under the Placing, the Company is issuing 33,575,741 New Ordinary Shares representing 19.3 per cent. of the Enlarged Share Capital of the Company following the Placing. At the Placing Price, the Placing of New Ordinary Shares will raise approximately £16.4 million (net of expenses) for the Company.

Cenkos has agreed, pursuant to the Placing Agreement and conditional *inter alia* on Admission, to use its reasonable endeavours to place the New Ordinary Shares with institutional and other investors.

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

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 29 June 2018, or such later date as Cenkos and the Company may agree, being not later than 13 July 2018.

The New Ordinary Shares 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 the date of issue.

None of the New Ordinary Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission.

The market capitalisation of the Company immediately following the Placing, at the Placing Price, will be approximately £97.2 million. Application has been made to the London Stock Exchange for the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. Admission is expected to become effective and dealings in the issued Ordinary Shares are expected to commence on 29 June 2018.

Further details of the Placing Agreement are set out in paragraph 9.1 of Part V of this document.

17. Dividend Policy

The Directors intend to adopt a progressive dividend policy whilst maintaining an appropriate level of dividend to allow the Group to retain sufficient capital to meet both the working capital needs of the business and to fund continued growth in line with its strategy. Assuming that there are sufficient distributable reserves available at the time, the Directors intend that the Company will pay a dividend relating to the FY2018 financial results.

The Company may revise its dividend policy from time to time. There are no guarantees that the Company will pay dividends or the level of any such dividends.

18. Lock-In Arrangements

The Company has entered into lock-in agreements with Cenkos and each of Soraya Narfeldt and Lars Narfeldt pursuant to which each of Soraya Narfeldt and Lars Narfeldt agrees not to, and to procure that their related parties will not (subject to certain exceptions), (i) dispose of any of their interests in Ordinary Shares prior to the first anniversary of Admission and (ii) thereafter for the following 12 months only to dispose of them through the Company's brokers at the relevant time.

The Company has also entered into lock-in agreements with Cenkos and each of Andrew Bolter, Trevor Stratford and John Mitchell pursuant to which each of Andrew Bolter, Trevor Stratford and John Mitchell agrees not to, and to use reasonable endeavours to ensure that their related parties will not (subject to certain exceptions) (i) dispose of any of their interests in Ordinary Shares prior to the first anniversary of Admission and (ii) thereafter for the following 12 months only to dispose of them through the Company's brokers at the relevant time.

Details of the Lock-in Arrangements are set out in paragraph 9.2 of Part V of this document.

19. Relationship Agreement

The Company has entered into a relationship agreement with each of Soraya Narfeldt and Lars Narfeldt and Cenkos pursuant to which each of Soraya Narfeldt and Lars Narfeldt have agreed to manage their relationship with the Company to ensure that the Company will at all times be capable of carrying on its business independently of Soraya Narfeldt and Lars Narfeldt and their connected persons and all transactions and arrangements between the Company and Soraya Narfeldt and Lars Narfeldt and their connected persons will be at arm's length and on normal commercial terms.

Details of the Relationship Agreement are set out in paragraph 9.4 of Part V of this document.

20. UK Corporate Governance

The Directors acknowledge the importance of high standards of corporate governance.

The Company has appointed four independent, non-executive Directors (including the Chair) to bring an independent view to the Board, and to provide a balance to the executive directors. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Directors intend to hold meetings of the Board not less than four times a year following Admission with additional meetings as and when required.

The Quoted Companies Alliance Corporate Governance Code 2018 (the "**QCA Code**"), published by the Quoted Companies Alliance (the "**QCA**"), sets out a standard of minimum best practice for small and mid-size quoted companies. The Company intends, given its size, the constitution of the Board

and the changes to the AIM Rules which are proposed to come into force on 28 September 2018, to comply with the principles set out in the QCA Code from Admission.

Conditional on Admission, the Company has also established audit and remuneration committees with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee will have the primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of RA International is properly measured and reported on. It will receive and review reports from the executive management team and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Company's external auditors.

At Admission, the Audit Committee shall consist of the following persons:

Name	Position
Alec Carstairs	Chairman
Sangita Shah	Member
Philip Haydn-Slater	Member

Remuneration Committee

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 service. 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 employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet not less than once per annum. In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Code.

At Admission, the Remuneration Committee shall consist of the following persons:

Name	Position
Philip Haydn-Slater	Chairman
Sangita Shah	Member
Ian Henderson	Member

21. Share dealing code

The Board intends to comply, and to procure compliance, with the Market Abuse Regulation and Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other applicable employees. To this end, the Company has adopted the Share Dealing Code and will take all reasonable steps to ensure compliance by the Directors and any relevant employees.

22. Share Option Scheme

The Directors recognise the need to attract, incentivise and retain employees and the importance of ensuring that all employees are well motivated and able to identify closely with the profitability of the Group. To that end, on 29 June 2018 the Company established the Share Option Scheme, details of which are set out in paragraph 11 of Part V of this document.

The Company has introduced the Share Option Scheme under which Options may be granted to eligible employees from time to time upon the Board's recommendation and subject to the rules of the Share Option Scheme. It is anticipated that the initial awards of Options under the Share Option Scheme with an exercise price equivalent to the nominal value of an Ordinary Share per Ordinary Share will be granted to Andrew Bolter, Trevor Stratford and John Mitchell conditional on Admission and will have performance vesting conditions further described in paragraph 11 of Part V of this document.

The aggregate pool of Options outstanding under the Share Option Scheme and any other equity-linked incentive arrangements will not exceed 10 per cent. of the issued share capital of the Company in any ten year period. The Options granted conditional on Admission will be excluded from the calculation of the rolling ten year limit.

23. Taxation

Details of certain UK taxation implications which may be relevant to holding or dealing in Ordinary Shares are set out in Part III of this document. These details are intended as a general guide to the current tax position under UK taxation law. If you are in any doubt with regard to your tax position you should consult your own tax adviser.

24. Settlement and Crest

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a “system-member” (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the New Ordinary Shares will be registered in the names of the Placees subscribing for them and issued either: (i) in certificated form, where the Placee so elects, with the relevant share certificate expected to be dispatched by post, at the placees risk, or (ii) by/or in CREST, where the Placee so elects and only if the Placee is a “system member” (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 29 June 2018. Notwithstanding the election by Placees as to the form of delivery of the New Ordinary Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a Placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company’s register of members.

25. Additional Information

Prospective investors should read the whole of this document which provides additional information on the Company and not rely on the key or summarised information. In particular, the attention of prospective investors is drawn to Part II: Risk Factors of this document which contains certain risk factors relating to any investment in Ordinary Shares.

PART II

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a high degree of risk. Before making an investment decision, investors should consult an independent financial adviser authorised under FSMA who specialises in investments of this kind. Prospective investors should carefully consider whether an investment in the Company is right for them.

An investment in the Company involves a variety of risks. Accordingly, prospective investors should consider carefully the specific risk factors set out below in addition to the other information contained in this document before investing in the Company. The Directors consider the following risks to be the material risks for potential investors. In particular, the Group's performance may be materially and adversely affected by changes in the market and/or economic conditions and/or by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, the Group or the interpretation of such laws and regulations.

If any of the following risks materialise, the business, financial condition, results or future operations of the Group could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors could lose part or all of their investment in the Ordinary Shares. In addition, the risks below are not the only risks to which the Group may be subject. The Company may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material.

1. General Risks

An investment in the Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Group is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Group should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Group's investments will occur or that the investment objectives of the Group will be achieved. Investors may not get back the full or any amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Group's prospects.

2. Risks Relating to the Group and its business

(a) Political and economic instability in the region

With operations extending throughout Africa, the Group will potentially be affected in varying degrees by political instability, new government regulations and/or the economic conditions of the jurisdictions in which it operates. The Group's operations are particularly exposed to the political and economic conditions of Kenya, the Central African Republic, Sudan, South Sudan, Somalia and Uganda as well as, to a lesser extent (due to the fact that the Group is not currently operational in these jurisdictions), Cameroon, Mozambique, Ghana, Tanzania, Malawi and the Democratic Republic of Congo. Any changes in regulations or shifts in political conditions are beyond the control of, and may adversely affect, the Group's business. Operations may be affected in varying degrees by new or changes to existing government regulations, policies and directives with respect to restrictions on access, land usage, taxes, environmental legislation and health and safety. Governments may impose conditions, such as employment of local employees or the development of the local infrastructure that may affect the viability of projects.

In addition, the Group's operations in these markets may be subject to economic and political considerations such as the risks of civil war, boundary disputes, activism by non-governmental

organisations, organised crime, community disturbances and military repression. The Group may incur significant costs because of any increase in instability in the countries in which it operates. Any of the factors detailed above or similar factors could adversely affect the Group's business, financial condition and reporting and results of operations.

(b) The Group's operating results depend on the award of new contracts and the timing of such awards

As a substantial portion of the Group's revenue is generated from medium-to large-scale service and construction projects, and the timing of project awards is unpredictable, the Group's operating profit and cash flow may be subject to significant periodic fluctuations that impact liquidity. In addition, the Group is reliant on the award to it of projects which can be profitable to RA International and will enable the Company to generate satisfactory margins. In general, it is also very difficult to predict whether or when the Group will receive such project awards as these contracts frequently involve a lengthy, complex and competitive bidding and selection process, which is affected by a number of factors, such as market conditions, financing arrangements, and governmental approvals.

(c) The Group is dependent on the investment policies of supranational entities and public authorities

Contracts put out to tender by supranational entities (such as the United Nations, European Union and the World Bank) and contracts with public sector clients (such as ministries of defence) together represented, for the year ended 31 December 2017, approximately 95% per cent. of the Group's revenue. As a result, the Group's activities are heavily dependent on such entities' programmes and funding policies with respect to investments in transport, civil and social infrastructure.

The Group also relies on infrastructure development programs currently planned and backed by supranational entities and public sector clients in various markets to generate a significant amount of its business. Future changes and/or reductions by such clients in their plans or policies of infrastructure development, delay in the awarding of major projects or postponement of previously awarded projects could have a material adverse effect on the Group's business, financial condition and results of operations.

(d) Foreign companies wishing to invest in many African countries can be required to obtain prior clearance and approvals from the regulatory authorities in those countries

If the Group cannot obtain or maintain the necessary permits, authorisations or agreements to implement planned projects or continue its existing operations under conditions or within time-frames that make such projects and operations economically feasible, or if legal or fiscal regimes or the governing political authority change materially, the Group may not be able to achieve its objectives. Prior to the Group making any new investment or expanding a business into a new country in Africa, it may need to apply for relevant permits to operate in such jurisdictions. These processes are usually administrative in nature but there is no guarantee that the Group will be successful in obtaining such approvals and clearance or that any existing approvals and clearances will not be revoked or withdrawn or amended in a manner which could have a material adverse effect on the Group's business, financial condition and results of operations.

(e) The Group uses local suppliers and other local third parties for the operation of its business

The Group uses several third-party suppliers to provide equipment and raw materials used for the Group's projects. If the Group is unable to find reliable suppliers, its ability to successfully complete its projects could be impaired. Furthermore, if a supplier fails to provide equipment or materials, in each case, as required under a contract for any reason, the Group may be required to source such services, equipment or materials at a higher price than anticipated, which could negatively impact its profitability, as there can also be no assurance that it will be able to pass on any or all of such increased costs to the Group's clients. In some cases, the equipment purchased for a project does not perform as expected, and these performance failures may result in delays in completion of the project, additional costs for the Group or the clients to complete the project and, in some cases, may require the Group to obtain alternate equipment at additional cost. Furthermore, delivery by the

Group's suppliers of faulty equipment or materials could also negatively impact the Group's overall project, resulting in claims against it for failure to meet required project specifications and it may be unable to successfully obtain compensation from its suppliers. In addition, in the case of government contracts, a failure by a supplier to comply with applicable laws, rules or regulations could result in the Group facing fines, penalties, suspension or even debarment by the relevant governmental authority. Any such failures by a supplier could have a material adverse effect on the Group's business, financial condition and results of operations.

(f) Lack of developed legal systems in the jurisdictions in which the Group operates

Countries in the African continent have less developed legal systems than those in countries with more established economies, which may result in risks such as: (i) potential difficulties in obtaining effective legal redress in its courts, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters; (vi) international arbitration awards may not be easily enforceable, if at all; (vii) new laws may be applied retroactively or retrospectively; and (viii) the enactment of new laws or directives is often unpredictable.

In addition, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

(g) The impact of local legislation

Government policy in African countries can be unpredictable and the institutions of government and market economy have been unstable and subject to rapid and unpredictable change. If the Group cannot obtain or maintain any necessary permits, authorisations or agreements to implement planned projects or continue its operations under conditions or within time frames which make such plans and operations economic, or if legal and fiscal regimes or the government political authority change materially, its financial position could be adversely affected.

(h) Risks relating to emerging markets

The Group operates in a variety of locations where the markets are not yet matured and deemed as emerging markets. The markets are subject to rapid change and greater risks than more developed markets. If there is an economic or financial crisis in any of the jurisdictions that the company operates in, the Group may face severe difficulties in the operation of its business and the value of its assets in such jurisdictions may decrease, resulting in a material adverse effect on the RA International's business, results of operations and financial condition.

(i) Local land usage licences

Within the areas of operations of the Group, there may be specific land usage licences that its clients are required to obtain in order to carry out their operations and which may be required to enable the Group to fulfil certain elements of a contract. Prior to commencing any activity at new locations it will be necessary for the relevant party to obtain the appropriate licences. Failure to do so may result in the delay or cancellation of planned projects, which would have an adverse impact on the Group's financial performance. The nature of the location of operation may mean that local land regulation may change causing the Group to need to reassess its operations and implement any necessary changes. Consequently, such issues may have an adverse impact on the Group's financial condition, results of operations or share price.

(j) Regional sanctions

The European Union and United States have implemented sanctions against certain political leaders in Africa and such persons' associates and affiliated entities, including in Sudan where the Group has operations. Failure by the Group to abide by any such sanctions could give rise to the imposition of civil or criminal penalties on the Group, and may adversely impact the Group's financial condition, results of operations or share price.

(k) Local environmental legislation

The environmental and safety legislation in the countries in which the Group operates or may operate in from time to time may change in a manner that requires stricter or additional standards than those now in effect, a heightened degree of responsibility for the companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from operations which may be costly to remedy.

(l) Retention and attraction of key management and employees

The successful operation of the Group will depend partly upon the performance and expertise of its current and future management and senior employees. The loss of the services of certain of the Group's key management or employees, or a loss of the ability to continue to attract and retain suitable management and employees may have a material adverse effect on the Group.

(m) Restrictions in availability of workforce

The Directors also believe that RA International's investment in local communities and its workforce in particular enables them to identify and manage risks inherent in operating in remote locations and greatly contributes to the Group's ability to deliver projects to time and cost requirements when some competitors may struggle to do so. The Group's workforce is multi-lingual and comprises of individuals from many African and international countries who can benefit from training and skill transfer through work programmes and rotations. Like all companies, however, the inability to retain or recruit adequate skilled employees may result in delays in projects, costs exceeding the project's original budget or the project being abandoned and, consequently, may have a material adverse affect on the Group's financial condition, results of operations or share price.

(n) Reliance on one location

The Group has in the past and currently undertakes projects in a number of countries in Africa and the Middle East for a variety of clients. In FY2017, projects undertaken in Somalia represented a significant proportion of the Group's total revenues. Should the Group be, for any reason, unable to operate in Somalia in future, there could be a material adverse effect on the Group's business, financial condition and results of operations.

(o) Crime and governmental or business corruption

The Group currently operates in the African continent, where in the past and currently, there are high levels of corruption and other criminal activity. Businesses may be subject to the influences of criminal elements or other forms of corruption. The Group may have to cease or alter certain activities or liquidate certain investments because of criminal threats or activities. Legal rights may be difficult to enforce in the face of corruption.

It is possible that permits, authorisations and similar matters may have been obtained by third parties in breach of legal requirements. Such matters would be susceptible to subsequent challenges as *ultra vires*, and it will be difficult for the Group to monitor such events or provide assurance against such corruption.

Despite the Group's strict policies and procedures, and policy of adherence with applicable laws which prohibit corrupt payments to government officials or other business or persons, there is no guarantee that such internal policies and procedures will be adhered to by its future employees or agents. Alleged or actual involvement by the Group, its Directors or officers in corruption or other illegal activity by such persons, could significantly damage the Group's reputation and its ability to do business and could materially adversely affect its financial condition, results of operations and share price.

(p) No certainty that the Group's insurance cover is adequate to protect against every eventuality

There can be no certainty that the Group's insurance cover is adequate to protect against every eventuality. The Group cannot be certain that it may not become a party to any insurance claim made either directly against the Group, supplier or a customer. The occurrence of an event for which the Group did not have adequate insurance cover could have a materially adverse effect on the business, financial condition and results of operations of the Group.

(q) Internal controls

Future growth and prospects for the Group will depend on its management's ability to manage the business of the Group and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

(r) Risks relating to Dubai and UAE

The Group's main operating entity is located in JAFZA, Dubai, UAE and therefore the Group's business is sensitive to any change in the political, regulatory and economic environment in the UAE and in Dubai in particular.

The economy of the UAE has been characterised by significant government involvement through direct ownership of enterprises and extensive regulation of market conditions, including foreign investment, foreign trade and financial services. While the policies of the governments of Dubai and the UAE have generally resulted in economic and political stability in the years following the Global Financial Crisis, there can be no assurance that this stability will be sustained.

The implementation by the governments of Dubai or the UAE of restrictive fiscal or monetary policies or regulations, including in respect of interest rates, new legal interpretations of existing regulations, changes in regulations relating to free zones, property ownership or customs and immigration, the introduction of taxation or exchange controls, reductions in infrastructure development or funding and/or the abandonment of, or changes to, current governmental strategic objectives could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Middle East has experienced varying degrees of political instability over the past 75 years. The unrest in Iraq, the political events commonly and collectively referred to as the Arab Spring, the ongoing conflict in Syria, the Israeli-Palestinian conflict and other recent incidents of war, rebellion or revolution in various Middle East countries could potentially affect the UAE. Any unexpected changes in the political, social, economic or other relevant conditions in the UAE could also have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

(s) Enforcing judgments against the Group's assets held in the UAE or against its Directors

The Company is a holding company organised as a public limited company incorporated in England with business operations conducted through various subsidiaries in a number of countries, including the UAE. A majority of the Group's directors and officers reside outside the United Kingdom. In addition, substantially all of the Company's consolidated assets and the majority of the assets of its Directors and officers are located outside the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United Kingdom upon the Group or its Directors and officers or to enforce judgments obtained against the Group in jurisdictions other than the UAE.

Moreover, in certain circumstances, it may not be possible to obtain the legal remedies provided under current laws and regulations in a timely manner, or at all. The judicial systems are influenced by principles of Islamic law and judicial precedents may have no binding effect on subsequent decisions and legislation. In addition, enforcement of court orders can, in practice, be very difficult in some of these countries. All of these factors make judicial decisions in many of the countries in which the Group operates or may operate in the future difficult to predict and effective redress uncertain.

(t) *Tax in the UAE*

Although in the UAE, each of the individual Emirates have issued corporate tax decrees which theoretically apply to all businesses established in the UAE. In practice, these laws have not been applied and taxes are currently imposed only on oil and gas producing entities and branches of foreign banks (“taxable activities”). However, as theoretically such tax decrees could apply to the Group, this may have a material adverse effect on the Group’s business, results of operations, cash flows and financial condition.

The Group is not currently subject to corporation tax on its earnings within the UAE, although there is no guarantee that this will continue to be the case. If the UAE authorities impose new tax regimes on the Group (whether related to corporation tax or otherwise), or introduce any other changes in tax laws which make doing business in Dubai less attractive, this may have a material adverse effect on the Group’s business, results of operations, cash flows and financial condition. In addition, any imposition of a tax on earnings would reduce the amount of funds which could be distributed to the Group’s shareholders through dividends in the future.

(u) *Risks of the Corporate Structure in light of the National Partnership Requirement and Concealment Law*

Pursuant to the UAE Companies Law, any company established in the state must have one or more national partner whose portion in the share capital of the company is not less than 51 per cent., and any transfer of title in respect of any share that reduces such percentage is invalid (the “**National Partnership Requirement**”).

Accordingly, consistent with the approach that is taken by many foreign-owned companies operating in the UAE, the Company’s subsidiary RA International General Trading LLC has adopted a structure which mitigates the effect of the National Partnership Requirement with respect to ownership and control of this subsidiary in the UAE.

It should be noted that the National Partnership Requirement reflects a public policy in the UAE which aims at protecting the interests of nationals, and preventing the practice of “silent/passive partner”. From this perspective, it could be considered in the context of Federal Law No. 17 of 2004 concerning Anti-Concealment which prohibits arrangements between a national and a foreigner which allow a foreigner to undertake a business in the UAE restricted to UAE nationals (the “**Concealment Law**”).

The definition of commercial concealment in the Concealment Law refers to economic and professional activities that are not allowed to be carried out by non-UAE investors pursuant to the laws and regulations applicable in the UAE. The Concealment Law prohibits a person from allowing a non-UAE investor to use the name, licence and/or trade registration of that person.

It is not clear whether the Concealment Law would apply to the structure adopted by RA International General Trading LLC (as described in paragraph 2 of Part V of this Admission Document). Although the Concealment Law came into force in 2011 (after having been suspended by the UAE Federal Government on two occasions), the Concealment Law provides that the UAE Ministry of Economy will issue implementing regulations and will, in cooperation with the UAE Ministry of Justice, appoint officials to implement its provisions. To date, neither the Company nor its legal counsel is aware of any implementing regulations or decree with respect to the appointment of such officials, or any enforcement actions taken to date under the Concealment Law. The Company also believes that it is highly unlikely that a broad enforcement of the Concealment Law would take place, given that doing so would have severe adverse effects on foreign investment in the UAE and would go against the general policy of the UAE generally and Dubai particularly to encourage foreign investment and develop the image of the country as a business-friendly hub.

Notwithstanding the above, given the uncertainty related to the application of the Concealment Law, and the provisions of the UAE Companies Law related to the National Partnership Requirement, it is not possible to ascertain the approach of the UAE courts in relation to a corporate structure such as the one adopted by RA International General Trading LLC. Whilst the operations of RA International General Trading LLC provide the Group with operational efficiencies in the UAE,

the Company believes it would be able to restructure its operations in Dubai without material impact should such a corporate structure prove not to be viable in the future.

*(v) Tax exemption for the UN Assistance Mission in Somalia (“**UNSOM**”)*

The Government of the Federal Republic of Somalia has entered into an agreement with the United Nations in respect to the status of UNSOM (the “**UNSOM Agreement**”). Although the UNSOM Agreement provides for various tax immunities, exemptions and facilities applicable to contractors of the United Nations performing services for UNSOM, which the Directors are of the view apply to the Group as contractor to the United Nations, the exemptions and immunities have not been granted specifically to the Group by way of tax ruling, acknowledgement or certificate. Therefore, there is a risk that such arrangement may be challenged by the tax authorities.

(w) Tax in Somalia

Historically the Group has not paid any taxes in relation to contracts in Somalia it has with US or UK governmental bodies, although the Group has paid sales tax and staff taxes in connection with works undertaken for clients other than the United Nations. Although such governmental bodies may have entered into or are in the process of entering into bilateral agreements with the Federal Republic of Somalia which potentially include various tax exemptions and immunities for the respective governments and their contractors in Somalia, such exemptions and immunities have not been granted specifically to the Group by way of tax ruling, acknowledgement or certificate. Therefore, there is a risk that the Group should have paid tax in Somalia and that this could be challenged by the tax authorities.

*(x) Tax exemption for MINUSCA – Status of Forces Agreement (“**SOFA**”)*

The government of the Central African Republic has entered into an agreement with the United Nations in respect to the status of the United Nations operation in the country (the “**SOFA Agreement**”). Although the SOFA Agreement provides for various tax immunities, exemptions and facilities applicable to contractors of the United Nations performing services in the Central African Republic, which the Directors are of the view apply to the Group as contractor to the United Nations, the exemptions and immunities have not been granted specifically to the Group by way of tax ruling, acknowledgement or certificate. Therefore, there is a risk that such arrangement may be challenged by the tax authorities.

3. Risks Relating to the Ordinary Shares

(a) Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

(b) It may be difficult to realise an investment on AIM

The Ordinary Shares will be quoted on AIM. The AIM Rules are less demanding than those of the Official List and an investment in a security that is traded on AIM may carry a higher risk than an investment in securities listed on the Official List. The price of publicly traded securities can be highly volatile. It may be more difficult for an investor to realise his or her investment in the Company than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange. Shares held on AIM are perceived to involve higher risks. AIM is a market designed for small and growing companies but its future success and liquidity as a market for Ordinary Shares cannot be guaranteed.

(c) Market price of Ordinary Shares

The price at which Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Company and its operations and some which may affect growth companies or quoted companies generally. Admission to AIM does not imply that there will be a liquid market for Ordinary Shares. Consequently, the price of Ordinary Shares may be subject to fluctuation on small volumes, and Ordinary Shares may be difficult to sell at a particular price or at all.

(d) Dividend

There can be no assurance as to the level of future dividends. Any decision to declare and pay dividends in the future will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulations, restrictions, our results of operations, financial condition, cash requirements, contractual restrictions, future projects and plans and other factors that the Directors may deem relevant. In addition, the Company's ability to pay dividends depends significantly on the extent to which it receives dividends from its subsidiaries and there can be no assurance that its subsidiaries will pay dividends. The Directors can give no assurance that the Company will pay any dividends in the future. As a result, Shareholders may not receive any return on an investment in the Company's shares unless they sell those shares for a price greater than that which they paid for it.

(e) Dilution and future sales of Ordinary Shares by the Company

The Company may, subject to applicable securities laws, its Articles, by laws and stock exchange rules, issue additional Ordinary Shares in the future which may dilute a shareholder's holdings in the Company. The Articles permit the issuance of an unlimited number of Ordinary Shares and an unlimited number of preference shares and shareholders will benefit from statutory pre-emption rights unless disapplied by a shareholder resolution. The Directors have the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of Ordinary Shares. Additional Ordinary Shares will be issued by the Company on the exercise of Options under the Share Option Scheme and upon the exercise of outstanding Warrants.

(f) Forward-looking information may prove inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this document under the heading "Forward looking statements".

(g) Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those rules that govern companies admitted to the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

(h) Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

(i) Access to further capital

The Company may require additional funds to respond to business challenges, enhance existing products and services and further developing its sales and marketing channels and capabilities. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could

have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by The Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for it to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

(j) Dilution

If available, future financings to provide required capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

(k) Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Company may require additional capital in the future which may not be available to it.

(l) Exchange rate risk to investors

The Company's functional currency is US dollars. Fluctuations in currency could have an adverse effect on the value of an investor's holdings in the Company where the principal accounting currency of the investor is not US dollars.

(m) Control risks

As at the date of Admission, Soraya Narfeldt and Lars Narfeldt are together expected to control the majority of the Ordinary Shares. This means that Soraya Narfeldt and Lars Narfeldt will have the power to exercise significant influence over all matters requiring Shareholder approval, including the election and removal of the Directors, amendment to the Articles, approval of final dividends and share buybacks, compromises and schemes of arrangement. This could have the effect of preventing the Company from entering into transactions that could be beneficial to it or its Shareholders.

The Relationship Agreement as described in paragraph 9.4 of Part V of this Admission Document regulates aspects of the continuing relationship between the Company and each of Soraya Narfeldt and Lars Narfeldt, with a view to ensuring that the Group is capable at all times of carrying on its business independently of Soraya Narfeldt and Lars Narfeldt and that future transactions between the Group and Soraya Narfeldt and Lars Narfeldt are on arm's length terms and on a normal commercial basis.

The risks noted above do not necessarily comprise all of the risks potentially faced by the Company and are not intended to be presented in any assumed order of priority.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART III

TAXATION

The following paragraphs are intended as a general guide only to the United Kingdom tax position of Shareholders who are the beneficial owners of Ordinary Shares in the Company who are United Kingdom tax resident and, in the case of individuals, domiciled in the United Kingdom for tax purposes and who hold their shares as investments (otherwise than under an individual savings account (ISA)) only and not as securities to be realised in the course of a trade.

Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment or as an office holder may be taxed differently and are not considered. Furthermore, the following paragraphs do not apply to:

- potential investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement; or
- persons with special tax treatment such as pension funds or charities.

Any prospective purchaser of Ordinary Shares in the Company who is in any doubt about their tax position or who is subject to taxation or domiciled in a jurisdiction other than the United Kingdom should consult their own professional adviser immediately. Unless otherwise stated the information in these paragraphs is based on current United Kingdom tax law and published HMRC practice as at the date of this document. Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) 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.

Income Tax – taxation of dividends

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

United Kingdom resident individuals

Since 6 April 2016 a new system of taxation for dividends applies to United Kingdom resident individual shareholders. Dividends received are no longer grossed up to include a 10 per cent. notional tax credit. Instead individuals will pay tax on the amount received. Dividend income is subject to income tax as the top slice of the individual's income. Each individual has an annual "Dividend Allowance" of £2,000 which means that they will not have to pay tax on the first £2,000 of all dividend income they receive. Dividends in excess of the Dividend Allowance are taxed at the individual's marginal rate of tax, with dividends falling within the basic rate band taxable at 7.5 per cent. (the "dividend ordinary rate"), those within the higher rate band taxable at 32.5 per cent. (the "dividend upper rate") and those within the additional rate band taxable at 38.1 per cent. (the "dividend additional rate"). Legislation was introduced in the Finance No. 2 Act 2017 which reduced the dividend allowance from £5,000 to £2,000 from 6 April 2018.

United Kingdom discretionary trustees

The annual Dividend Allowance available to individuals will not be available to United Kingdom resident trustees of a discretionary trust. Since 6 April 2016 United Kingdom resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 7.5 per cent., which mirrors the dividend standard rate, to the extent that the trust's income for the year has not exceeded £1,000. Once the trust's income has exceeded £1,000 for the tax year, dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate. Note that if the settlor of the discretionary trust has more than one trust, the £1,000 limit is divided by the number of trusts the settlor has. However, if the settlor has set up five or more trusts, the standard rate band for each trust is £200.

United Kingdom resident companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, may (subject to anti-avoidance rules) be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends paid by the Company from being chargeable to United Kingdom corporation tax. Such shareholders should seek independent advice with respect to their tax position. United Kingdom pension funds and charities are generally exempt from tax on dividends that they receive.

Non-United Kingdom residents

Generally, non-United Kingdom residents will not be subject to any United Kingdom taxation in respect of United Kingdom dividend income. Non-United Kingdom resident shareholders may be subject to tax on United Kingdom dividend income under any law to which that person is subject outside the United Kingdom. Non-United Kingdom resident shareholders should consult their own tax advisers with regard to their liability to taxation in respect of the cash dividend.

Withholding tax

Under current United Kingdom tax legislation, no tax is withheld from dividends or redemption proceeds paid by the Company to Shareholders.

United Kingdom Taxation of capital gains

The following paragraphs summarise the tax position in respect to a disposal of Ordinary Shares on or after 6 April 2016 by a Shareholder resident for tax purposes in the United Kingdom.

To the extent that a Shareholder acquires Ordinary Shares allotted to him, the amount paid for the Ordinary Shares will generally constitute the base cost of the Shareholder's holding.

A disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are United Kingdom tax resident or only temporarily non-United Kingdom tax resident, capital gains tax at the rate of 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate, subject to any exemptions or reliefs, any gain may be in the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes would prior to 1 January 2018 have been able to benefit from indexation allowance. The indexation allowance, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but will not create or increase an allowable loss. However, the indexation allowance was frozen with effect from 31 December 2017 meaning that for such companies that acquire Ordinary Shares on or after 1 January 2018, the indexation allowance will not be available, and for those already holding Ordinary Shares, the allowance is only given for the holding period up to 31 December 2017.

Individual Shareholders who subscribe for and continuously hold their Ordinary Shares for no less than three years from the later of their issue date and 6 April 2016 may, on a subsequent disposal of those Ordinary Shares, qualify for "Investors' Relief". Investors' Relief is a new relief contained within the Finance Act 2016 which provides for a reduced rate of capital gains tax of 10 per cent. on gains realised on the disposal of certain ordinary shares, up to a lifetime limit of £10 million of gains, subject to various conditions being met by both the investor and investee company. Investor relief does not apply to employees or officers of the Company, or to individuals connected to them for tax purposes.

The relevant qualifying conditions of Investors' Relief are considered likely to be met by the Company and/or the Group. However, neither the Company, its Directors or advisors can guarantee that those conditions will be or will continue to be met throughout the required shareholding period.

For trustee Shareholders of a discretionary trust who are United Kingdom tax resident, capital gains tax at the rate of tax of 20 per cent. may be payable on any gain (after any available exemptions, reliefs or losses).

Non-United Kingdom resident Shareholders will not normally be liable to United Kingdom taxation on gains unless the Shareholder is trading in the United Kingdom through a branch, agency or permanent establishment and the Ordinary Shares are used or held for the purposes of the branch, agency or permanent establishment.

Stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT should be payable on the issue or allotment of Ordinary Shares pursuant to the Subscription.

No stamp duty or SDRT should arise on subsequent transfers or agreements to transfer Ordinary Shares provided that at the time of transfer, or agreement of transfer (as the case may be), the shares are only admitted to trading on a recognised growth market and no other market. AIM is such a recognised growth market. On the basis that Ordinary Shares are only to be admitted to trading on AIM no stamp duty or SDRT should arise (assuming that it continues to be the case at the time of the transfer or agreement to transfer the Ordinary Shares). If this is not the case stamp duty and/or SDRT will arise in the normal way and further advice should be sought.

The statements in this paragraph applies to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position.

Inheritance Tax

Shares in AIM listed trading companies or a holding company of a trading group may after a 2 year holding period qualify for “Business Property Relief” for United Kingdom inheritance tax purposes, subject to the detailed conditions for the relief.

Investors should note it is likely that Business Property Relief would cease to be available in the event that Company’s Shares were to become listed on another stock exchange, for example the Main Market of the London Stock Exchange.

PART IV

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON THE GROUP

Section A: Accountant's report on the historical financial information on the Group

The Directors

RA International Group PLC
One Fleet Place
London EC4M 7WS
United Kingdom

25 June 2018

Dear Sirs,

RA International FZCO

We report on the financial information of RA International FZCO and its subsidiaries for the years ended 31 December 2017, 2016 and 2015 set out in Part IV Section B *Historical consolidated financial information on the Group for the three years ended 31 December 2017* (the “**Historical Financial Information**”). The Historical Financial Information has been prepared for inclusion in the AIM admission document dated 25 June 2018 of RA International Group PLC on the basis of the accounting policies set out in Note 2. This report is required by Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that schedule and for no other purpose.

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

Responsibilities

The Directors of RA International Group PLC are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting Issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments 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 Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

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

Basis for qualified opinion on Historical Financial Information

With respect to inventories having carrying amounts of USD 2,294,799 at 31 December 2014 and USD 2,077,388 at 31 December 2015, the audit evidence available to us was limited because the statutory auditor did not observe the counting of physical inventories since the inventories were located in remote areas; however the statutory auditor observed inventory counts as at 31 December 2016 and 31 December 2017. We were unable to satisfy ourselves as to the inventory quantities at 31 December 2014 and 31 December 2015 by other audit procedures. As a result, we were unable to determine whether any adjustment might have been necessary in respect of the recorded inventories as at 31 December 2014 and 31 December 2015. Since period end inventories affect the determination of the financial performance and cash flows, we were unable to determine whether an adjustment would be necessary in respect of the profits for the years ended 31 December 2015 and 31 December 2016 reported in the consolidated statement of comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows for the same periods.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion on the Historical Financial Information paragraph, the financial information gives, for the purposes of the AIM admission document dated 25 June 2018, a true and fair view of the state of affairs of RA International FZCO and its subsidiaries as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully,

Ernst & Young Middle East (Dubai Br.)

Section B: Historical consolidated financial information on the Group for the three years ended 31 December 2017

Consolidated Statement of Comprehensive Income

	Notes	Years ended 31 December		
		2017 USD	2016 USD	2015 USD
Revenue		53,261,580	36,835,857	21,075,940
Direct costs	3	(32,331,791)	(24,610,178)	(15,280,128)
GROSS PROFIT		20,929,789	12,225,679	5,795,812
Other income		1,152,824	190,306	112,847
Selling expenses	4	(327,246)	(263,366)	(126,529)
Administrative expenses	5	(5,969,071)	(5,575,983)	(3,643,169)
Profit before depreciation, amortisation, and finance costs		15,786,296	6,576,636	2,138,961
Depreciation	6	(935,382)	(724,277)	(583,893)
Amortisation	7	(16,775)	(33,551)	(33,551)
Finance costs	19	(1,159,767)	(784,394)	(482,481)
PROFIT FOR THE YEAR		13,674,372	5,034,414	1,039,036
Other comprehensive income for the year		—	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,674,372	5,034,414	1,039,036
EARNINGS PER SHARE	18	13.67	5.03	1.04

The attached notes 1 to 23 form part of the Historical Financial Information.

Consolidated Statement of Financial Position

		As at 31 December		
	Notes	2017 USD	2016 USD	2015 USD
ASSETS				
Non-current assets				
Property, plant, and equipment	6	9,170,270	6,886,525	5,305,920
Intangible assets	7	—	16,775	50,326
		<u>9,170,270</u>	<u>6,903,300</u>	<u>5,356,246</u>
Current assets				
Inventories	8	2,660,278	3,344,966	2,077,388
Accounts receivable, deposits, and other receivables	9	13,137,497	10,079,358	7,868,524
Bank balances and cash	11	7,469,235	1,236,104	1,533,506
		<u>23,267,010</u>	<u>14,660,428</u>	<u>11,479,418</u>
TOTAL ASSETS		<u>32,437,280</u>	<u>21,563,728</u>	<u>16,835,664</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	12	271,740	271,740	271,740
Additional contributed capital	12	1,809,130	1,809,130	1,809,130
Retained earnings		<u>24,269,486</u>	<u>11,369,774</u>	<u>6,497,860</u>
Total equity		<u>26,350,356</u>	<u>13,450,644</u>	<u>8,578,730</u>
Non-current liabilities				
Term loans and notes – long-term portion	14	5,701	583,786	26,123
Employees' end of service benefits	15	251,168	188,796	136,158
		<u>256,869</u>	<u>772,582</u>	<u>162,281</u>
Current liabilities				
Term loans and notes – short-term portion	14	1,860,988	2,011,240	4,785,539
Accounts payable and accruals	16	3,969,067	5,329,262	2,398,830
Bank overdraft	11	—	—	910,284
		<u>5,830,055</u>	<u>7,340,502</u>	<u>8,094,653</u>
Total liabilities		<u>6,086,924</u>	<u>8,113,084</u>	<u>8,256,934</u>
TOTAL EQUITY AND LIABILITIES		<u>32,437,280</u>	<u>21,563,728</u>	<u>16,835,664</u>

The attached notes 1 to 23 form part of the Historical Financial Information.

Consolidated Statement of Changes in Equity

	Share capital USD	Additional contributed capital USD	Retained earnings USD	Total USD
As at 1 January 2015	271,740	709,130	6,191,817	7,172,687
Additional capital contributed during the year	—	1,100,000	—	1,100,000
Total comprehensive income for the year	—	—	1,039,036	1,039,036
Dividends declared and paid (note 12)	—	—	(732,993)	(732,993)
As at 31 December 2015	271,740	1,809,130	6,497,860	8,578,730
Total comprehensive income for the year	—	—	5,034,414	5,034,414
Dividends declared and paid (note 12)	—	—	(162,500)	(162,500)
As at 31 December 2016	271,740	1,809,130	11,369,774	13,450,644
Total comprehensive income for the year	—	—	13,674,372	13,674,372
Dividends declared and paid (note 12)	—	—	(774,660)	(774,660)
As at 31 December 2017	271,740	1,809,130	24,269,486	26,350,356

The attached notes 1 to 23 form part of the Historical Financial Information.

Consolidated Statement of Cash Flows

For the years ended 31 December 2015, 2016 and 2017

		Year ended 31 December		
	Notes	2017 USD	2016 USD	2015 USD
OPERATING ACTIVITIES				
Profit for the year		13,674,372	5,034,414	1,039,036
Non-cash adjustments to reconcile profit to net cash flows:				
Depreciation on property, plant, and equipment	6	935,382	724,277	583,893
Loss / (gain) on disposal of property, plant, and equipment		163,361	294,545	(31,137)
Amortisation of intangible assets	7	16,775	33,551	33,551
Finance costs		1,159,767	784,394	482,481
Provision for employees' end of service benefits	15	283,394	53,443	43,770
		<u>16,233,051</u>	<u>6,924,624</u>	<u>2,151,594</u>
Working capital adjustments:				
Inventories		684,688	(1,267,578)	217,411
Accounts receivable, deposits, and other receivables		(3,058,139)	(2,210,834)	(798,721)
Accounts payable and accruals		<u>(1,360,195)</u>	<u>2,930,432</u>	<u>388,302</u>
Cash flows generated from operations		12,499,405	6,376,644	1,958,586
Employees' end of service benefits paid	15	(221,022)	(805)	(27,782)
Net cash flows from operating activities		<u>12,278,383</u>	<u>6,375,839</u>	<u>1,930,804</u>
INVESTING ACTIVITIES				
Deposits under lien released / (made) during the year		200,945	1,100,000	(1,100,000)
Deposits of cash margin against guarantee issued during the year	11	(2,000,000)	—	—
Purchase of property, plant, and equipment	6	(3,405,732)	(2,604,606)	(1,714,009)
Proceeds from disposal of property, plant, and equipment		<u>23,244</u>	<u>5,179</u>	<u>72,193</u>
Net cash flows used in investing activities		<u>(5,181,543)</u>	<u>(1,499,427)</u>	<u>(2,741,816)</u>
FINANCING ACTIVITIES				
Repayment of term loans and notes	14	(3,160,295)	(4,784,679)	(8,761,200)
Proceeds from term loans and notes	14	2,431,958	2,568,043	10,032,824
Finance costs paid		(1,159,767)	(784,394)	(482,481)
Dividends paid	12	(774,660)	(162,500)	(732,993)
Capital contribution by the shareholders	12	—	—	1,100,000
Net cash flows (used in) / from financing activities		<u>(2,662,764)</u>	<u>(3,163,530)</u>	<u>1,156,150</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		4,434,076	1,712,882	345,138
Cash and cash equivalents as at 1 January		<u>1,035,159</u>	<u>(677,723)</u>	<u>(1,022,861)</u>
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER				
	11	<u>5,469,235</u>	<u>1,035,159</u>	<u>(677,723)</u>

The attached notes 1 to 23 form part of the Historical Financial Information.

1 ACTIVITIES

RA International FZCO (“RAI FZCO” or the “Op Co”), with license number 139092, was registered with the name of Raints FZCO on 22 September 2013 in the Jebel Ali Free Zone (JAFZA), Dubai, United Arab Emirates (UAE) as a Free Zone Company with limited liability. The name of the Op Co was changed to RA International FZCO with effect from 16 February 2014. The registered address of RAI FZCO is Techno Park Building A, Office No.0209, Jebel Ali, Dubai, UAE.

The principal activity of RAI FZCO is providing services in demanding and remote areas. These services include engineering and construction, life support services, operation and maintenance, and procurement and logistics. RAI FZCO carries out its activities mainly in Dubai, Somalia, South Sudan, Central African Republic, Uganda, and Kenya.

RAI FZCO operates through its subsidiaries, listed below, which are legally or beneficially, directly or indirectly owned and controlled by RAI FZCO. The results of RAI FZCO and its subsidiaries are set out in the Historical Financial Information.

RAI FZCO and its subsidiaries are together referred to as “the Group”.

On 13 March 2018, RA International Group PLC (the “Company”) was incorporated in England and Wales. On incorporation, the share capital of the Company comprised two ordinary shares of £0.10 each subscribed for fully by the shareholders and 50,000 redeemable non-voting preference shares of £1.00 each which will be redeemed on Admission.

Pursuant to a reorganisation agreement dated 12 April 2018 (the “Reorganisation Agreement”) the Company issued 139,999,998 ordinary shares of GBP 0.10 each to the shareholders of RAI FZCO in consideration for the acquisition by the Company of 100 per cent of the issued share capital of RAI FZCO and accordingly established the Company as the new holding company for RAI FZCO. As a result, RAI FZCO and its subsidiaries would come under the fold of the Company.

The extent of the RAI FZCO’s beneficial ownership and the principal activities of the subsidiaries are as follows:

Name of the entity	Country of incorporation	Beneficial ownership			Principal activities
		2017	2016	2015	
Raints Ghana Limited	Ghana	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
Raints Kenya Limited	Kenya	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International FZCO*	South Sudan	100%	100%	—	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International Limited	Uganda	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
Raints (SL) Limited	Sierra Leone	—	—	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International FZCO SARL	Mali	—	—	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International Limited	Cameroon	100%	100%	—	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA Africa Holdings Limited	British Virgin Islands	100%	100%	—	Holding of residual shareholdings in Company subsidiaries.

Name of the entity	Country of incorporation	Beneficial ownership			Principal activities
		2017	2016	2015	
RA International DRC SARL	Democratic Republic of Congo	100%	100%	—	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International RCA	Central African Republic	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International Limited	South Sudan	—	—	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International Limitada	Mozambique	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International Limited	Tanzania	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
RA International**	Somalia	100%	100%	100%	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.
Windward Insurance PCC Limited – Berkshire Cell***	Guernsey	100%	—	—	Providing intra-group insurance services.
RA International General Trading LLC	UAE	100%	—	—	Providing intra-group administrative services.
RA International Limited	Malawi	100%	—	—	Engineering and construction, life support services, operation and maintenance, and procurement and logistics.

* RA International FZCO in South Sudan is a branch.

** RA International in Somalia is not an incorporated legal entity and operates under a certificate of registration.

*** Windward Insurance PCC Limited – Berkshire Cell is a protected cell entity in Guernsey.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The historical consolidated financial information (“Historical Financial Information”) has been prepared for the purpose of inclusion in the admission document of RA International Group PLC in compliance with Schedule Two of the AIM Rules for Companies and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Historical Financial Information is prepared under the historical cost basis. The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all periods presented.

The Historical Financial Information has been presented in United States Dollar (USD).

Basis of consolidation

The Historical Financial Information comprises the financial statements of RAI FZCO and its subsidiaries (as disclosed in Note 1) for the years ended 31 December 2017, 2016 and 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when RAI FZCO loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Historical Financial Information from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated statement of comprehensive income are attributed to equity holders of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Necessary adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Groups accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If RAI FZCO loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognised in the statement of comprehensive income. Any investment retained is recognised at fair value.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent across the years ending 31 December 2015, 2016 and 2017.

a) Standards, amendments and interpretations in issue but not effective

The standards and interpretations that are issues but not yet effective up to the date of issuance of the Historical Financial Information of the Group are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Group has performed a detailed impact assessment of the following aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made

available to the Group in 2018 when the Group will adopt IFRS 9. However, on transition, the impact of the adoption of IFRS 9 is not expected to be material for the Group.

a) Classification and measurement

The Group does not expect a significant impact on its financial position or equity on applying the classification and measurement requirements of IFRS 9.

Receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9.

b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables.

c) Hedge accounting

The Group currently does not have any hedge relationships.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the modified retrospective method. Management has performed a detailed impact assessment for the year ended 31 December 2017 and based on its assessment, no significant impact was identified from application of the new standard.

The Group is principally engaged in engineering and construction, life support services, operation and maintenance, and procurement and logistics in demanding and remote areas.

For contracts with customers in which the sale of goods is generally expected to be the only performance obligation, adoption of IFRS 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

With respect to services income, the Group concluded that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, under IFRS 15 the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point of time.

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's financial statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2017 the Group developed and started testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information. However, on transition, the effect of these changes is not expected to be material for the Group.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for

the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

IFRS 16 has not been adopted early for the purposes of the Historical Financial Information.

Use of estimates and judgments

The preparation of the Historical Financial Information requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities, and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies (that have the most significant effect on the amount recognised in the Historical Financial Information) are discussed in note 21.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts and rebates. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

Contract revenue

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply:

Revenues from fixed-price lump-sum contracts are recognised on the percentage-of-completion method, based on surveys of work performed once the outcome of a contract can be estimated reliably. In the early contract completion stage, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Interest income

Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the consolidated statement of comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Buildings	Lesser of 20 years or term of land lease
Leasehold improvements	10 years
Furniture and fixtures	5 years
Shipping containers	20 years
IT equipment	5 years
Tools and equipment	5 to 10 years
Motor vehicles	10 years

The carrying values of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the greater of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant, and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant, and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

The assets residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash -generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Amortisation is calculated on a straight-line basis over the estimated useful life to the residual value as follows:

Software over a period of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include those expenses incurred in bringing each product to its present location and condition on weighted average basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. An asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial instruments-initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include bank balances and cash and receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Accounts receivable

Subsequent to initial recognition, accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Bank balances and cash

For the purpose of the consolidated statement of cash flows, bank balances and cash consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognised in the consolidated statement of comprehensive income. Impairment is determined as follows:

- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in case of loans and borrowings, less directly attributable transactions costs.

The Group's financial liabilities include term loans and notes, trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings

This category applies to the Group's term loans and notes. After initial recognition, interest bearing term loans and notes are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement. Unpaid interest amounts are included in "accounts payable and accruals".

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis, or to realise the assets and liabilities simultaneously.

iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' end of service benefits

The Group provides end of service benefits to its employees in accordance with local labour laws. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Contingencies

Contingent liabilities are not recognised in the Historical Financial Information. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the Historical Financial Information but disclosed when an inflow of economic benefits is probable.

Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at reporting date. All differences are taken to the consolidated statement of comprehensive income with the exception of differences on foreign currency borrowings accounted for as a hedge of a net investment in foreign operations.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Assets (including goodwill) and liabilities, both monetary and non-monetary, of foreign operations are translated at the Parent Company's presentation currency USD at the exchange rates prevailing at the reporting date. Operating results of such operations are translated at average rates of exchange for the foreign operation's period of operations. The resulting foreign currencies translation differences are accumulated in a foreign currency translation reserve until the disposal of the foreign operation. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of comprehensive income.

3 DIRECT COSTS

	2017 USD	2016 USD	2015 USD
Salaries, wages, and staff costs	14,753,708	12,399,866	7,185,832
Construction materials and equipment	13,327,442	7,416,423	4,696,306
Consumables	1,444,073	2,227,064	1,699,935
Repairs and maintenance	481,964	190,146	239,281
Others	2,324,604	2,376,679	1,458,774
	<u>32,331,791</u>	<u>24,610,178</u>	<u>15,280,128</u>

4 SELLING EXPENSES

	2017 USD	2016 USD	2015 USD
International travel costs	51,455	39,326	79,619
Others	275,791	224,040	46,910
	<u>327,246</u>	<u>263,366</u>	<u>126,529</u>

5 ADMINISTRATIVE EXPENSES

	2017 USD	2016 USD	2015 USD
Salaries	4,105,947	4,214,629	2,541,324
Professional charges	426,161	206,930	305,573
Insurance	151,716	163,845	122,999
Rent expense	152,273	105,999	84,765
Repairs and maintenance	136,845	99,136	37,261
Utilities and telecommunication expenses	107,959	98,288	106,288
Other expenses	888,170	687,156	444,959
	<u>5,969,071</u>	<u>5,575,983</u>	<u>3,643,169</u>

6 PROPERTY, PLANT, AND EQUIPMENT

	Buildings USD	Leasehold improvements USD	Furniture and fixtures USD	Shipping containers USD	IT equipment USD	Tools and equipment USD	Motor vehicles USD	Capital work-in- progress USD	Total USD
Cost:									
At 1 January 2017	2,199,272	52,268	451,203	320,014	193,471	3,247,737	1,164,447	1,445,377	9,073,789
Additions	—	—	468,753	149,507	56,947	614,129	144,796	1,971,600	3,405,732
Disposals	—	—	(337)	—	(443)	(288,615)	(43,097)	—	(332,492)
Transfers	2,676,464	74,063	—	—	—	—	—	(2,750,527)	—
At 31 December 2017	4,875,736	126,331	919,619	469,521	249,975	3,573,251	1,266,146	666,450	12,147,029
Depreciation:									
At 1 January 2017	291,221	15,840	178,862	34,556	100,500	1,293,331	272,954	—	2,187,264
Charge for the year	213,786	10,781	122,548	19,696	32,874	445,618	90,079	—	935,382
Relating to disposals	—	—	(118)	—	(381)	(124,694)	(20,694)	—	(145,887)
At 31 December 2017	505,007	26,621	301,292	54,252	132,993	1,614,255	342,339	—	2,976,759
Net carrying amount:									
At 31 December 2017	4,370,729	99,710	618,327	415,269	116,982	1,958,996	923,807	666,450	9,170,270

Capital work-in-progress at year-end represents buildings under construction, primarily in Somalia.

The Buildings are constructed on land leased from the Federal Government of Somalia for a period of 15 years starting from 1 January 2015.

	Buildings USD	Leasehold improvements USD	Furniture and fixtures USD	Shipping containers USD	IT equipment USD	Tools and equipment USD	Motor vehicles USD	Capital work-in- progress USD	Total USD
Cost:									
At 1 January 2016	2,262,875	52,268	625,761	281,397	425,542	3,502,503	1,074,523	—	8,224,869
Additions	—	—	134,646	53,573	45,620	668,716	256,674	1,445,377	2,604,606
Disposals	(63,603)	—	(309,204)	(14,956)	(277,691)	(923,482)	(166,750)	—	(1,755,686)
At 31 December 2016	2,199,272	52,268	451,203	320,014	193,471	3,247,737	1,164,447	1,445,377	9,073,789
Depreciation:									
At 1 January 2016	230,659	10,613	338,869	31,962	329,803	1,624,873	352,170	—	2,918,949
Charge for the year	94,434	5,227	101,228	14,245	33,920	390,055	85,168	—	724,277
Relating to disposals	(33,872)	—	(261,235)	(11,651)	(263,223)	(721,597)	(164,384)	—	(1,455,962)
At 31 December 2016	291,221	15,840	178,862	34,556	100,500	1,293,331	272,954	—	2,187,264
Net carrying amount:									
At 31 December 2016	1,908,051	36,428	272,341	285,458	92,971	1,954,406	891,493	1,445,377	6,886,525
	Buildings USD	Leasehold improvements USD	Furniture and fixtures USD	Shipping containers USD	IT equipment USD	Tools and equipment USD	Motor vehicles USD	Capital work-in- progress USD	Total USD
Cost:									
At 1 January 2015	1,443,157	52,268	481,577	158,095	374,955	3,274,930	1,090,025	—	6,875,007
Additions	819,718	—	162,650	123,302	55,314	423,280	129,745	—	1,714,009
Disposals	—	—	(18,466)	—	(4,727)	(195,707)	(145,247)	—	(364,147)
At 31 December 2015	2,262,875	52,268	625,761	281,397	425,542	3,502,503	1,074,523	—	8,224,869
Depreciation:									
At 1 January 2015	155,954	5,386	277,036	22,640	304,691	1,481,289	411,151	—	2,658,147
Charge for the year	74,705	5,227	77,180	9,322	29,839	301,354	86,266	—	583,893
Relating to disposals	—	—	(15,347)	—	(4,727)	(157,770)	(145,247)	—	(323,091)
At 31 December 2015	230,659	10,613	338,869	31,962	329,803	1,624,873	352,170	—	2,918,949
Net carrying amount:									
At 31 December 2015	2,032,216	41,655	286,892	249,435	95,739	1,877,630	722,353	—	5,305,920

7 INTANGIBLE ASSETS

	Software costs		
	2017 USD	2016 USD	2015 USD
Cost:			
As at 1 January and 31 December	100,653	100,653	100,653
Amortisation:			
As at 1 January	83,878	50,327	16,776
Charge for the year	16,775	33,551	33,551
As at 31 December	100,653	83,878	50,327
Net carrying amount:			
As at 31 December	—	16,775	50,326

8 INVENTORIES

	2017 USD	2016 USD	2015 USD
Project related items	1,786,267	1,759,122	2,019,510
Goods-in-transit	874,011	1,585,844	57,878
	2,660,278	3,344,966	2,077,388

9 ACCOUNTS RECEIVABLE, DEPOSITS, AND OTHER RECEIVABLES

	2017 USD	2016 USD	2015 USD
Trade receivables	6,213,704	5,675,608	4,189,979
Accrued income*	5,542,631	3,053,327	1,807,113
Deposits	180,431	641,017	1,017,719
Prepayments	465,699	446,374	308,379
Other receivables	494,951	226,524	145,886
Due from a related party	—	—	357,685
Retention receivables**	240,081	36,508	41,763
	13,137,497	10,079,358	7,868,524

*Accrued income represents project works carried out close to year-end or under progress as at the year-end against which invoices were pending to be issued as at 31 December.

**Retention receivables relate to retention amounts due from clients in connection with projects carried out by the Group.

As at 31 December 2017 none of the trade receivables were impaired (2016 and 2015: nil).

As at 31 December the ageing of unimpaired trade receivables is as follows:

	Total USD	Neither past due nor impaired USD	Past due but not impaired			
			<30 days USD	30-60 days USD	61-90 days USD	>90 days USD
2017	6,213,704	1,270,064	1,199,984	792,021	1,109,594	1,842,041
2016	5,675,608	2,485,604	2,765,502	298,088	126,414	—
2015	4,189,979	3,049,893	780,388	267,380	41,221	51,097

The Group's credit period is 30 days, after which trade receivables are considered to be past due. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

Included in deposits are margin deposits of 2017: USD 153,948, 2016: USD 619,864, and 2015: USD 977,123 denominated in USD which have been assigned to banks against performance bonds, bid bonds, and labour guarantees issued by banks (note 17).

10 RELATED PARTY DISCLOSURES

Related parties represent shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

There were no outstanding balances with related parties included in the consolidated statement of financial position at 31 December 2017, 2016: nil and 2015: USD 357,685.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2017 USD	2016 USD	2015 USD
Short-term benefits	661,706	360,000	360,000

The amount disclosed in the table is the amount recognised as an expense during the reporting year related to key management personnel.

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of cash flows consist of the following consolidated statement of financial position amounts:

	2017 USD	2016 USD	2015 USD
Cash on hand	92,529	131,969	119,872
Bank balances	7,376,706	903,190	112,689
Time deposit	—	200,945	1,300,945
	7,469,235	1,236,104	1,533,506
Less: bank overdrafts	—	—	(910,284)
Less: time deposit under lien	—	(200,945)	(1,300,945)
Less: restricted cash	(2,000,000)	—	—
	5,469,235	1,035,159	(677,723)

Restricted cash represents cash margin provided to a commercial bank against issuance of a guarantee to a subsidiary. The value of cash margin is equal to that of the value of the guarantee.

The unutilised bank overdraft facilities at 31 December 2017 amounted to USD 2,000,000 and carry interest of 1.50% per annum. The facilities require a cash margin guarantee to be paid upfront; 100% margin for USD drawdowns and 120% margin for GBP drawdowns.

At 31 December 2017, the Group did not have any time deposits. At 31 December 2016 and 31 December 2015 time deposits, denominated in USD, were held with a commercial bank in the UAE. These deposits were assigned against an overdraft facility and had an effective interest rate of 0.50% (2015: 0.50%) per annum.

12 SHARE CAPITAL

	2017 USD	2016 USD	2015 USD
<i>Authorised, issued and fully paid</i>			
10 shares of AED 100,000 (USD 27,174) each	271,740	271,740	271,740
Additional contributed capital:	1,809,130	1,809,130	1,809,130

Additional contributed capital does not carry interest and is payable to the shareholders only upon the liquidation of the Group.

DIVIDENDS

Dividends of USD 77,466 per share (10 shares) totalling to USD 774,660 were declared and paid in 2017; dividends of USD 16,250 per share (10 shares) totalling to USD 162,500 were declared and paid in 2016; and, dividends of USD 73,299.30 per share (10 shares) totalling USD to 732,993 were declared and paid in 2015.

13 TAXATION

Legislation and regulations regarding taxation are constantly evolving in a number of the territories in which the Group operates. The various legislation and regulations are not always clear and their interpretation is subject to the opinions of both local authorities and national authorities. The Group's policy is to make provisions for income taxes whenever there is a probable outflow of resources embodying economic benefit and the amount is reasonably determinable.

Based on an evaluation performed by management on its operations, management has assessed that the Group is not exposed to any income tax liabilities.

14 TERM LOANS AND NOTES

The table below summarises the terms loans and notes:

31 December 2017

	Term loans USD	Vehicle loans USD	Notes USD	Total USD
As at 1 January 2017	2,000,000	26,983	568,043	2,595,026
Additions during the year	—	—	2,431,958	2,431,958
Repayment during the year	(2,000,000)	(10,295)	(1,150,000)	(3,160,295)
Total	<u>—</u>	<u>16,688</u>	<u>1,850,001</u>	<u>1,866,689</u>
	Term loans USD	Vehicle loans USD	Notes USD	Total USD
Classified in the consolidated statement of financial position as:				
Non-current portion	—	5,701	—	5,701
Current portion	—	10,987	1,850,001	1,860,988
Total	<u>—</u>	<u>16,688</u>	<u>1,850,001</u>	<u>1,866,689</u>

31 December 2016

	Term loans USD	Vehicle loans USD	Notes USD	Total USD
As at 1 January 2016	4,774,962	36,700	—	4,811,662
Additions during the year	2,000,000	—	568,043	2,568,043
Repayment during the year	(4,774,962)	(9,717)	—	(4,784,679)
Total	<u>2,000,000</u>	<u>26,983</u>	<u>568,043</u>	<u>2,595,026</u>
	Term loans USD	Vehicle loans USD	Notes USD	Total USD
Classified in the consolidated statement of financial position as:				
Non-current portion	—	15,743	568,043	583,786
Current portion	2,000,000	11,240	—	2,011,240
Total	<u>2,000,000</u>	<u>26,983</u>	<u>568,043</u>	<u>2,595,026</u>

31 December 2015

	Term loans USD	Vehicle loans USD	Notes USD	Total USD
As at 1 January 2015	3,540,038	—	—	3,540,038
Additions during the year	9,991,418	41,406	—	10,032,824
Repayment during the year	(8,756,494)	(4,706)	—	(8,761,200)
Total	<u>4,774,962</u>	<u>36,700</u>	<u>—</u>	<u>4,811,662</u>

Classified in the consolidated statement of financial position as:

Non-current portion	—	26,123	—	26,123
Current portion	<u>4,774,962</u>	<u>10,577</u>	<u>—</u>	<u>4,785,539</u>
Total	<u>4,774,962</u>	<u>36,700</u>	<u>—</u>	<u>4,811,662</u>

In 2017, the term loans carried interest rates ranging from LIBOR plus 5.50% per annum to LIBOR plus 8.76% per annum; 2016: LIBOR plus 5.50% per annum to LIBOR plus 8.00%; and 2015: LIBOR plus 5.65% per annum to LIBOR plus 8.00%.

Notes represent notes issued to 11 in 2017, 2016: 9 and 2015: nil private individuals. These notes carry a fixed interest rate ranging from 5.50% in 2017, 2016: 5.50% and 2015: nil (guaranteed notes) to 8.00% in 2017, 2016: 7.25% and 2015: nil (unguaranteed notes) per annum. The terms of the notes are 10 or 18 months and principal is repaid as a bullet payment upon maturity. Interest is paid on a quarterly basis, semi-annual basis, or at maturity, at the option of the investor. The guaranteed notes are 80% principal guaranteed through insurance.

15 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2017 USD	2016 USD	2015 USD
As at 1 January	188,796	136,158	120,170
Provided during the year	283,394	53,443	43,770
End of service benefits paid	<u>(221,022)</u>	<u>(805)</u>	<u>(27,782)</u>
As at 31 December	<u>251,168</u>	<u>188,796</u>	<u>136,158</u>

An actuarial valuation has not been performed as the net impact of discount rates and future increases in benefits is not likely to be material. The benefits are unfunded.

16 ACCOUNTS PAYABLE AND ACCRUALS

	2017 USD	2016 USD	2015 USD
Accounts payable	1,634,548	2,803,364	1,854,312
Accrued expenses	1,942,167	2,082,074	446,726
Customer advances	<u>392,352</u>	<u>443,824</u>	<u>97,792</u>
	<u>3,969,067</u>	<u>5,329,262</u>	<u>2,398,830</u>

17 CONTINGENCIES

Contingent liabilities

As at 31 December, the Group had the following contingent liabilities which were incurred in the ordinary course of business from which it is anticipated that no material liabilities will arise.

	2017 USD	2016 USD	2015 USD
Performance bonds	5,518,639	1,485,624	1,938,899
Bid bonds	36,125	18,200	27,300
Labour guarantees	56,388	53,934	48,207

Operating lease commitments

Commitments under non-cancellable operating leases at the current rates approximate to the following:

Future minimum lease payments:

	2017 USD	2016 USD	2015 USD
Within one year	244,800	120,000	120,000
After one year but not more than five years	979,200	480,000	480,000
More than five years	1,713,600	960,000	1,080,000
	2,937,600	1,560,000	1,680,000

18 EARNINGS PER SHARE

The Group presents basic earnings per share (EPS) data for its ordinary shares. The basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. There are no shares or options with a dilutive effect and hence the basic and diluted earnings per share are the same.

	2017 USD	2016 USD	2015 USD
Profit for the year	13,674,372	5,034,414	1,039,036
Weighted average number of shares*	1,000,000	1,000,000	1,000,000
Basic and diluted earnings per share	13.67	5.03	1.04

*The weighted average number of shares is adjusted to reflect the share split subsequent to year end as discussed in note 23.

Illustrative supplementary earnings per share is presented based on the number of shares outstanding in the new parent company (RA International Company PLC) after giving effect to the acquisition of RAI FZCO pursuant to the Reorganisation Agreement as described in note 1. The calculation of the illustrative basic and diluted EPS is based on the profit for the year attributable to shareholders, as disclosed below, and on 140,000,000 shares.

	2017 USD	2016 USD	2015 USD
Profit for the year	13,674,372	5,034,414	1,039,036
Weighted average number of shares	140,000,000	140,000,000	140,000,000
Basic and diluted earnings per share	0.10	0.04	0.01

The above analysis represents a non-IFRS metric and has been included to assist in the understanding of the Company's business and should be used in conjunction with the relevant IFRS numbers.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest rate risk

The Group is exposed to interest rate risk on its interest-bearing liabilities (vehicle loans and notes).

An increase of 5% in interest rates, with all other variables held constant, would reduce profits by USD 800 (2016: USD 84,600 and 2015: USD 280,450). A decrease would have the opposite effect.

There is no impact on the Group's equity.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and receivables as follows:

	2017 USD	2016 USD	2015 USD
Bank balances	7,376,706	903,190	112,689
Time deposit	—	200,945	1,300,945
Trade receivables, deposits and other receivables	7,129,167	6,579,657	5,753,032
	<u>14,505,873</u>	<u>7,683,792</u>	<u>7,166,666</u>

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by only dealing with credit worthy customers and continuously monitoring outstanding receivables. Its 5 largest customers account for 95% of outstanding accounts receivables at 31 December 2017 (2016 and 2015: 100%).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group limits its liquidity risk by ensuring bank facilities are available.

The Group's terms of sale require amounts to be paid within 30 days of the date of sale. Trade payables are settled depending on the supplier credit terms.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

As at 31 December 2017

	Less than 3 months USD	3 to 12 months USD	1 to 5 years USD	Total USD
Notes including interest	—	2,049,510	6,143	2,055,653
Accounts payable and accrued expenses	3,969,067	—	—	3,969,067
Total	<u>3,969,067</u>	<u>2,049,510</u>	<u>6,143</u>	<u>6,024,720</u>

As at 31 December 2016

	Less than 3 months USD	3 to 12 months USD	1 to 5 years USD	Total USD
Term loans and notes including interest	510,000	1,571,690	618,813	2,700,503
Accounts payable and accrued expenses	5,329,262	—	—	5,329,262
Total	<u>5,839,262</u>	<u>1,571,690</u>	<u>618,813</u>	<u>8,029,765</u>

As at 31 December 2015

	Less than 3 months USD	3 to 12 months USD	1 to 5 years USD	Total USD
Term loans and notes including interest	3,042,712	1,911,950	28,135	4,982,797
Accounts payable and accrued expenses	2,398,830	—	—	2,398,830
Bank overdraft	910,284	—	—	910,284
Total	<u>6,351,826</u>	<u>1,911,950</u>	<u>28,135</u>	<u>8,291,911</u>

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when revenue or expense is denominated in a different currency from the Group's functional currency.

Finance costs for the year ended 31 December 2017 primarily included net foreign exchange losses of USD 583,188 on forward foreign exchange contracts which were entered into during the year to hedge the foreign currency risk relating to certain GBP receipts during the year (2016: USD 65,499 and 2015: USD 319). There were no outstanding forward foreign exchange contracts as at 31 December 2017.

The following tables demonstrate the sensitivity to a reasonably possible change in the USD and GBP exchange rate, with all other variables held constant. The impact on the Group's profit due to changes in the fair value of monetary assets and liabilities.

	Change in USD/GBP rate	Effect of profit
2017	± 5%	± 40,377
2016	± 5%	—
2015	± 5%	—

Changes in liabilities arising from financing activities

	1 January 2017 USD	Cash flows USD	Other USD	31 December 2017 USD
Current:				
Term loans and notes	2,011,240	(728,337)	578,085	1,860,988
Non-current:				
Term loans and notes	583,786	—	(578,085)	5,701
	1 January 2016 USD	Cash flows USD	Other USD	31 December 2016 USD
Current				
Term loans and notes	4,785,539	(2,774,299)	—	2,011,240
Non-current:				
Term loans and notes	26,123	557,663	—	583,786
	1 January 2015 USD	Cash flows USD	Other USD	31 December 2015 USD
Current:				
Term loans and notes	3,540,038	1,245,501	—	4,785,539
Non-current:				
Term loans and notes	—	26,123	—	26,123

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2017. Capital comprises share capital, additional contributed capital and retained earnings and is measured at USD 26,350,356 as at 31 December 2017 (2016: USD 13,450,644 and 2015: USD 8,578,730).

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances and cash, deposits, and trade and other receivables.

Financial liabilities consist of term loans, notes, and trade and other payables.

The fair values of financial instruments carried are not materially different from their carrying values.

21 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

a) Judgments

The preparation of the Historical Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made certain judgments, estimates, and assumptions in relation to the operating lease arrangements, useful lives, and depreciation of the property and equipment, customers' credit periods and doubtful debts provisions, creditors' payment period and various other policy matters. These judgments have the most significant effects on the amounts recognised in the Historical Financial Information.

b) Estimates and assumptions

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due.

Gross trade receivables were USD 6,213,704 (2016: USD 5,675,608 and 2015: USD 4,189,979). There was no provision for doubtful debts as at 31 December 2017 (2016 and 2015: USD nil). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Gross inventories were USD 2,660,278 in 2017, 2016: USD 3,344,966 and 2015: USD 2,077,388. There was no provision for old or obsolete inventories as at 31 December 2017, 2016: USD nil and 2015: USD nil. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income. No inventories were expired or written off in 2017, 2016 and 2015.

Percentage of completion

The Group uses the percentage-of-completion method when accounting for contract revenue on its long-term construction contracts. Use of the percentage-of-completion method requires the Group to estimate the progress of contracts based on surveys of work performed. The Group has determined this basis of revenue recognition is the best available measure on such contracts and where possible seeks customer verification of percentage-of-completion calculations as at financial reporting dates. The accuracy of percentage-of-completion estimates has a material impact on the amount of revenue and related profit recognised. Any revision to profit or loss arising from changes in estimates is accounted for in the period when the changes are known.

Useful lives of property, plant, and equipment

The Group's management determines the estimated useful lives of its property, plant, and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge will be adjusted where management believes the useful lives differ from previous estimates.

22 SEGMENT INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the provision of services in demanding and remote areas. Accordingly, the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Operating segments

Revenue, operating results, assets and liabilities presented in the Historical Financial Information relate to the provision of services in demanding and remote areas business of the Group.

Geographic segment

The Group is currently predominantly operating in Africa and less than 1% of the operating results, assets and liabilities presented in the Historical Financial Information relates to operations outside Africa.

Major customer

The Group has one major customer which contributes revenues of greater than 10% of total revenues. In 2017, the Group generated 58.8% of total revenues from this customer (2016: 74.9%; 2015: 76.8%)

23 SUBSEQUENT EVENTS

Subsequent to the year-end, on 1 January 2018, the Group acquired beneficial ownership of RA SB Ltd. and its subsidiary, from one of its shareholders. The purchase consideration of USD 594,161 represents the net book value of RA SB Ltd. and its subsidiary as at 1 January 2018. RA SB Ltd. is registered in Ras Al Khaimah, UAE and operates in the Republic of Sudan through its subsidiary Reconstruction and Assistance Co. Ltd which provides remote site services to the mining industry.

Additionally, subsequent to the year end, on 14 March 2018, the shareholders have approved a share split whereby shares with a par value of AED 100,000 each were split into shares with a par value of AED 1 each.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Group

The Company was incorporated in England under the Act on 13 March 2018 as a public company limited by shares with the name RA International Group PLC and with registered number 11252957. On 13 March 2018 the Company obtained a trading certificate pursuant to section 761 of the Act entitling it to do business and borrow.

The liability of the Shareholders is limited. The principal legislation under which the Company was formed and operates is the Act.

The registered office of the Company is One Fleet Place, London, EC4M 7WS and its principal place of business is Bay Square Building 12, Office 704, Business Bay, PO Box 115 774, Dubai, UAE and its telephone number is +971 4 368 2851.

The accounting reference date of the Company is 31 December.

The Company's web site address, which discloses the information required by Rule 26 of the AIM Rules for Companies, is www.rainternationalservices.com.

The ISIN for the Ordinary Shares is GBO0BDZV6W26.

The principal activity of the Company is to act as a holding company for the Group.

The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee and the Audit Committee.

The Company is the holding company of the following subsidiaries:

Company Name	Place of Incorporation	Percentage of issued share capital or interest held (%)	Principal Activity
RA International FZCO	JAFZA, United Arab Emirates	99.9999% held by the Company 0.0001% held by Soraya Narfeldt on a nominee basis for the Company	JAFZA trading company
RA International General Trading LLC	Dubai, United Arab Emirates	49% held by RAI FZCO 51% held by Links Commercial Brokers	Dubai trading company
RA SB Ltd	Ras Al Khaimah, United Arab Emirates	100% held by RAI FZCO	Sudan holding company
RA Africa Holdings Limited	British Virgin Islands	100% held by RAI FZCO	Holding company

Company Name	Place of Incorporation	Percentage of issued share capital or interest held (%)	Principal Activity
RA International Limited	Uganda	99% held by RAI FZCO 1% held by RA Africa Holdings Limited	Uganda trading company
RAINTS Kenya Limited	Kenya	100% held by RAI FZCO	Kenya trading company
RA International RCA	Central African Republic	100% held by RAI FZCO	Central African Republic trading company
RAINTS Ghana Limited	Ghana	100% held by RAI FZCO	Ghana dormant company
RA International Limited	Tanzania	99.9% held by RAI FZCO 0.1% held by RA Africa Holdings Limited	Tanzania dormant company
RA International Limitad	Mozambique	99.9% held by RAI FZCO 0.1% held by RA Africa Holdings Limited	Mozambique dormant company
RA International Limited	Cameroon	100% held by RAI FZCO	Cameroon dormant company
RA International DRC SARL	Democratic Republic of Congo	100% held by RAI FZCO	Democratic Republic of Congo dormant company
RA International Limited	Malawi	100% held by RAI FZCO	Malawi dormant company
Reconstruction and Assistance Co. Ltd	Sudan	100% held by RA SB Ltd	Sudan trading company
RAINTS Mali SARLU	Mali	100% held by RAI FZCO	Mali dormant company
Remsco Uganda (SMC) Limited	Uganda	100% held by RAI FZCO	Uganda dormant company

RAI FZCO also has a branch operating in South Sudan under the name RA International FZCO (“**RA South Sudan**”). RA South Sudan operates under a certificate of registration from the Ministry of Justice of the Republic of South Sudan granted on 5th October 2016, with registration number 473.

The Group has been operating in Somalia for nine years. RAI FZCO also has an interest in an entity operating in Somalia under the name RA International (“RA Somalia”). RA Somalia operates under a certificate of registration granted annually by the Somali Ministry of Commerce and Industry, most recently on 21 May 2018 and which will expire on 20 May 2019. The renewal of the certificate of registration is a routine administrative matter and RA Somalia has renewed it annually in timely fashion without issue for each year since the authorities there started issuing such certificates.

RAI FZCO also has an interest in Windward Insurance PCC Limited – Berkshire Cell (“**Berkshire Cell**”). Berkshire Cell is a protected cell entity in Guernsey. Windward Insurance PCC Limited (the **PCC**) is a company incorporated in Guernsey and owned by Alternative Risk Management Limited (“**ARM**”). The PCC can create any number of cells known as “protected cells”, the assets and liabilities of which are separate from those of the PCC. Berkshire Cell is one of the protected cell entities created by the PCC. RAI FZCO entered into a subscription and cell management agreement

with the PCC and ARM on 9 November 2017 (the “**Cell Agreement**”). Under the terms of the Cell Agreement, the Company is the beneficial owner of 10 Insurance Class 012 Participating Redeemable Shares of a nominal value of £1.00 each. The Cell Agreement continues until termination by not less than six months’ prior written notice (or in the event of breach immediate prior written notice). The Berkshire Cell is used by the Group to issue guarantees (bid bonds and performance bonds) as required by customer contracts.

3. Share capital of the Company

On incorporation of the Company:

- a) one Ordinary Share of £0.10 was subscribed for fully paid by Soraya Narfeldt;
- b) one Ordinary Share of £0.10 was subscribed for fully paid by Lars Narfeldt; and
- c) 50,000 redeemable preference shares of £1.00 each were subscribed for fully paid by Soraya Narfeldt,

following which, the share capital of the Company was £50,000.20 divided into two Ordinary Shares of £0.10 each and 50,000 redeemable preference shares of £1.00 each.

On 12 April 2018 the Company, Soraya Narfeldt and Lars Narfeldt entered into a share for share exchange agreement (the “**Reorganisation Agreement**”) pursuant to which the Company issued 97,999,999 Ordinary Shares of £0.10 each to Soraya Narfeldt and 41,999,999 Ordinary Shares of £0.10 each to Lars Narfeldt in consideration of the acquisition by the Company of 999,999 shares of 1 AED each in RAI FZCO.

Following completion of the Reorganisation Agreement:

- a) the share capital of the Company was £14,050,000 divided into 140,000,000 Ordinary Shares of £0.10 each and 50,000 redeemable preference shares of £1.00 each; and
- b) the Company holds 99.9999 per cent. of the issued share capital in RAI FZCO and Soraya Narfeldt holds 0.0001 per cent. of the issued share capital in RAI FZCO on a nominee basis for the Company pursuant to a nominee agreement dated 12 April 2018 between the Company and Soraya Narfeldt.

On Admission Soraya Narfeldt will transfer 714,285 Ordinary Shares to each of Andrew Bolter, Trevor Stratford and John Mitchell for no consideration.

On Admission, in accordance with resolutions which have been passed by the Company at a board meeting held on 25 June 2018, the 50,000 redeemable non-voting preference shares of £1.00 each will be redeemed.

The issued ordinary share capital of the Company as at the date of this document and as it is expected to be immediately following Admission is as follows:

	Prior to Placing and Admission		Immediately following Placing and Admission	
	Number of Ordinary Shares	Aggregate Nominal Value (£)	Number of Ordinary Shares	Aggregate Nominal Value (£)
Fully paid Ordinary Shares in issue	140,000,000	14,000,000.00	173,575,741	17,357,574.10

The New Ordinary Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions hereafter declared, paid or made on the share capital of the Company.

The holders of Existing Ordinary Shares will be diluted by the issue of the New Ordinary Shares. The effect of the issue of the New Ordinary Shares will be that the holders of Existing Ordinary Shares as at the date of this document will own 80.7 per cent. of the Enlarged Share Capital following Admission.

On 25 June 2018, the Shareholders passed resolutions on the following terms:

- a) the Directors be generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any securities into, shares in the Company ("**Rights**") up to an aggregate nominal amount of £9,439,192.03 in respect of:
- i. equity securities having a nominal value of up to £3,357,574.10 in connection with the issue of the New Ordinary Shares in connection with the Placing;
 - ii. equity securities having a nominal value of up to £282,608.50 in connection with the issue of the Options;
 - iii. equity securities having a nominal value of up to £67,151.40 in connection with the issue of the Warrants; and
 - iv. otherwise than pursuant to paragraphs (i) to (iii) above, up to a maximum nominal amount of £5,785,858 (representing 57,858,580 Ordinary Shares) which is approximately equal to one-third of the issued ordinary share capital of the Company at Admission.

provided that the authority shall, unless previously renewed, varied or revoked by the Company in general meeting expire at the conclusion of the next annual general meeting of the Company following the passing of the resolution save that the Company may make an offer or agreement before the expiry of the authority which would or might require shares to be allotted or Rights to be granted after expiry of the authority and the directors may allot shares and grant Rights in pursuance of that offer or agreement as if the authority had not expired;

- b) that subject to the passing of the resolution described at paragraph (a) above, the Directors be given power pursuant to sections 570(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority granted described in paragraph (a) above as if section 561 of the Act did not apply to any such allotment. This power expires at the conclusion of the next annual general meeting of the Company following the passing of the resolution but the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the power conferred by the resolution has expired; and

is limited to:

- i. the allotment of equity securities for cash up to a total nominal value of £3,357,574.10 pursuant to the Placing;
 - ii. the allotment of equity securities having a nominal value of £349,759.90 in connection with the grant or exercise of options under any share option scheme of the Company or in connection with any warrants issued by the Company;
 - iii. the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company; and
 - iv. the allotment of equity securities having a nominal value of up to 10 per cent. of the issued share capital of the Company immediately following Admission; and
- c) that conditional on Admission the Company adopt new articles of association in substitution for and to the exclusion of all existing articles of association of the Company.

Save as disclosed in this document, since 13 March 2018 (being the date of incorporation of the Company):

- a) no share or loan capital in the Company or the Group is under option or is the subject of an agreement, conditional or unconditional, to be put under option;

- b) no share or loan capital of the Company or of the Group has been issued, or is now proposed to be issued, fully or partly paid, either for cash or other consideration to any person;
- c) no person has any preferential subscription rights for any share capital of the Company;
- d) no commissions, discounts, brokerages or other special terms, have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;
- e) the Company does not hold any of its own Ordinary Shares and none of the Company's subsidiaries hold any of the Ordinary Shares;
- f) the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
- g) there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

The Ordinary Shares have been created under the Act.

The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form.

No shares of the Company are 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.

Save as disclosed in paragraph 9.9, as at the date of this document the Company does not have in issue any securities not representing share capital.

There are no issued but not fully paid Ordinary Shares.

The Existing Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.

The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

4. Articles

4.1. Objects

The Articles contain no restriction on the objects of the Company.

4.2. Capital structure

The share capital of the Company is represented by an unlimited number of Ordinary Shares having the rights described in the Articles. Under the Articles, the Directors are given authority to effect the issue of further shares of the same class and to create new classes of shares, and have discretion to accept or reject an application for shares.

4.3. Variation of class rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of the shares in issue may from time to time be varied or abrogated, whether or not the Company is being wound up, with the sanction of a special resolution passed at a separate meeting of holders of the issued shares of the class held in accordance with the Articles (but not otherwise).

The special rights conferred on the holders of any shares or class of shares shall, unless otherwise provided by the Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The rights conferred on the holders of shares shall be deemed not to be varied by the creation or issue of any further

shares ranking in priority to them nor shall any consent or sanction of the holders of Ordinary Shares be required to any variation or abrogation effected by a resolution on which only the holders of Ordinary Shares are entitled to vote.

4.4. *Alteration of Share Capital*

The Company may, from time to time, by ordinary resolution:

- a) increase its share capital;
- b) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
- c) cancel or reduce the nominal value of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled or the amount of the reduction; and
- d) subject to the Act, sub-divide its shares, or any of them, into shares of a smaller amount, and as between the holders of the shares resulting from the sub-division, any of them may have any preference or advantage or deferred rights or be subject to any restrictions as compared with the others.

4.5. *Purchase of own shares*

Subject to the provisions of the Act, the Company may purchase its own shares and any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected by the Board in any manner.

4.6. *Reduction of capital*

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve.

4.7. *Issue of Ordinary Shares*

Subject to the provisions of the Articles, unissued Ordinary Shares shall be at the disposal of the Board which may allot, grant options over (including, without limitation, by way of granting stock appreciation rights or other similar rights) or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines.

4.8. *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder.

4.9. *Dividends*

Subject to the Act and as set out in the Articles, the Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board. No dividend may be paid otherwise than in accordance with the Act. The Board may at any time declare and pay such interim dividends as appears to be justified by the position of the Company.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Any dividend or other moneys payable in respect of a share may be paid:

- a) in cash;
- b) by cheque or warrant made payable to or to the order of the holder or person entitled to payment or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the address in the Register of that one of those persons who is first named in the Register in respect of the joint holding or to such person and to such address as the person or persons entitled to the moneys may in writing direct. Every such cheque or warrant shall be made payable to the person or persons entitled to the moneys or to such other person as the person or persons so entitled may in writing direct and shall be sent at the risk of the person or persons so entitled. Any such cheque or warrant may be crossed "account payee" although the Company shall not be obliged to do so;
- c) by bank transfer to such account (of a type approved by the Board) as the person or persons entitled to the moneys may in writing direct or as the Board may otherwise decide; or
- d) by such other method of payment approved by the Board as the person or persons entitled to the moneys may in writing agree to.

4.10. Redemption

The Ordinary Shares do not carry a right to redemption by Shareholders.

4.11. Form and transfer of shares

The Board may issue shares as certificated or uncertificated shares, subject to any restrictions on transfers described below.

All Ordinary Shares are freely transferable and there are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares.

A share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Board may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. A share held in uncertificated form may be transferred by means of a relevant system. The transferor shall be deemed to remain the holder of the share until the transferee is entered on the Register as its holder.

The Board may, in the case of shares held in certificated form, in its absolute discretion refuse to register the transfer of a share which is not fully paid provided that, where any such shares are admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register a transfer of shares held in certificated form unless the instrument of transfer is:

- a) duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, lodged at the place where the Company's register of members is situated or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;
- b) in respect of only one class of shares; and
- c) in favour of not more than four transferees.

If the Board refuses to register a transfer of shares held in certificated form, it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal together with its reasons for the refusal.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but (except in the case of fraud) any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in the Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him.

4.12. Directors

Unless otherwise determined by the Board, the number of Directors shall be not less than four nor more than eight.

The Directors may be paid all travelling, hotel and other expenses as they may incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director employee or former employee who has held but no longer holds any office or employment with the Company or with any corporate body which is or has been a subsidiary undertaking or a predecessor in business of the Company or of any subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

4.13. Directors' interests

A Director who is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company (a Conflict) shall disclose to the Board the nature and extent of his interest as soon as is reasonably practicable and in doing so shall provide the Board with such details of the relevant matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

Any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of the Articles save that:

- a) the relevant Director and any other Director with a similar interest or Conflict shall not count towards the quorum nor vote on any resolution giving such authority; and
- b) the relevant Director and any other Director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.

A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is a material interest (otherwise than by his interest in Ordinary

Shares or debentures or other securities of or otherwise in or through the Company). This is subject to certain exceptions:

- a) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- b) the giving to a third party of any guarantee, indemnity or security 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 under a guarantee or indemnity or by the giving of security;
- c) the giving to him of any other indemnity where all other directors are being offered indemnities on substantially the same terms;
- d) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;
- e) any contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- f) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- g) any contract concerning any other company (not being a company in which the director owns one per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- h) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates to both directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
- i) any contract for the benefit of employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not provide to any director as such any privilege or advantage not accorded to the employees to whom the contract relates; and
- j) any contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

A Director may continue to be or become a director, or other officer, employee or otherwise interested in any body corporate in which the Company may be interested, which may be promoted by the Company or with which the Company has entered into any transaction, arrangement or agreement and no such Director shall be accountable to the Company for any remuneration or other benefits received thereby.

4.14. Disclosures of beneficial interests in shares

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with the Articles, a Director notwithstanding his office may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested.

4.15. *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage, or charge the assets, property and undertaking of the Company or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.16. *Annual General Meetings and General Meetings*

An annual general meeting shall be held at such time and place as the Board may determine. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith convene a general meeting. If there are not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any two members may call a general meeting for the purpose of appointing Directors.

A general meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' clear notice in writing. A meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than 14 days' clear notice. The notice shall specify the place, the day and the time of the meeting and the general nature of that business. A notice calling a meeting for the passing of a special resolution shall specify the intention to propose the resolution as a special resolution and the terms of the resolution.

Every member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

The accidental omission to give notice of a meeting, or a resolution intended to be moved at a general meeting or to send an instrument of proxy or invitation to appoint a proxy as provided by the Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or instrument of proxy or invitation to appoint a proxy by such a person, shall not invalidate the proceedings at that meeting.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

4.17. *Annual Report and Financial Statements*

Save as provided in the Articles, a copy of the annual accounts of the Company together with a copy of the auditors' report and the Directors' report and any other documents required to accompany or to be annexed to them shall, not less than 21 clear days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings.

Copies of the documents referred to in the Articles need not be sent:

- a) to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or
- b) to more than one of the joint holders of shares or debentures in respect of those shares or debentures,

provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the registered office of the Company.

The Company may, in accordance with the Act and any regulations made under it, send a strategic report with supplementary information to any of the persons otherwise entitled to be sent copies of the annual accounts and accompanying documents instead of or in addition to those documents and, where it does so, the statement shall be delivered or sent to such person not less than 21 days before the general meeting at which copies of those documents are to be laid.

4.18. Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may also, with the sanction of a special resolution of the Company and any other sanction required by the Act, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with such sanction, determines, but no member shall be compelled to accept any assets upon which there is a liability.

4.19. Untraceable shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any member's shares or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if:

- a) for a period of twelve years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the Register or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the Company from the member or the person so entitled (in his capacity as member or person entitled);
- b) in such period of twelve years at least three dividends (whether interim or final) have become payable on the shares;
- c) the Company has at the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in the Articles is located given notice of its intention to sell such shares; and
- d) during the period of three months following the publication of the said advertisements the Company has received no communication in respect of such share from such member or person entitled.

If at any time during or after the said period of twelve years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements of the Articles have been satisfied in respect of such further shares, the Company may also sell the further shares.

To give effect to a sale in respect of untraceable shareholders the Board may authorise any person to execute an instrument of transfer or otherwise effect the transfer of the shares to be sold. If the shares concerned are in uncertificated form, in accordance with the CREST Regulations, the Company may issue a written notification to the Operator requiring conversion of the shares into certificated form. The purchaser shall not be bound to see to the application of the purchase moneys and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled to the shares for an amount equal to the net proceeds, which shall be a debt of the Company, and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created and no interest shall be payable in respect of the debt, and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments for the benefit of the Company as the Board may from time to time determine.

The provisions of the Articles applying to the Ordinary Shares will apply to the New Ordinary Shares following their creation to the same extent.

4.20. Summary

The above is a summary of certain provisions of the Articles, the full provisions of which are available on the Company's website.

5. Directors' and Other Interests

The following table lists each Director together with their title, age, date of appointment and date of expiration of current term of office:

Name	Title	Age	Date of appointment	Expiration of current term of office
Sangita Shah	Non-Executive Director and Chair	52	3 May 2018	29 June 2021
Soraya Narfeldt	Chief Executive Officer	49	13 March 2018	29 June 2021
Lars Narfeldt	Chief Operating Officer	50	13 March 2018	29 June 2021
Andrew Bolter	Chief Financial Officer	36	3 May 2018	29 June 2021
Alec Carstairs	Non-Executive Director	61	3 May 2018	29 June 2021
Philip Haydn-Slater	Non-Executive Director	58	3 May 2018	29 June 2021
Ian Henderson	Non-Executive Director	69	3 May 2018	29 June 2021

5.1. Directors' and Senior Management's interests

The interests of the Directors and Senior Management and, so far as is known to the Directors and Senior Management (having made appropriate enquiries) persons connected with them, which expression shall be construed in accordance with the AIM Rules (all of which are beneficial except as shown), in the existing issued share capital of the Company, excluding any Options in respect of such capital (details of which are set out at paragraph 11 of this Part V) as at the Last Practicable Date, and as expected to be immediately following Admission, are as follows:

Name	As at the date of this document		Immediately following Placing and Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital (%)	Number of Ordinary Shares	Percentage of Enlarged Share Capital (%)
Soraya Narfeldt	98,000,000	70%	95,857,145	55.2
Lars Narfeldt	42,000,000	30%	42,000,000	24.2
Andrew Bolter	—	—	714,285 ⁽⁸⁾	0.4
Trevor Stratford	—	—	714,285 ⁽⁹⁾	0.4
John Mitchell	—	—	714,285 ⁽¹⁰⁾	0.4

Save as disclosed in this paragraph 5 and paragraph 11, none of the Directors nor any member of their families, nor any person connected with them within the meaning of section 252 of the Act, has any interest in the issued share capital of the Company or its subsidiaries.

Save for the Placing Agreement referred to in paragraph 9.1 of this Part V of this document, the service agreements and letters of appointment referred to in paragraph 7 of Part V of this document, the lock-in agreements referred to in paragraph 9.2 of Part V of this document, or the relationship agreement referred to in paragraph 9.4 of Part V of this document there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company connected with or dependent upon Admission or the Placing.

No Director (nor any member of a Director's family) has a related financial product (as defined in the AIM Rules for Companies) referenced directly or indirectly to the Ordinary Shares.

5.2. Major Shareholders

In addition to the interests disclosed at paragraph 5.1 above, the Company is aware of the following persons who will, immediately following Admission, hold, directly or indirectly, voting rights representing three per cent. or more of the Enlarged Share Capital of the Company to which voting rights are attached:

Name	As at the date of this document		Immediately following Placing and Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital (%)	Number of Ordinary Shares	Percentage of Enlarged Share Capital (%)
Blackrock Investment Management (UK) Limited	—	—	8,485,714	4.9
Jupiter Asset Management Limited	—	—	5,245,971	3.0

Save as disclosed at paragraphs 5.1 and 5.2 above, the Directors are not aware of any person who is at the date of this document, or who will be immediately following Admission, directly or indirectly, interested in three per cent. or more of the issued share capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company and the Directors are not aware of any arrangements, the operation of which may, at a subsequent date, result in a change of control of the Company.

No person has any voting rights in respect of the share capital of the Company which differ from any other shareholder.

Save as disclosed in this Document, none of the Directors has or has had any interest in transactions effected by the Company since its incorporation that are or were unusual in their nature or conditions or that are or were significant to the business of the Company.

6. Additional Information on Directors

The names of all the companies and partnerships of which each Director currently holds a directorship or is a partner in or has been a director or partner at any time in the five years preceding the date of this Document (with the exception of the Company) are as follows:

Name	Current directorships/partnerships	Past directorships/partnerships
Sangita Shah	Bilby Plc Global Reach Technology EMEA Limited Forward Industries Inc.	Odyssean International Ltd SHSS Partnership LLP Intelligent Fuel Technologies Limited Swindon Town Football Company Limited Dieselmist Holdings Limited Dieselmist International Limited Zypha Technologies Limited Global Reach Technology Limited
Soraya Narfeldt	—	—
Lars Narfeldt	DTales Furniture LLC	—
Andrew Bolter	—	—
Alec Carstairs	The Vine Trust Cela Consulting Limited Techfest-Setpoint CUL Holdings Limited	Aberdeen and Grampian Chamber of Commerce Ithaca Energy Inc.
Philip Haydn-Slater	Eclipse Film Partners No. 35 LLP Musgrave Merchant Limited Musgrave Financial Limited Danube Petroleum Limited SACGASCO Ltd ADX Energy Ltd	HD Capital Partners Holdings LLP Synergis Capital Plc Six String Productions Ltd HD Capital Markets Ltd HD Capital Partners Ltd
Ian Henderson	BMO Capital Markets Limited	Endeavour Mining Corporation

The following directors have previously been known by the following names:

- a) Soraya Muriel Narfeldt: previously known as Soraya Muriel Duncan.

Save as set out in this document:

- a) No director has had any previous names.
- b) No director has any unspent convictions relating to indictable offences (including fraudulent offences), has been bankrupt or has made or been the subject of any individual voluntary arrangement or has had a receiver appointed to any asset of such director.
- c) Sangita Shah was a director of Dieselmist Holdings Limited which, whilst she was a director, went into creditors compulsory liquidation and was dissolved on 26 November 2015
- d) Philip Haydn-Slater was a director of HD Capital Markets Ltd which, whilst he was a director, went into members' voluntary liquidation and was dissolved on 1 December 2015.
- e) Philip Haydn-Slater was a partner of HD Capital Partners Holdings LLP which, whilst he was a director, was wound-up on 13 December 2016.
- f) Philip Haydn-Slater was a director of Six String Productions Ltd which, whilst he was a director, was wound-up on 26 July 2016.
- g) Eclipse Film Partners No. 35 LLP ("Eclipse") has been designated a tax avoidance scheme by HMRC and is therefore not expected to qualify for tax relief as anticipated. Furthermore, HMRC and partnership advisers are considering the obligations of Eclipse partners, which may have adverse tax consequences for Mr Haydn-Slater.
- h) Save as disclosed above, none of the Directors has been a director of any company at the time of or within twelve months preceding the date of its 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 and none of the Directors has been a partner of any partnership at the time of or within twelve months preceding the date of any partnership voluntary arrangement, compulsory liquidation or administration of such partnership or owned, or has been a partner of a partnership which owned, any asset which while he owned that asset or while he was a partner or within twelve months after ceasing to be a partner in the partnership which owned that asset entered into receivership and none of the Directors has had any of his assets subject to any receivership.
- i) None of the Directors have been publicly criticised or received any sanction by any statutory or regulatory authority (including recognised professional bodies) or been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

7. Directors' Service Agreements and Letters of Appointment

Summary details of the service agreements and letters of appointment entered into between the Company and the Directors are set out below:

7.1. Soraya Narfeldt

Soraya Narfeldt has entered into a service agreement with RAI FZCO as Group chief executive officer dated 25 June 2018. The service agreement commences on Admission. Soraya Narfeldt's period of continuous employment commenced on 4 May 2004 and is subject to six months' termination notice by either party. The agreement provides for an annual salary of AED 1,182,600 and 30 days paid holiday (excluding public holidays). The agreement includes intellectual property and confidentiality provisions. Soraya Narfeldt has given certain non-compete, non-poach and non-solicitation covenants covering 12 months, 12 months and 12 months, respectively, post-termination of the agreement. The service agreement is governed by the laws of the UAE.

In addition to this service agreement, Soraya Narfeldt also entered into a letter of appointment with the Company on 25 June 2018 with regard to her appointment as director of the Company. The

letter of appointment applies in addition to the service agreement and the appointment is subject to the Articles. The letter of appointment provides for an annual salary of £26,280 (AED 131,400 at a conversion rate of AED 5: GBP 1) The letter of appointment takes effect on the commencement date of Soraya Narfeldt's service agreement and shall continue until (i) the service agreement is terminated; or (ii) notice of termination is given by the Company at any time during the notice period under the service agreement. The letter of appointment is governed by English law.

7.2. Lars Narfeldt

Lars Narfeldt has entered into a service agreement with RAI FZCO as Group chief operating officer dated 25 June 2018. The service agreement commences on Admission. Lars Narfeldt's period of continuous employment commenced on 1 January 2017 and is subject to six months' termination notice by either party. The agreement provides for an annual salary of AED 751,680 (including benefit allowances) and 30 days paid holiday (excluding public holidays). The agreement includes intellectual property and confidentiality provisions. Lars Narfeldt has given certain non-compete, non-poach and non-solicitation covenants covering 12 months, 12 months and 12 months, respectively, post-termination of the agreement. The service agreement is governed by the laws of the UAE.

In addition to this service agreement, Lars Narfeldt also entered into a letter of appointment with the Company on 25 June 2018 with regard to his appointment as director of the Company. The letter of appointment applies in addition to the service agreement and the appointment is subject to the Articles. The letter of appointment provides for an annual salary of £16,800 (AED 85,000 at a conversion rate of AED 5: GBP 1) The letter of appointment takes effect on the commencement date of Lars Narfeldt's service agreement and shall continue until (i) the service agreement is terminated; or (ii) notice of termination is given by the Company at any time during the notice period under the service agreement. The letter of appointment is governed by English law.

7.3. Andrew Bolter

Andrew Bolter has entered into a service agreement with RAI FZCO as Group chief financial officer dated 25 June 2018. The service agreement commences on Admission. Andrew Bolter's period of continuous employment commenced on 29 March 2011 and is subject to six months' termination notice by either party. The agreement provides for an annual salary of AED 756,000 (including benefit allowances), an ability to participate in the Share Option Scheme and 30 days paid holiday (excluding public holidays). The agreement includes intellectual property and confidentiality provisions. Andrew Bolter has given certain non-compete, non-poach and non-solicitation covenants covering 12 months, 12 months and 12 months, respectively, post-termination of the agreement. The service agreement is governed by the laws of the UAE.

In addition to this service agreement, Andrew Bolter also entered into a letter of appointment with the Company on 25 June 2018 with regard to his appointment as director of the Company. The letter of appointment applies in addition to the service agreement and the appointment is subject to the Articles. The letter of appointment provides for an annual salary of £16,800 (AED 85,000 at a conversion rate of AED 5: GBP 1). The letter of appointment takes effect on the commencement date of Andrew Bolter's service agreement and shall continue until (i) the service agreement is terminated; or (ii) notice of termination is given by the Company at any time during the notice period under the service agreement. The letter of appointment is governed by English law.

7.4. Sangita Shah

The services of Sangita Shah as non-executive chairman of the Company are provided under the terms of a letter of appointment dated 25 June 2018. The appointment is for a period of three years, subject to termination upon three months' notice by either party. The letter of appointment provides for a fee of £80,000 per annum. The letter of appointment is governed by English law.

7.5. Philip Haydn-Slater

The services of Philip Haydn-Slater as non-executive director of the Company are provided under the terms of a letter of appointment dated 25 June 2018. The appointment is for a period of three years, subject to termination upon three months' notice by either party. The letter of appointment

provides for a fee of £40,000 per annum plus a fee of £10,000 per annum for the appointment as chairman of the remuneration committee following Admission. The letter of appointment is governed by English law.

7.6. Ian Henderson

The services of Ian Henderson as non-executive director of the Company are provided under the terms of a letter of appointment dated 25 June 2018. The appointment is for a period of three years, subject to termination upon three months' notice by either party. The letter of appointment provides for a fee of £40,000 per annum plus a fee of £10,000 per annum for business advisory services following Admission. The letter of appointment is governed by English law.

7.7. Alec Carstairs

The services of Alec Carstairs as non-executive director of the Company are provided under the terms of a letter of appointment dated 25 June 2018. The appointment is for a period of three years, subject to termination upon three months' notice by either party. The letter of appointment provides for a fee of £40,000 per annum plus a fee of £10,000 per annum for the appointment as chairman of the audit committee following Admission. The letter of appointment is governed by English law.

Save as set out above there are no contracts between any of the Directors and the Company or any of its Subsidiaries providing for benefits upon termination of employment of any Director.

8. Employees

The following table shows the number of permanent employees working for the Group as at 31 December 2015, 31 December 2016 and 31 December 2017:

Year	Number of employees
31 December 2015	447
31 December 2016	656
31 December 2017	620

The following table shows the number of permanent employees working for the Group in each geographic location as 31 December 2017:

Country	Number of employees as at 31 December 2017
Somalia	485
Central African Republic	63
Dubai	38
Kenya	15
South Sudan	17
Uganda	2

In addition to the permanent employees referred to above, the Group had 1,191 temporary employees as at 31 December 2017. This figure includes individuals employed on an agency basis on behalf of the Group.

The senior management team consists of Soraya Narfeldt, Lars Narfeldt, Andrew Bolter, Trevor Stratford (Director of Business Development) and John Mitchell (Director of Project Management). Biographies of the members of the senior management team who are not Directors are set out in paragraph 15 of Part I of this document.

9. Material Contracts

The contracts (not being contracts entered into in the ordinary course of business) as set out in this paragraph 9 have been entered into by members of the Group (i) within the two years immediately preceding the date of this document which are or may be material to the Group or (ii) at any time and contain obligations or entitlements which are, or may be, material to the Group, as at the date of this document.

9.1. Placing agreement

A placing agreement dated 25 June 2018 was entered into by Cenkos, WH Ireland Limited (as placing agent), the Company and the Directors pursuant to which Cenkos, as the Company's nominated adviser, has been appointed to use its reasonable endeavours to procure Admission. Cenkos' obligations are conditional upon Admission taking place on or before 8.00 a.m. on 29 June 2018 or such later date as the Company and Cenkos may agree, but in no event being later than 13 July 2018. The Company has agreed to pay Cenkos (a) a fee of £300,000 plus VAT, (b) a commission of 4.75 per cent. of the aggregate value of the Placing Price of the New Ordinary Shares, and (c) grant to Cenkos the Warrants pursuant to the terms of the Warrant Instrument. Under the terms of the placing agreement the Company and the Directors have given certain customary warranties and indemnities to Cenkos in connection with Admission and other matters relating to the Company and its affairs. Cenkos may terminate the placing agreement in certain specified circumstances prior to Admission, principally if any of the warranties has ceased to be true and accurate or shall have become misleading.

9.2. Lock-in agreements

The Company has entered into lock-in agreements with Cenkos and each of Soraya Narfeldt and Lars Narfeldt pursuant to which each of Soraya Narfeldt and Lars Narfeldt agrees not to, and to procure that their related parties will not (subject to certain exceptions), (i) dispose of any of their interests in Ordinary Shares prior to the first anniversary of Admission and (ii) thereafter for the following 12 months only to dispose of them through the Company's brokers at the relevant time.

The Company has also entered into lock-in agreements with Cenkos and each of Andrew Bolter, Trevor Stratford and John Mitchell pursuant to which each of Andrew Bolter, Trevor Stratford and John Mitchell agrees not to, and to use reasonable endeavours to ensure that their related parties will not (subject to certain exceptions), (i) dispose of any of their interests in Ordinary Shares prior to the first anniversary of Admission and (ii) thereafter for the following 12 months only to dispose of them through the Company's brokers at the relevant time.

9.3. Nominated adviser and broker agreement

The Company has entered into a nominated adviser and broker agreement dated 25 June 2018 with Cenkos pursuant to which the Company has appointed Cenkos to act as its nominated adviser and broker commencing on Admission. At any time after the first anniversary of Admission, either party may give no less than three months' prior written notice to terminate the agreement. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to Cenkos in relation to the provision of services by Cenkos under the agreement. The Company has agreed to pay to Cenkos a fee of £60,000 per annum (exclusive of VAT and disbursements).

9.4. Relationship agreement

On 25 June 2018 the Company, Soraya Narfeldt, Lars Narfeldt and Cenkos entered into a relationship agreement conditional upon Admission pursuant to which Soraya Narfeldt and Lars Narfeldt have agreed, amongst other things, that:

- a) the Group is managed for the benefit of shareholders as a whole and independently of Soraya Narfeldt and Lars Narfeldt and their connected persons;
- b) all transactions, agreements and arrangements between any member of the Group and Soraya Narfeldt and Lars Narfeldt and their connected persons are on an arm's length basis and on normal commercial terms;
- c) at least three independent directors shall at all times be appointed to the Board;
- d) the remuneration committee and audit committee established by the Board from time to time and any other board committee shall, where practicable, be comprised of a majority of independent directors and shall be chaired by an independent director; and

- e) any dispute between any of Soraya Narfeldt, Lars Narfeldt, or their connected persons (on the one hand) and the Company (on the other hand) are dealt with by a committee comprising only independent directors.

The agreement is effective for so long as each of Soraya Narfeldt and Lars Narfeldt (whether individually or in aggregate) together with their connected persons, holds 25% or more of the rights to vote at a general meeting of the Company attaching to Ordinary Shares.

9.5. Warrant Instrument

On 25 June 2018 the Company entered into a warrant instrument pursuant to which the Company conditional on Admission issued Warrants to Cenkos to subscribe for 671,514 Ordinary Shares. The Warrants are exercisable for five years from the date of Admission at a subscription price of £0.728 per Ordinary Share. They are not transferrable and are subject to typical anti-dilution rights to adjust on a proportional basis for share consolidations, share splits and stock dividends (including bonus issues and scrip issues).

9.6. Reorganisation Agreement

On 12 April 2018 the Company, Soraya Narfeldt and Lars Narfeldt entered into the Reorganisation Agreement pursuant to which the Company issued 97,999,999 Ordinary Shares of £0.10 each to Soraya Narfeldt and 41,999,999 Ordinary Shares of £0.10 each to Lars Narfeldt in consideration for the acquisition by the Company of 99.9999 per cent. of the issued share capital of RAI FZCO. The Reorganisation Agreement completed on 26 April 2018.

9.7. Nominee Agreement

On 12 April 2018, the Company and Soraya Narfeldt entered into the nominee shareholders' agreement pursuant to which Soraya Narfeldt agreed to hold 1 share in the issued share capital of RAI FZCO on behalf of the Company.

9.8. Facility letter

RAI FZCO entered into a facility letter with Citibank N.A., UAE Branch ("**Citibank**") dated 23 February 2017, as amended by agreements dated 22 June 2017 and 14 November 2017 (the "**Facility Letter**"). Pursuant to the terms of the Facility Letter, Citibank have made available to the Company the following facilities (the "**Facilities**"):

- a) an overdraft of US\$ 2,000,000, available in US\$ and GBP, for working capital requirements with an interest rate of 1.50% per annum;
- b) a letter of guarantee of US\$ 2,330,000, available in US\$ and AED, for the issuance of advance payment, performance and bid bonds and guarantees; and
- c) a standby letter of credit of US\$ 2,000,000 available in US\$ and AED, for the issuance of standby letters of credit.

The Facilities are subject to the terms of the Master Credit Facilities Agreement between Citibank and the Company and dated 19 February 2017 (the "**MCFA**"). The terms of the MCFA are standard for facilities of this type. Pursuant to the MCFA, the Company undertakes to Citibank that it will not change its legal status of ownership without the prior written consent of Citibank. The Company received a letter from Citibank dated 7 March 2018 by which Citibank confirmed that it had no objection to the matters contemplated by the Reorganisation Agreement.

9.9. Guarantees

A number of contracts to which the Group is a party in the ordinary course of its business contain provisions requiring the relevant Group Company to provide a guarantee, performance bond or similar in respect of the works to be carried out by the relevant Group Company under those contracts.

Berkshire Cell has provided a number of these guarantees, all of which are on substantially the same terms. Under these terms, Berkshire Cell (as guarantor) agrees to pay the guaranteed party an amount up to the sum stated in the relevant guarantee on written demand from the guaranteed party stating that the relevant Group Company is in breach of its obligations under the relevant

contract, without the need for the guaranteed party to specify the respect in which the relevant Group Company is in breach. The guarantees further note that such statement shall be conclusive evidence of the counterparties' entitlement to payment in the amount demanded.

Citibank have issued an irrevocable guarantee in favour of RAI FZCO in the amount of US\$2,000,000 in relation to "funding commitment for subsidiary". This guarantee relates to RAI FZCO's obligation to, if requested pursuant to the terms of the Cell Agreement, fund Berkshire Cell. In addition, RAI FZCO has issued a Group guarantee to Berkshire Cell for the amount of the performance bonds. Under these current arrangements, Berkshire Cell can issue up to US\$6,000,000 of performance bonds per annum.

The total amount outstanding under performance bonds provided by Berkshire Cell as at the Last Practicable Date is US\$5,585,569.83.

Citibank has also issued a number of bid bonds and performance guarantees against the obligations of RAI FZCO, in favour of various counterparties to contracts which the Company has entered into. The total amount outstanding under these performance bonds provided by Citibank as at the Last Practicable Date is US\$85,078.25.

9.10. Private placing of loan notes

Between November 2016 and March 2017, the Group raised funds by the issue of medium-term insured and uninsured promissory notes in RAI FZCO (the "**Notes**") on a rolling basis (the "**Notes Issue**").

Pursuant to the Notes Issue, US\$ 3,000,000 of Notes were to be issued for sale exclusively through Dry Associates Limited ("**Dry Associates**"). The purpose of the Notes Issue was to refinance an existing loan facility of US\$ 3,000,000 held by RAI FZCO and, in doing so, to lower RAI FZCO's cost of funding and increase its liquidity.

A total of US\$ 3,000,000 of Notes were issued in two tranches, as follows:

- Tranche 1: a) November 2016: US\$ 150,000; and
b) December 2016: US\$ 418,042.
- Tranche 2: c) January 2017: US\$ 2,341,571; and
d) March 2017: US\$ 90,387.

The principal amount of each Note is payable by RAI FZCO in one lump sum at par value on the date of expiry of the tenor of that Note. In some cases interest is payable on the principal value of Note by RAI FZCO in either quarterly or semi-annual instalments during the term of the Note, and in other cases the full amount of interest is due on the date of expiry of the tenor of that Note. Some interest and principal payments under the Notes have fallen due for payment and others are due to become payable during the course of 2018.

All principal and interest payments under the Notes which have fallen due for payment as of the Last Practicable Date have been duly paid. US\$ 1,850,000 of principal is still outstanding under the Notes (and will fall due for repayment on various dates between 16 May 2018 and 29 August 2018) and US\$ 55,715.39 of interest is still outstanding under the Notes (and will fall due for payment between 16 May 2018 and 29 August 2018).

10. Other regulatory matters

10.1. Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

10.2. Takeovers

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Takeover Panel, to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Rule 9 of the Takeover 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 any further shares carrying voting rights, they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares, save that under note 4 of Rule 9.1 of the Takeover Code, Rule 9 of the Takeover Code would remain applicable to individual members of a concert party who would not be able to increase their percentage interests in the voting rights of such company through or between Rule 9 thresholds without complying with the requirements of Rule 9 or first obtaining a waiver from the Takeover Panel.

The Takeover Panel has confirmed that Soraya Narfeldt, Lars Narfeldt, Andrew Bolter, Trevor Stratford and John Mitchell and their immediate families (the “**Concert Party**”) are acting in concert for the purposes of the Takeover Code. On Admission, the Concert Party will between them hold 140,000,000 Ordinary Shares representing 80.7 per cent. of the Enlarged Share Capital. As the Concert Party will together hold Ordinary Shares carrying more than 50 per cent. of the Company's voting share capital, then for so long as they remain in concert, any further increase in that interest in Ordinary Shares will not generally be subject to the provisions of Rule 9 of the Takeover Code. However, Soraya Narfeldt and Lars Narfeldt will individually still be subject to the provisions of note 4.1 of Rule 9 of the Takeover Code.

The Company, Soraya Narfeldt and Lars Narfeldt and Cenkos have entered into the Relationship Agreement, pursuant to which Soraya Narfeldt and Lars Narfeldt have given certain undertakings to the Company and Cenkos in relation to their conduct with the Company with respect to their shareholdings in the Company. Further details of these arrangements are set out in paragraph 9.4 of Part V of this document.

Under sections 979 to 982 of the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making a takeover offer as defined in section 974 of the Act, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer unless the shareholders can show that the offer value is unfair.

Pursuant to sections 983 to 985 of the Act minority shareholders in the Company have a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can require the offeror to acquire his shares. The offeror would be 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 minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

11. Share Option Scheme

As at the date of this document and following Admission, the following Options have been granted to the Directors and Senior Management:

Option Holder	Date of Grant	Share Options (with performance conditions)	Option Exercise Period (with performance conditions)	Exercise Price (£)
Andrew Bolter	Admission	1,304,347	From the third anniversary of Admission to the sixth anniversary of Admission	0.10
Trevor Stratford	Admission	760,869	From the third anniversary of Admission to the sixth anniversary of Admission	0.10
John Mitchell	Admission	760,869	From the third anniversary of Admission to the sixth anniversary of Admission	0.10

The Directors recognise the need to attract, incentivise and retain employees and the importance of ensuring that all employees are well motivated and able to identify closely with the profitability of the Group. To that end, the Company has introduced the Share Option Scheme under which Options may be granted to eligible employees from time to time, acting through the Board and subject to the rules of the Share Option Scheme.

The Share Option Scheme has been adopted by the Board conditional on Admission. The principal terms of the Share Option Scheme are summarised below.

Option awards under the Share Option Scheme is a right to acquire a certain number of Ordinary Shares in the Company in the future, subject to any specified performance conditions. The Board believes that the Share Option Scheme is an effective mechanism to incentivise key employees of the Group and intends to continue to grant awards under the Share Option Scheme in the future.

It is anticipated that the initial awards of Options under the Share Option Scheme with an exercise price equivalent to the nominal value of an Ordinary Share per Ordinary Share will be granted to Andrew Bolter, Trevor Stratford and John Mitchell conditional on Admission and will have performance vesting conditions. Further details of the Options are described below.

Overview

The Share Option Scheme is a UK non-tax advantaged, discretionary share option plan which provides for the grant of Options to employees of the Group. All Options granted under the Share Option Scheme are non-transferable. Following Admission, the operation of the Share Option Scheme will be overseen by the Board.

Eligibility

Participation in the Share Option Scheme is restricted to selected employees, including executive Directors, at the discretion of the Board.

Grant

The Options may be granted during:

- the period of 42 days after the date of adoption of the Share Option Scheme;
- any period of 42 days immediately following the preliminary announcement of the Company's interim or final results each year; and
- in any other prior that the Board decides due to exceptional circumstances.

No Options may be granted more than 10 years after the date of adoption of the Share Option Scheme.

Exercise Price

The price per Ordinary Share payable on the exercise of the Options is determined by the Board when the Options are granted. The exercise price may not be less than the nominal value of the Ordinary Shares if Ordinary Shares are to be newly issued to satisfy the Option.

Individual limits on participation

The maximum total market value of the Shares over which any Options are granted to any employee during any financial year of the Company is 200 per cent. of his salary in any one financial year, except that this limit may be increased in exceptional circumstances to be determined at the absolute discretion of the Board.

Limits on the issue of new Ordinary Shares

The number of Ordinary Shares which are issued or to be issued under the Share Option Scheme or any other equity-linked incentive arrangements will not exceed 10 per cent. of the issued share capital of the Company in any 10 year period (excluding any rights to subscribe for Ordinary Shares granted conditional on Admission).

Performance Conditions

The Performance Options may be conditional on the performance of the Group and/or the employee (a “**Performance Condition**”), measured over such a period (a “**Performance Period**”) and against such objective criteria as the Board by specify at the time of the grant.

If at the end of the Performance Period, the Performance Condition is not (and has not been deemed to be) satisfied, the Option will immediately lapse and cease to be exercisable.

Leaving employment

If the holder of Performance Options is a good leaver (defined as above), the Performance Options shall be exercisable pro-rata for time passed and meeting such Performance Conditions at the time of departure. Good leavers are those who leave by reason of injury, ill health, disability, retirement or redundancy. If the Performance Option holder is a bad leaver, the Performance Options will lapse unless the Board permits the Performance Option holder to exercise, such exercise shall be permitted within six months of the date of departure and if not exercised in that period the Options will lapse.

If an employee leaves due to death, his personal representative may exercise the Options, to the extent vested, for a period of 12 months from the date of death, and if not exercised in that period the Options will lapse.

Cash alternative

By mutual agreement by the Board and an Option holder, the Option holder's right to acquire Shares on exercise of the Option can be satisfied by paying the Option holder a cash sum calculated on the basis of the value of the Shares on the day the Option is exercised reduced by the exercise price payable.

Corporate events

If there is a change of control of the Company, the Options will be exercisable subject to meeting such Performance Conditions at the time of such change of control of the Company, without pro-rating for time.

Amendment to the Share Option Scheme

The Board may at any time amend the Share Option Scheme in any respect, provided that no amendment will be made to the rules in regard to Options granted before the amendment was made and which materially affects the interests of the Option holders without their consent.

12. Warrants

As at the date of this document and conditional on Admission the Company has issued Warrants to Cenkos to subscribe for 671,514 Ordinary Shares.

Save as disclosed in paragraphs 11 and 12 of this Part V, as at the date of this document, no other person has any option over or warrant to subscribe for any shares in the Company.

13. Litigation

No member of the Group is, or has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and so far as the Company is aware no such proceedings are pending or threatened, which may have, or have had in the 12 months preceding the date of this document, a significant effect on the Company's or the Group's financial position or profitability.

14. Related Party Transactions

Save as set out in this document as far as the Directors are aware, there have been and are currently no agreements or other arrangements between the Company and individuals or entities that may be deemed to be related parties, for the period of three years prior to the date of this document.

15. Share Dealing Code

The Directors intend to comply with Rule 21 of the AIM Rules for Companies and article 19 of the Market Abuse Regulation (No. 596/2014) relating to Directors' and applicable employees' dealings in Ordinary Shares, and to that end, the Company has adopted an appropriate share dealing code.

The Company and the Directors, officers and employees will also be subject to legislation prohibiting market abuse and insider dealing under the Market Abuse Regulation (No. 596/2014) and the Criminal Justice Act 1993.

16. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company and the Group, taking into account the estimated net proceeds of the Placing, will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

17. United Kingdom Taxation

Considerations in respect of UK taxation matters regarding the Company and potential shareholders are summarised in Part III of this document.

18. Consents

Ernst & Young Middle East (Dubai Br.) has given and not withdrawn its written consent to the inclusion of its accountant's report set out in Section A of Part IV of this document in the form and context in which it appears and has authorised the contents of this report for the purposes of Schedule Two of the AIM Rules for Companies.

Cenkos has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

19. General

The total costs and expenses of, or incidental to, the Placing and Admission, all of which are payable by the Company, are estimated to be approximately £2.4 million (exclusive of value added tax). The expected net proceeds of the Placing, after deduction of such costs and expenses, are estimated to be approximately £16.4 million.

Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has:

- a) received directly or indirectly from the Company within the 12 months preceding the date of this document; or
- b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - i. fees totalling either £10,000 or more;

- ii. securities in the Company with a value of £10,000 or more calculated by reference to the expected price of an Ordinary Share at Admission; or
- iii. any other benefit with a value of either £10,000 or more as at the date of Admission.

The Placing is not being underwritten.

The Placing Price of 56.0 pence represents a premium of 46.0 pence above the nominal value of £0.1 per Ordinary Share. The Placing Price is payable in full on application.

The appointment of Ernst & Young LLP as auditors of the Company is currently in process. Ernst & Young LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales, and its registered office is 144 Morrison Street, Edinburgh, EH3 8EF.

Ernst & Young Middle East (Dubai Br.) have reported on the historical consolidated financial information of RAI FZCO (being the holding company of the Group prior to completion of the Reorganisation Agreement on 26 April 2018), for each of the three financial years ended 31 December 2015, 31 December 2016 and 31 December 2017. The accountant's report is qualified for the years ended 31 December 2015 and 31 December 2016 as audit evidence available to the reporting accountant was limited because the statutory auditor did not observe the counting of physical inventories as at 31 December 2014 and 31 December 2015 since the inventories were located in remote areas, and additionally were unable to satisfy themselves as to the inventory quantities by other audit procedures. Since period end inventories affect the determination of the financial performance and cash flows, the reporting accountants were unable to determine whether any adjustment might be necessary in respect of the profits for the years ended 31 December 2015 and 31 December 2016 reported in the consolidated statement of comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows for the same periods.

The Group made no principal investments in the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017. Save as disclosed in this document, the Group currently has no significant investments in progress and the Group has not made any firm commitments concerning future investments which are significant to the Group since 31 December 2017 (being the date to which the financial information is set out in Part IV of this document).

The Directors are not aware of any patents or other intellectual property rights, licences, industrial, commercial or financials contracts or new manufacturing processes on which may be of material importance to the Group's business or profitability.

Save in connection with the application for Admission, none of the Ordinary Shares has been admitted to dealings on any recognised investment exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

Save as disclosed in this document, there has been no significant change in the trading or financial position of the Group since 31 December 2017, the date to which the last consolidated accounts of RAI FZCO (being the holding company of the Group prior to incorporation of the Company on 13 March 2018) were prepared. There has been no significant change in the financial or trading position of the Company since 13 March 2018, being the date on which it was incorporated.

Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's recent activities.

Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

There are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

There have been no significant recent trends in production, sales and inventory and costs and selling prices since 31 December 2017, being the date to which the last consolidated accounts of RAI FZCO

(being the holding company of the Group prior to incorporation of the Company on 13 March 2018) were prepared.

There has been no public takeover bid for the whole or any part of the share capital of the Company or any member of its Group prior to the date of this document.

20. Documents Available For Inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company for a period of one month from the date of this document:

- a) the Articles;
- b) a copy of this document;
- c) the historical consolidated financial information of the Group set out in Part IV of this document;
- d) copies of the service agreements of the executive Directors; and
- e) copies of the letters of appointment of the non-executive Directors.

A copy of this document is also available on the Company's website, <https://rainationalservices.com/>.

Dated: 25 June 2018

PART VI

DEFINITIONS & GLOSSARY

“Act”	the Companies Act 2006, as amended
“ABC Policies”	the Group’s anti-bribery and corruption policies and procedures
“Admission”	admission to AIM of the entire issued and to be issued share capital of the Company to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies
“AED”	United Arab Emirates Dirham
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“AIM Admission Document”	this document dated 25 June 2018
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nomads
“AIM Rules for Companies”	the ‘AIM Rules for Companies’ issued by the London Stock Exchange, as amended from time to time, setting out the rules and responsibilities in relation to AIM companies
“AIM Rules for Nomads”	the ‘AIM Rules for Nominated Advisers’ issued by the London Stock Exchange, as amended from time to time, setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers
“ARM”	has the meaning given in paragraph 2 of Part V
“Articles”	the Company’s articles of association
“Audit Committee”	the audit committee of the Board
“Berkshire Cell”	has the meaning given in paragraph 2 of Part V
“Board” or “Directors”	the directors of the Company, or a duly authorised committee thereof, whose names are set out on page 4 of this document
“Bribery Act”	the Bribery Act 2010
“CAGR”	the compound annual growth rate
“Cenkos”	Cenkos Securities PLC, a company registered in England and Wales with registered number 5210733
“Cell Agreement”	has the meaning given in paragraph 2 of Part V
“Certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is not in CREST)
“Citibank”	has the meaning in paragraph 9.8 of Part V
“Company”	RA International Group PLC, a company incorporated in England with registered number 11252957 and such terms shall be deemed to include such of the Company’s subsidiaries as the context may require

“Concealment Law”	has the meaning given to it in paragraph 2(u) of Part II
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended
“Disclosure and Transparency Rules”	the Disclosure Rules and Transparency Rules made by the FCA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
“Dry Associates”	has the meaning in paragraph 9.10 of Part V
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
“EOI”	has the meaning given in paragraph 5 of Part I
“Existing Ordinary Shares”	the 140,000,000 Ordinary Shares in issue immediately prior to the Placing
“Facilities”	has the meaning in paragraph 9.8 of Part V
“Facility Letter”	has the meaning in paragraph 9.8 of Part V
“FCA”	the UK Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FY2015”	the financial year of RAI FZCO ended 31 December 2015
“FY2016”	the financial year of RAI FZCO ended 31 December 2016
“FY2017”	the financial year of RAI FZCO ended 31 December 2017
“FY2018”	the financial year of the Group made up to 31 December 2018
“Group” or “RA International”	since 26 April 2018 the Company and its Subsidiaries, prior to that RAI FZCO and its Subsidiaries
“HMRC”	HM Revenue and Customs of the United Kingdom
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“ISIN”	the International Securities Identification Number
“ITB”	had the meaning given in paragraph 5 of Part I
“JAFZA”	the Jebel Ali Free Zone
“Last Practicable Date”	20 June 2018
“London Stock Exchange”	London Stock Exchange plc
“Market Abuse Regulation”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse

“MCFA”	has the meaning in paragraph 9.8 of Part V
“MINUSCA”	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
“National Partnership Requirements”	has the meaning given to it in paragraph 2(u) of Part II
“New Ordinary Shares”	the 33,575,741 New Ordinary Shares to be issued by the Company and placed with the Placees pursuant to the Placing
“Nomad”	the Nominated Adviser to the Company, as defined in the AIM Rules
“Notes”	has the meaning in paragraph 9.10 of Part V
“Notes Issue”	has the meaning in paragraph 9.10 of Part V
“ODA”	Overseas Development Aid
“Official List”	the Official List of the UKLA
“Operator”	the meaning in the CREST Regulations
“Options”	rights to acquire (whether by subscription or market purchase) Ordinary Shares as described in paragraph 11 of Part V of this document
“Ordinary Shares”	Ordinary Shares of 10 pence each in the capital of the Company
“PCC”	has the meaning given in paragraph 2 of Part V
“Performance Condition”	has the meaning given to it in paragraph 11 of Part V
“Performance Period”	has the meaning given to it in paragraph 11 of Part V
“Placees”	subscribers for the New Ordinary Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement
“Placing”	the conditional placing of the New Ordinary Shares on behalf of the Company at the Placing Price pursuant to and on the terms of the Placing Agreement
“Placing Agreement”	the conditional agreement dated 25 June 2018 between (i) Cenkos, (ii) WH Ireland Limited, (iii) the Company and (iv) the Directors; relating to the Placing, further details of which are set out in paragraph 9.1 of Part V of this document
“Placing Price”	56.0 pence per New Ordinary Share
“PQQ”	has the meaning given to it in paragraph 5 of Part I
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with Section 73A of FSMA as amended from time to time brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 and the Prospectus Regulations 2005 (SI 2005/1433)
“QCA”	the Quoted Companies Alliance
“QCA Code”	the QCA Corporate Governance Code 2018, as amended from time to time

“RAI FZCO”	RA International FZCO, a free zone company incorporated in the Jebel Ali Free Zone, United Arab Emirates with registration number 161053
“RA Somalia”	has the meaning given in paragraph 2 of Part V
“RA South Sudan”	has the meaning given in paragraph 2 of Part V
“RFP”	has the meaning given to it in paragraph 5 of Part I
“Register”	the register of members of the Company
“Registrar”	Computershare Investor Services PLC
“Regulatory Information Service” or “RIS”	any channel recognised as a channel for the dissemination of information as defined in the glossary of terms in the AIM Rules
“Relationship Agreement”	relationship agreement dated 25 June 2018 between Sorara Narfeldt, Lars Narfeldt, Cenkos and the Company described in paragraph 9.4 of Part V of this document
“Remuneration Committee”	the remuneration committee of the Board
“Reorganisation Agreement”	the share for share exchange agreement entered into between the Company, Soraya Narfeldt and Lars Narfeldt dated 12 April 2018, further details of which are set out in paragraph 9.6 of Part V of this document
“Rights”	has the meaning given to it in paragraph 3 of Part V
“Securities Act”	the US Securities Act of 1933, as amended
“SEDOL”	the Stock Exchange Daily Official List Identification Number
“Securities Act”	the United States Securities Act of 1933 (as amended)
“Senior Management”	Trevor Stratford and John Mitchell
“Share Dealing Code”	the securities dealing code, securities dealing procedures manual and the group-wide dealing policy adopted by the Company that complies with the Market Abuse Regulation and the AIM Rules
“Share Option Scheme”	the Group share option plan, further details of which are set out in paragraph 11 of Part V of this document
“Shareholders”	the holders of Ordinary Shares from time to time
“SOFA”	has the meaning given to it in paragraph 2(x) of Part II
“Subsidiaries”	any subsidiary as defined in the Act
“Takeover Code”	The City Code on Takeovers and Mergers issued by the Takeover Panel and, from time to time, any successor or replacement body thereof
“Takeover Panel”	the Panel on Takeovers and Mergers
“UAE”	The United Arab Emirates
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“UK Listing Authority” or “UKLA”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“UN”	the United Nations
“UNGC”	the UN Global Compact
“UNSOA”	United Nations Support Office for the African Union Mission in Somalia
“UNSOM”	UN Assistance Mission in Somalia
“UNSOM Agreement”	has the meaning given to it in paragraph 2(u) of Part II
“UNSOS”	United Nations Support Office in Somalia
“USA” of “US” or “United States”	United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction
“US\$” or “\$”	the United States dollar
“uncertificated” or “in uncertificated form”	securities recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VAT”	value added tax
“Warrant Instrument”	the warrant instrument dated 25 June 2018
“Warrants”	the warrants to subscribe for Ordinary Shares, granted by the Company to Cenkos in accordance with the Warrant Instrument

