



CROWDCUBE PROSPECTUS



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THIS SECURITIES NOTE, THE REGISTRATION DOCUMENT AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Securities Note, the Registration Document and the Summary together constitute a prospectus relating to Crowdcube Limited (the "**Company**") (the "**Prospectus**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("**FCA**") made pursuant to section 84 of FSMA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.crowdcube.com.

The Company and the Directors, whose names appear on pages 54 and 56 of this Securities Note, accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Prospectus has been issued in connection with the issue of up to 41,067,762 new Shares by the Company and the transfer of up to 17,111,567 existing Shares by Selling Shareholders pursuant to the Offer.

Prospective investors should note that no application is being made for any class of Shares to be dealt on any stock exchange or investment exchange.

ONLY THE COMBINED SECURITIES NOTE, REGISTRATION DOCUMENT AND SUMMARY COMPRISE, AND MAY BE RELIED UPON AS, THE PROSPECTUS.

CROWDCUBE LIMITED

(Incorporated in England and Wales
with registered number 07014587)

SECURITIES NOTE

Offer of up to 41,067,762 new Shares and 17,111,567 existing Shares

Potential investors should read the whole of this Securities Note, together with the Registration Document and the Summary and, in particular, their attention is drawn to the risk factors set out on pages 6 to 7 of this Securities Note and those set out in the Registration Document.

Investors should rely only on the information contained in the Prospectus. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and any supplementary prospectus published by the Company and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of the Prospectus nor any subscription for or purchase of Shares made pursuant to the Offer, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

The Prospectus contains forward looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of the Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA and the Prospectus Rules. Nothing in this paragraph should be taken as qualifying the working capital statement in paragraph 6 of the Additional Information section of this Securities Note.

Copies of this Securities Note, the Registration Document and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website (www.crowdcube.com) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm. The contents of the Company's website do not form part of the Prospectus.

Dated: 15 July 2016.



RISK FACTORS

Prospective investors should note that the risks relating to The Group and its industry and the Shares summarised in the “Summary” are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, prospective investors should also consider, among other things, the risks and uncertainties described below and in the section headed “Risk Factors” in the Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Securities Note, may also have an adverse effect on the performance of the Company and the value of the Shares.

Risks relating to the offer and shares

The issuance of additional Shares dilute all other shareholdings

The Company may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional equity or convertible equity securities. As a result, the Company’s existing Shareholders may suffer dilution in their percentage ownership or the value of the Shares may be adversely affected.

Investments in unlisted companies attract a higher degree of risk

The Shares will not be traded on AIM nor the Main Market for listed securities of the London Stock Exchange. An investment in unquoted shares may carry a higher risk than an investment in shares admitted to trading on AIM or the Main Market for listed securities of the London Stock Exchange. There will be no public market or matched bargain facility for the Shares following the closing of the Offer. The Shares will be illiquid because it is unlikely that an active market for Shares will develop or, if it does develop, that such market will be sustained. Accordingly, investors should be aware that the value of the Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

Substantial shareholder influence

Balderton Capital V, L.P. holds 4,121,150 B Preference Shares and 37,990,090 A Preference Shares (representing approximately 21.42% of the issued share capital and 25.35% of the voting rights of the Company) and, by virtue of the reserved matters set out in the Articles including matters such as the payment of dividends, transfer of Shares, the exercise of drag and tag rights and the alteration of the Company’s share capital, as more particularly described on page 80, has the ability to exercise a controlling influence on the business and may cause or take actions that are not in, or may conflict with, the best interests of the Company or its Shareholders as a whole.

B Investor Shares

Investors subscribing for less than £25,000 worth of Shares or less in the Offer will be allotted B Investment Shares. B Investment Shares have fewer rights attaching to them than other classes of Shares. For example, holders of B Investment Shares do not have any right to vote at, and no right to attend or receive notice of any, general meeting or vote on any proposed written resolution of the Company. Accordingly, whilst the Company encourages an open dialogue with its Shareholders, any investors holding B Investment Shares will not be able to influence the business of the Company in the same way as holders of other classes of Share.



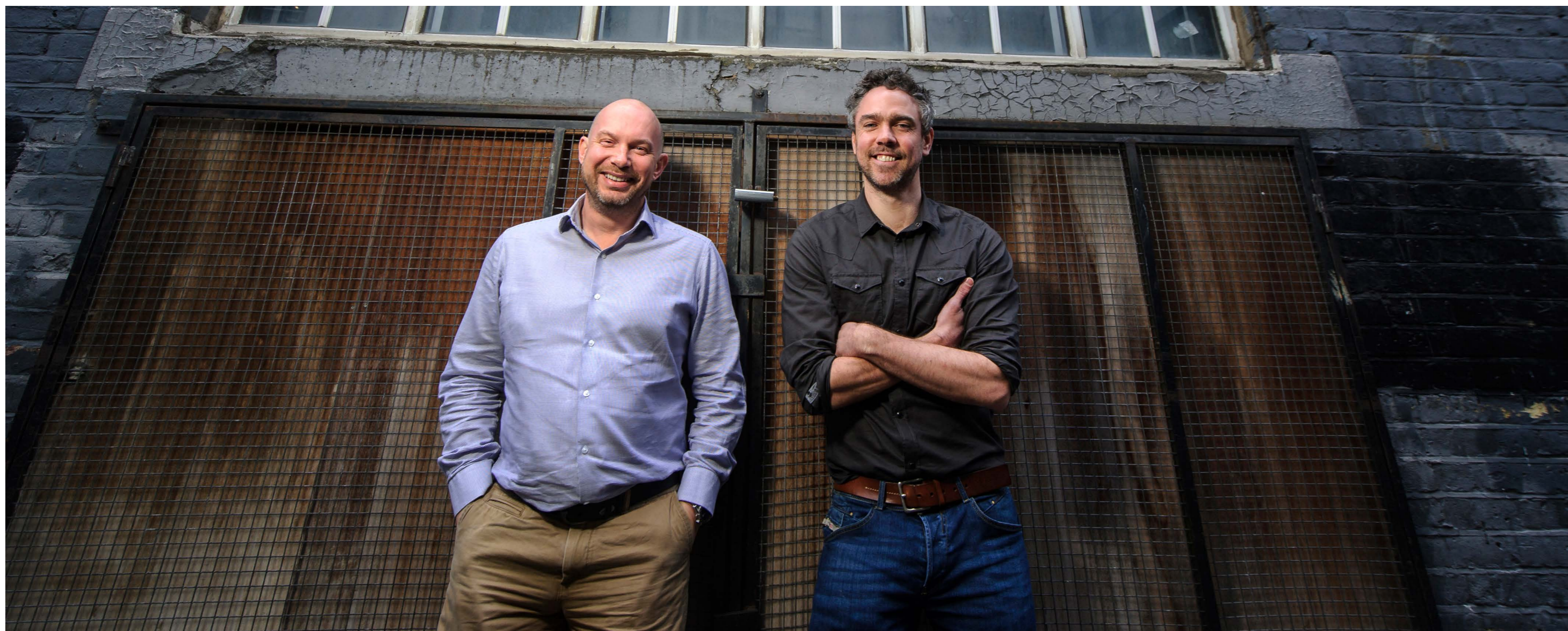
THE COMPANY

Note from the co-founders of Crowdcube

When we set out in 2011 we had the ambitious idea of democratising equity investment by enabling anyone to invest in businesses they believe in. Having experienced the challenges of raising finance first hand, we also had a palpable passion to help other ambitious entrepreneurs who had been let down by conventional funding methods to secure the growth finance they needed. It's that two-pronged vision that led us to launch Crowdcube, the world's first investment crowdfunding platform.

We're proud to have pioneered the creation of a new and vibrant market for entrepreneurs and investors. Just five years on, we've amassed a crowd of over 285,000 people, who have invested more than £160m in over 400 raises for more than 350 businesses.

In that short space of time we've seen investment crowdfunding move into the mainstream world of finance: according to NESTA (February, 2016) it contributed £245m worth of venture financing in 2015. We're also seeing the amounts raised on Crowdcube increase, with 29 raises in excess of £1m from January 2015 to June 2016. Thanks to investment from the crowd we're helping startups and ambitious entrepreneurs raise the finance they need to get an idea off the ground, and more established businesses seeking growth capital. We're also seeing an increase in the number of venture capital-backed businesses like Mondo, JustPark, eMoov and Adzuna, turning to Crowdcube to raise finance, further democratising investment by enabling everyday and professional investors to participate in investment rounds they previously would have been locked out of.



We've achieved so much since launching but here are just some of our favourite highlights:

The first equity crowdfunding platform

We have built a strong team hailing from Google, eBay, Facebook, Microsoft, Amazon, Goldman Sachs and CitiGroup

Successfully funded over 400 raises for more than 350 businesses

We're backed by 506 crowd investors and institutions including Balderton Capital, Numis Securities and Draper Esprit and we work with some of Europe's other most prominent venture capital firms

Included in the London Stock Exchange Group's ELITE programme, which is designed to develop and support the most ambitious private companies in the UK

Completed 39 £1m+ fund raises, 4 of which were £3m+ raises

We won 12 awards in 2015

Over £160m has been successfully invested on Crowdcube since 2011, £82.5m in 2015 alone

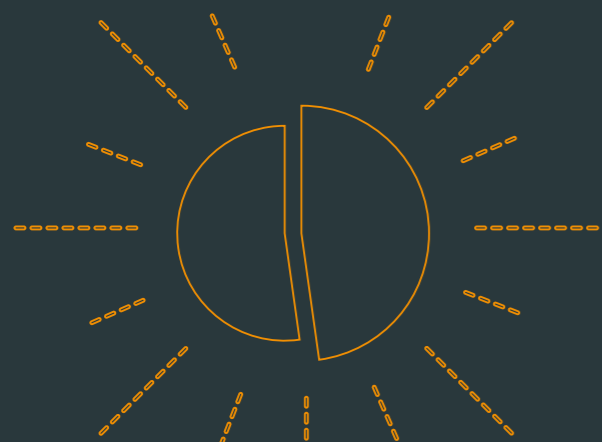
Two funded businesses, Camden Town Brewery and E-Car Club, were successfully acquired by AB InBev and Europcar respectively

Recognised as the most active equity investor in the UK for the last two years by Beauhurst

We had a 47% share of the UK's equity investment crowdfunding market between May 2015 to Apr 2016

Named on the Future Fifty Programme as one of 50 of the fastest growing and most disruptive technology companies in the UK

Our member base has grown to over 285,000, with a Compound Annual Growth Rate from 2011 to 2015 of 102%



We're not stopping there. We've got ambitious plans for the future and we want you, our crowd, to be a part of the next chapter in our mission; to make investment easy and rewarding for anyone, anywhere.

We want to give our ever-growing crowd the opportunity to own an equity share in Crowdcube, to be part of our story and share in our future successes. We're raising the bar with our latest crowdfunding round and aim to raise at least £5 million from the crowd, Balderton and other investors, who are jointly investing £1.385 million.

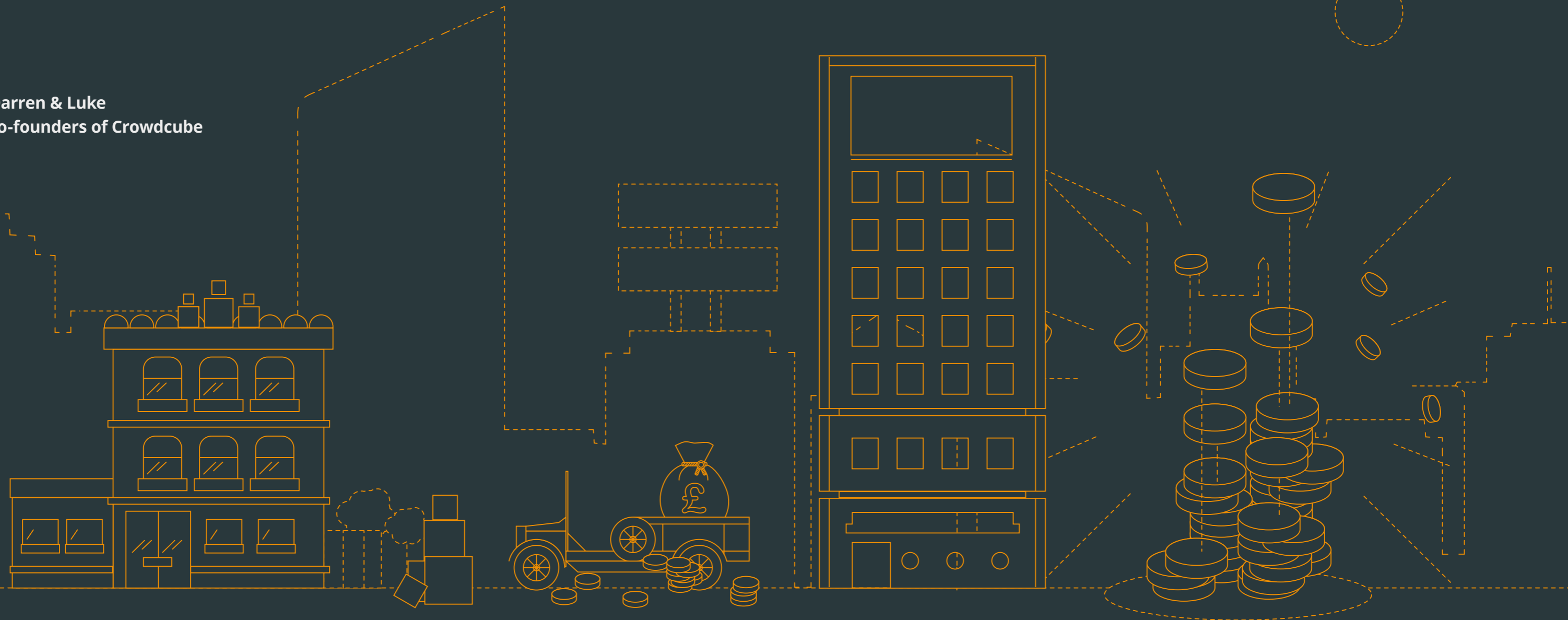
The funds raised will enable us to deliver our three core strategies which, we believe will create returns for our shareholders:

- *Provide unrivalled investment opportunities*
- *Fund businesses through the world's largest investor community*
- *Deliver investor returns*

We want to fundamentally transform the relationship between companies and their investors by facilitating greater transparency, disclosure and liquidity. Your investment can help us achieve this goal.

We look forward to welcoming your support.

Darren & Luke
co-founders of Crowdcube



THE OFFER

- We are aiming to raise at least £5 million (maximum £12 million) by the issue of up to 41,067,762 new Shares at £0.2922 per Share.
- We have invited existing Shareholders to offer up to a further 17,111,567 existing Shares for sale at the same price provided there is in excess of £12 million worth of demand. The number of additional existing Shares is not yet known but will be announced on Crowdcube's website if there is more than £12 million worth of demand.
- Investors will receive B Investment Shares (if they invest less than £25,000), A Ordinary Shares (if they invest £25,000 or more but less than £1 million) or C Preference Shares (if they invest £1 million or more). Details of the rights of the different classes of Shares are set out on pages 80 to 92.
- The Offer opens on 18 July 2016 and will close no later than 18 August (or such later date as the Company shall communicate via its website).
- We have already received irrevocable commitments for £1.385 million worth of Shares under the Offer.
- The Offer is not conditional on a minimum fundraising target.
- The results of the offer will be announced on Crowdcube's website no later than 18 August 2016.

What should you do before deciding to invest?

- Read the Prospectus, which comprises this document and additionally the Summary and Registration Document, both of which are available here:
www.crowdcube.com/crowdcube
- Make sure you understand the risks of investing – the risk factors are on page 6 of this document and page 127 of the Registration Document.

How do I go about investing?

You can invest by visiting:
www.crowdcube.com/crowdcube



Named on the Future Fifty Programme as one of 50 of the fastest growing and most disruptive technology companies in the UK

Darren, co-founder and CEO of Crowdcube, was named by Debrett's as one of the UK's 500 most influential people



We won 12 awards in 2015



Included in the London Stock Exchange Group's ELITE programme, which is designed to develop and support the most ambitious private companies in the UK



WHY INVEST?

Crowdcube is the leading investment crowdfunding platform in the UK with a majority market share based on total investment raised. Our mission: *to make investment easy and rewarding for anyone, anywhere*, is underpinned by three key growth strategies:

- Provide unrivalled investment opportunities
- Fund businesses through the world's largest investor community
- Deliver investor returns

We believe this will provide a robust foundation for long term success and returns for our shareholders.



Our Mission:

To make investment easy and rewarding for anyone, anywhere.

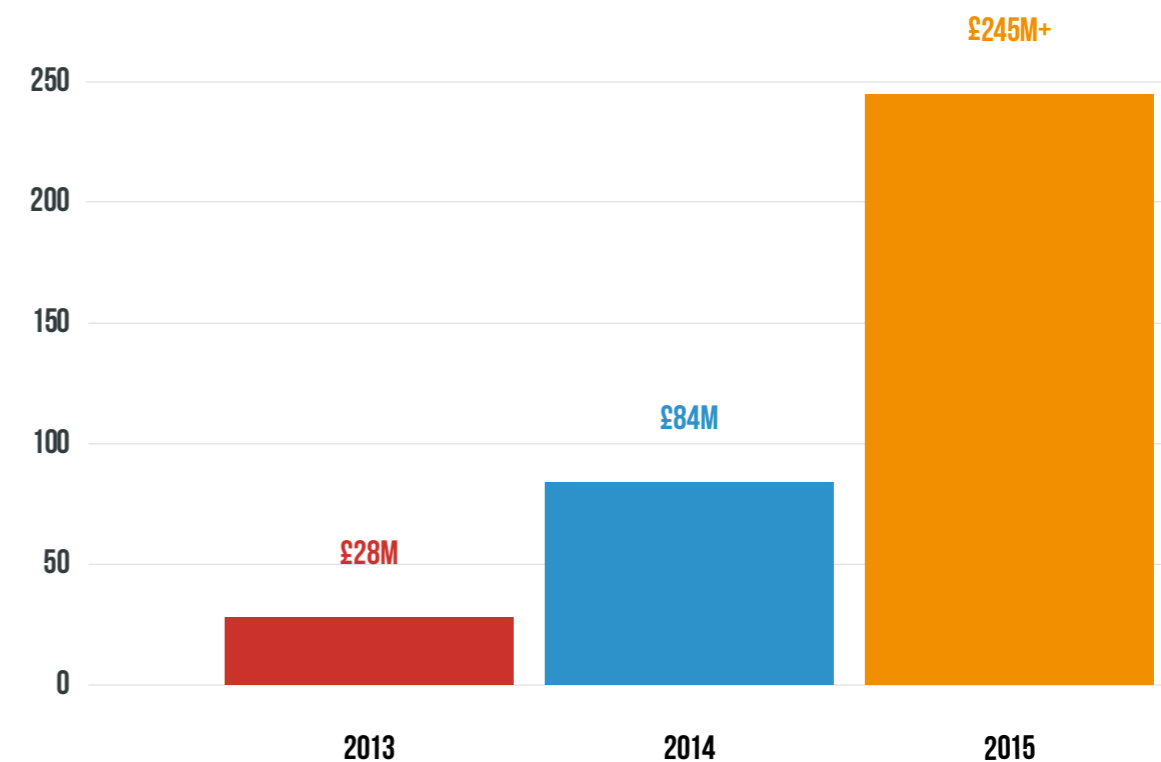


MARKET OPPORTUNITY

Growth of crowdfunding: Nesta (February, 2016) recently reported that equity based crowdfunding in the UK has grown from £28m in 2013 to over £245m in 2015 and was the second fastest growing sector within the UK alternative finance industry. Goldman Sachs (March, 2015) has previously named crowdfunding as being globally “potentially the most disruptive of all the new models of finance”.

Significant potential market: In 2015 the UK Seed and Venture stage equity investment market was reported to be worth £2.4bn with the total equity investment in the UK for private companies estimated to be worth £5.3bn. This presents a significant opportunity for Crowdcube to further penetrate these markets and grow the equity crowdfunding market.

GROWTH OF CROWDFUNDING:



OUR INDUSTRY LEADING POSITION

Dominant market leader: Since launch Crowdcube has created and dominated the equity investment crowdfunding sector, with a market share of 47% between May 2015 and Apr 2016, according to Crowdsurfer, an independent crowdfunding market researcher. Beauhurst concurred in its article 'Crowdfunding in 2016: the story so far' reporting that Crowdcube had a 48% share of the crowdfunding equity investment market in the first quarter of 2016 based on the total amount raised during that time. AltFi Data paints a similar picture: their recent article 'Equity Crowdfunding Arms Race Continues' (May 2016) quoted capital raised figures for Q1 2016 which give Crowdcube a 50% market share.

Unrivalled investment opportunities: We have leveraged our leadership position to capitalise on this market opportunity to date by providing our investors unparalleled access to an exclusive and exciting range of investment opportunities. Over 400 successful raises, 39 raising £1m or more, numerous co-investment funding rounds with leading venture capital firms and two successful exits demonstrate Crowdcube's growing reputation and ability to deliver high calibre investment opportunities. We want to dominate the £5.3bn UK equity investment market and become the partner of choice for ambitious companies seeking growth finance.

Investor community: By offering exciting investment opportunities Crowdcube has attracted one of the largest equity investor communities in the world with over 285,000 members, which we forecast to grow to circa 500,000 members by the end of 2017. This has been achieved at a relatively low cost of acquisition when compared to other more established providers of investment opportunities like Hargreaves Lansdown and St James Place who have been trading for decades who reportedly had 783,000 and 525,000 members respectively in December 2015.

Revenue growth: Since launch in 2011 revenue has continued to grow year on year. This has been achieved by successfully funding an increasing number of higher value raises and maintaining price. Between financial year* 2012 and 2015 revenue grew at a Compound Annual Growth Rate ("CAGR") of 149% to £2.7m. In the first 6 months of our current financial year revenues have doubled year on year to £2.1m.

*Financial year runs from 1st October through to 30th September.



OUR PLANS FOR GROWTH

Increasing investor satisfaction: Important for long term satisfaction of our investor community will be liquidity and returns. To achieve this we aim to pioneer secondary liquidity for crowdfunding investors and further target later stage businesses, often VC-backed, that are more advanced and potentially able to deliver returns to investors more quickly. Increased investor satisfaction will, we believe, increase re-investment rates and attract new investors to the platform.

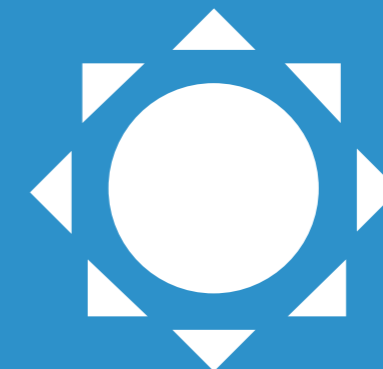
Equity management: Underpinning our growth will be a series of software products and services that will enable businesses to manage their equity investors more efficiently and provide investors with greater transparency and a better understanding of how their investments are performing. We believe this will increase investor engagement with our platform with a commensurate impact on our conversion metrics driving future revenue growth.

Permissions for growth: We have recently expanded our Financial Conduct Authority regulatory permissions to enable us to offer a wide scope of financial services and investment opportunities including: offering IPOs to retail and institutional investors; managing a nominee; managing funds; and advising on investments. We believe this provides us with the flexibility required to capture the market opportunity that we see.

The team to deliver: With a team that includes people from Google, eBay, Facebook, Microsoft, Amazon, Goldman Sachs and CitiGroup, we believe we have assembled a very strong team to be able to deliver our growth plans outlined in this Prospectus.

Proven, established backers: Each of our backers provides us with valuable insight and support. Balderton Capital, having backed businesses such as Betfair, LOVEFiLM, Nutmeg and Zopa, invested £3.8m in Crowdcube in 2014. In 2015 Numis, a leading UK stockbroker and corporate advisor, led a £6m investment in 2015 alongside Balderton Capital, Draper Esprit and iconic Silicon Valley investor Tim Draper.

Future revenue growth: We believe we have demonstrated a strong monetisation model, particularly in comparison to other fintech companies. Based on current market conditions we are currently anticipating ongoing annual revenue growth over the next three years driven by our product developments and our market leading position in a growing market. We currently expect revenues to reach break-even by the end of 2018.



USE OF PROCEEDS

We are looking to raise at least £5 million to provide us with the working capital to support our ongoing operations and growth plans described in this Prospectus. This includes the expansion of our technology team in order to deliver on our three key growth strategies - provide unrivalled investment opportunities to our members, fund businesses through the world's largest investor community and deliver investor returns - which we believe will drive our continued revenue growth and ultimately shareholder returns.

The total issue costs of the Offer are not expected to exceed £200,000 resulting in net proceeds from the Offer of £4.8 million if £5 million is raised. The Company intends to use the net proceeds of the Offer for general corporate purposes and more specifically as set out below:

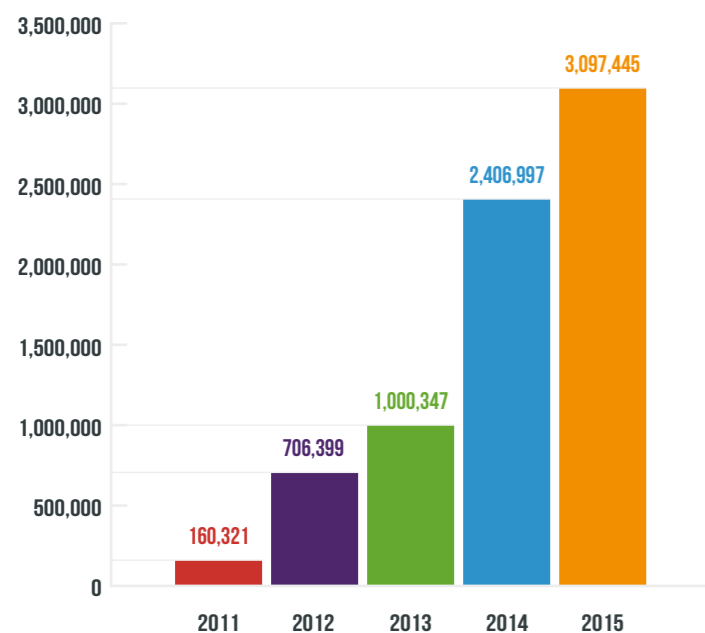
- £3.65 million in working capital to fund our existing operations based on average monthly expenditure of £740,000 in 2017 (£415,000 wages and salaries, £325,000 operating costs including marketing)
- £0.75 million to increase our technology team
- £0.4 million increase in our marketing budget for 2017

Any net proceeds raised in excess of £4.8 million will be used to accelerate our growth plans via increased marketing spend and further investment in our technology team.

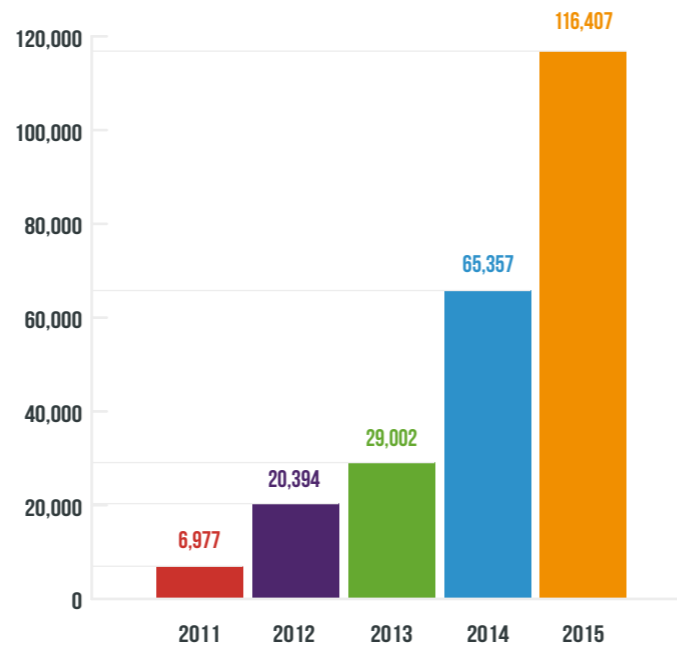


THE CROWDCUBE STORY SO FAR

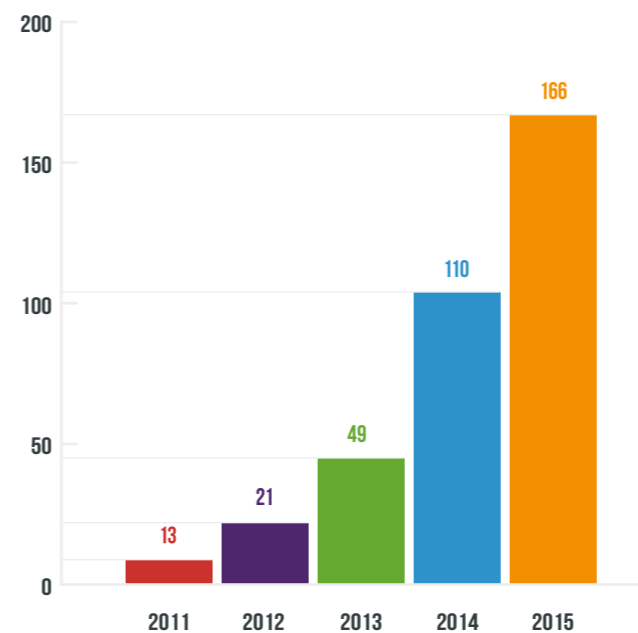
WEBSITE SESSIONS



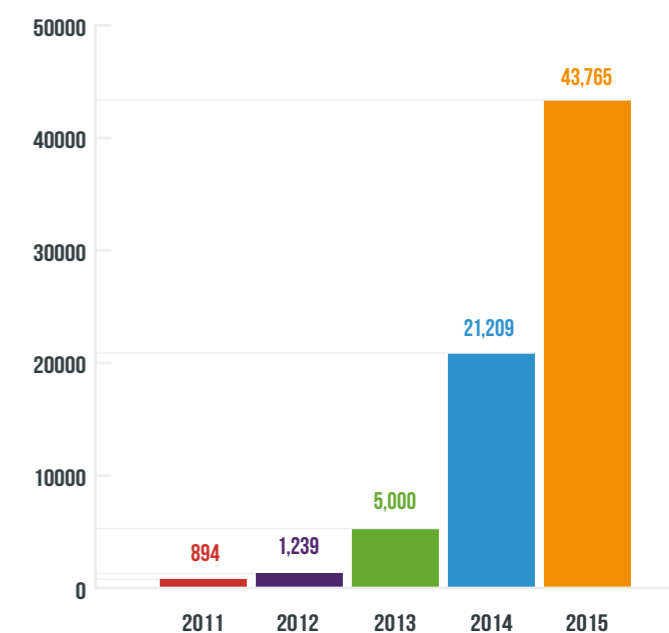
NEW MEMBERS



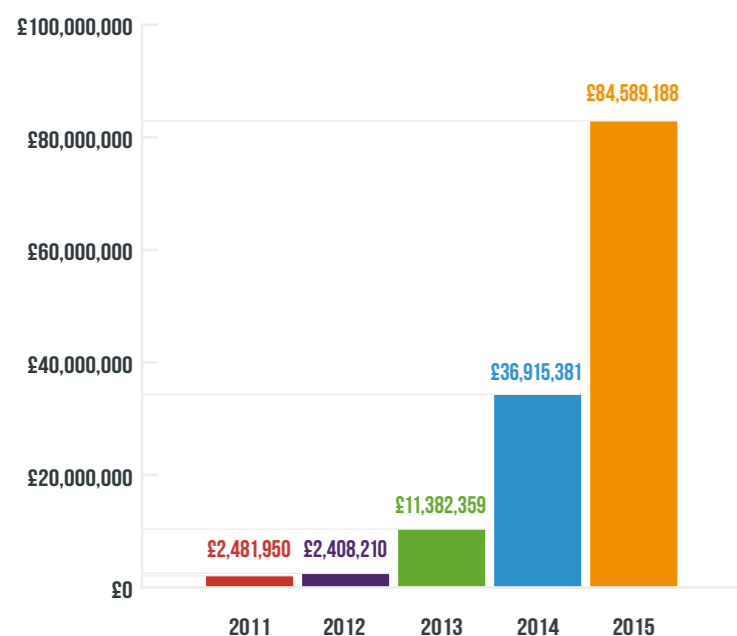
PITCHES FUNDED



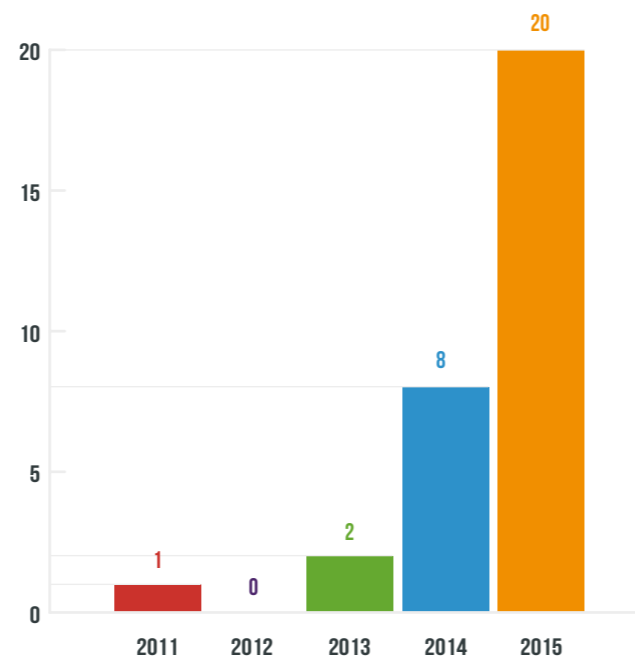
INVESTMENTS



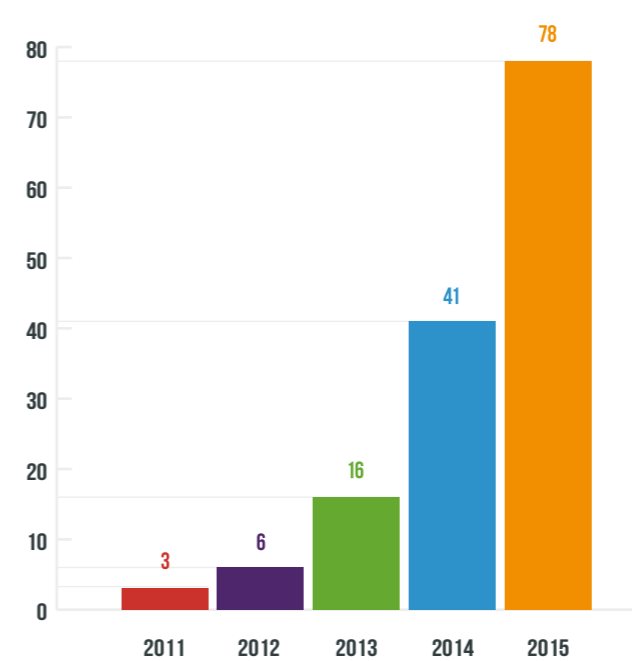
INVESTMENT



£1M+ SUCCESSES



CROWDCUBE TEAM



2011



Launched Crowdcube, the first equity crowdfunding platform in the world

Funded the first business

Successfully funded first £1m+ raise

2012



163 people invested £316,000 in Crowdcube's first round

Co-founded the UK Crowdfunding Association

Escape the City turned down a VC to raise £600,000 on Crowdcube

2013



Became authorised by the Financial Conduct Authority (FCA)

Named the UK's 'Most Active Seed Equity Investor' by Beauhurst (UK Equity Investment Review, 2013)

Raised £1.5m from 262 investors in our second crowd round

2014



FCA introduced new regulation dedicated to investment crowdfunding

Launched mini-bond product

Launched in Spain

Balderton Capital invested in Crowdcube alongside 145 crowd investors, raising £1.2m from the crowd in just 17 minutes

The Eden Project Bond reached £1.5m in 20 hours from launching

First major advertising campaign launched

Named a partner of the UK Government-backed London Co-Investment Fund (LCIF)

2015



JustPark sets a new record for the largest raise on Crowdcube - £3.5m

A Crowdcube member invested £1m in Sugru via their mobile phone

Over £100m invested through Crowdcube since launch

Membership surpasses 200,000 members

Camden Town Brewery and E-Car Club both exit for approaching £90m in total providing a return of circa 70% for crowd investors

Successful investment tops £84m in calendar year

2016



Over £150m successfully raised through the platform since launch

Over 400 successful raises since launch

Mondo raises £1m in just 96 seconds

The crowd has grown to 285,000 members

Extended FCA permissions to cover acting as nominee, fund manager and facilitating IPOs

We launched our fourth crowdfunding round, this time via a prospectus

ORGANISATIONS WE ARE PROUD TO WORK WITH

As a market-leader, we're aiming to create an ecosystem of strong partners and affiliates to help Crowdcube grow and generate significant value for both entrepreneurs and investors.

Venture capital:



Passion Capital

Earlier this year Mondo, the mobile-first challenger bank, raised £1m in 96 seconds on Crowdcube as part of a co-funded round with Passion Capital, which invested £5m as part of the same round.



Episode1

eMoov, an online estate agent, raised £2.6m on Crowdcube from over 760 crowd investors who invested alongside existing backers Episode1, Maxfield Capital and Seedcamp.



Octopus Ventures

Faction Skis, one of the fastest-growing ski and outdoor clothing brands in the world, raised over £775,000, which included an investment from Octopus Ventures.



Index Ventures

Global fashion brand, Wool and the Gang, raised over £1 million on Crowdcube after Index Ventures invested on the platform alongside over 490 Crowdcube members.



Other venture capital firms to co-invest alongside Crowdcube members include:



LOVESPACE



Chilango
Clippings
eMoov
Faction Skis



Wool and the Gang



Wool and the Gang



"I've followed Crowdcube's success for many years and have always been impressed with how they've managed to create and dominate the UK market, which is way ahead of anything in the US."

Tim Draper, founder of DFJ



"Crowdcube is breaking out as the leading financial tech platform for connecting communities of investors with fast growing companies in the world's most developed crowdfunding market."

Simon Cook, CEO of Draper Esprit



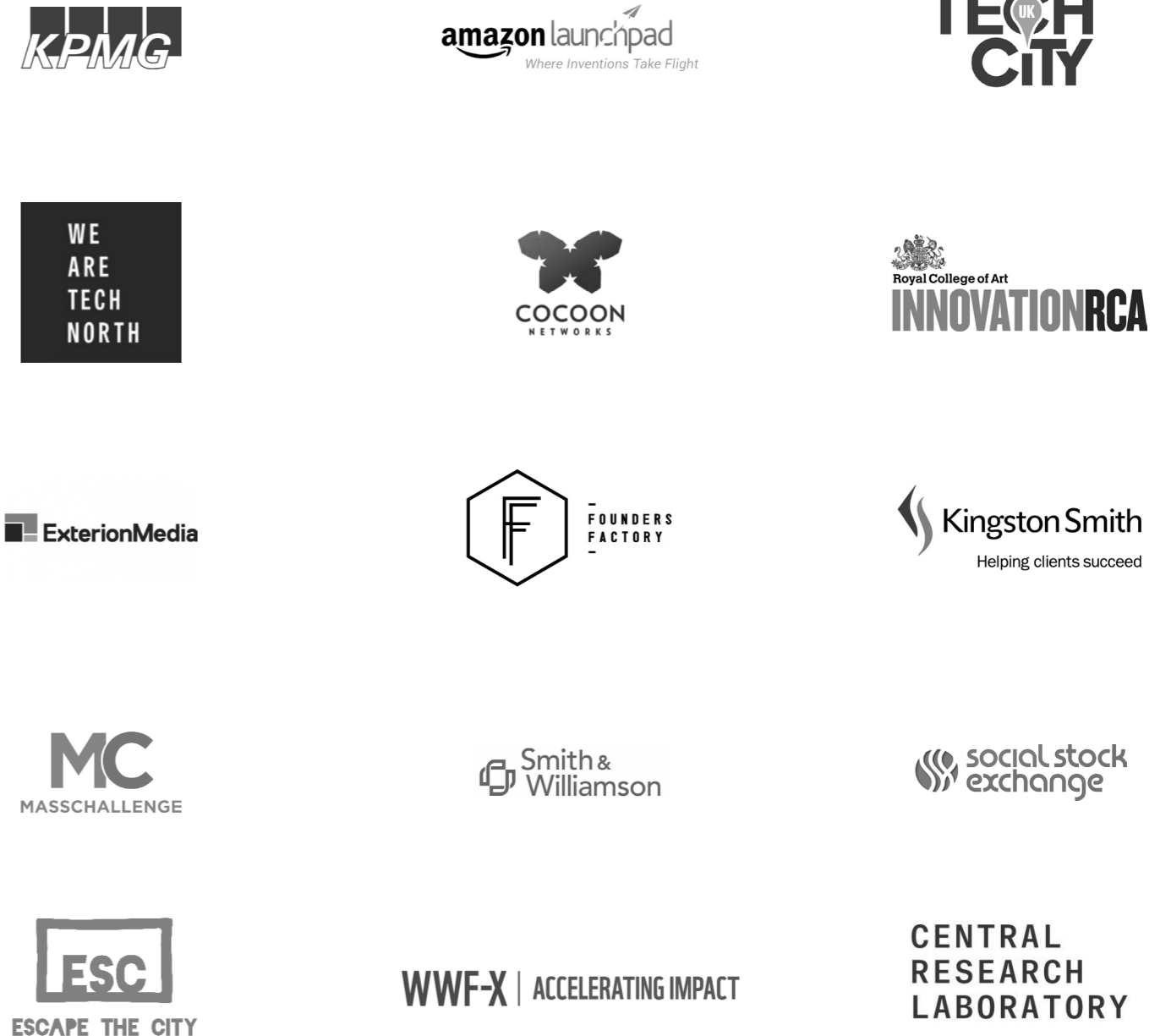
London Co-Investment Fund;

Crowdcube is a partner of The London Co-Investment Fund (LCIF), which raised £25m from the Mayor of London's Growing Places Fund to co-invest in seed rounds between £250,000-£1,000,000. The LCIF has so far invested a total of £1.3m in ten businesses on Crowdcube.



Affiliates and corporate partnerships:

Alongside our business development function we have created an ecosystem of complementary partners and affiliates to help increase the volume of investment opportunities, attract new investors and provide growth services to our portfolio of funded companies.



SOME OF THE RAISES OF WHICH WE'RE MOST PROUD

Landmark raises:

Fastest raise



Mondo, the mobile first challenger bank, raised **£1.0m** in **96 seconds** from over **1,800 investors**.

Most investors



JustPark, the VC-backed parking app, raised **£3.5m** from over **2,700 investors**.

Largest raise on a UK equity crowdfunding platform



goHenry, a digital banking solution for 8 to 18 year olds, raised circa **£4.0m** from over **2,300 investors**.

Largest single investment



MOULDABLE GLUE

Sugru, the mouldable glue, raised **£3.4m** from more than **2,300 investors** and attracted a single investment of **£1m**.

Our first crowdfunded exits:

Camden Town Brewery



Investors on Crowdcube received a healthy return after Camden Town Brewery was acquired by AB InBev, the world's largest brewer just eight months after raising finance on Crowdcube.

E-Car Club



Investors on Crowdcube received a multiple return on their investment in E-Car Club, which was sold to Europcar in 2015.

FUNDING PROVEN ENTREPRENEURS

We've also worked with proven entrepreneurs who have founded and successfully exited previous businesses, for example:



Brett Akker co-founder of LOVESPACE, which raised finance in two rounds on Crowdcube, also co-founded Streetcar, the largest UK pay-as-you-go car club with revenues over £23m when it was sold to US-based Zipcar in 2010.



Alex Zivoder, CEO of goHenry is no stranger to scaling disruptive e-commerce B2C businesses having sold lynda.com to LinkedIn for \$1.5bn and expanded viagogo and Expedia into new international markets.



Zing Zing's managing director Josh Magidson set up Eatstudent.co.uk, an online food ordering platform for students, which he sold to Just-Eat.co.uk in 2010.



Erik Fairbairn, founder and CEO of POD Point, which raised £2.2m on Crowdcube, is a serial entrepreneur who has been running rapid growth businesses for 10 years.

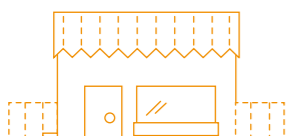
Before starting POD Point Erik founded, grew and exited ecurie25 Supercar Club through a trade sale in 2008.




FUNDING SUCCESS BY COMPANY GROWTH STAGE


We fund businesses of all stages, from startups to early stage and growth:

START-UP






**113
RAISES**

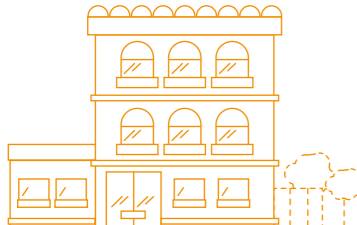



**£26.1M
RAISED**

Including successful raises for:




EARLY STAGE






**184
RAISES**

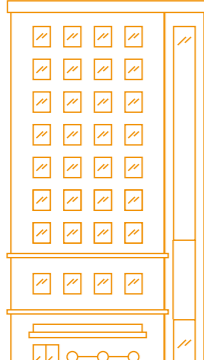



**£59.1M
RAISED**

Including successful raises for:




GROWTH



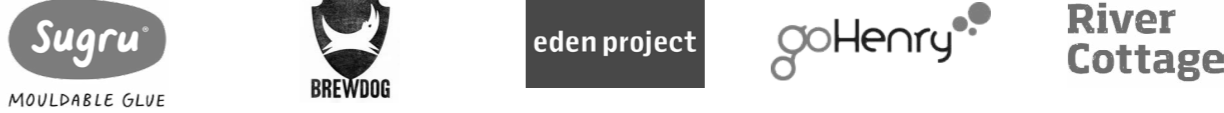


**108
RAISES**



**£78.5M
RAISED**

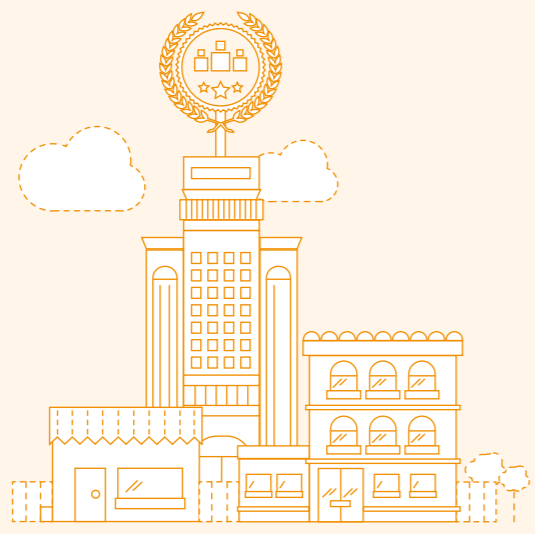
Including successful raises for:



The growth stage of the companies mentioned above is based on their stage at the time of raising finance on Crowdcube.



WE MAKE A DIFFERENCE



Over 350 businesses have funded on Crowdcube and joined our growing Funded Club alumni

Dozens of offices, shops, bars, restaurants, fitness centres and more have been opened

£4m delivered in returns for investors (including equity exits and bond interest repayments)

Many funded businesses are boosting UK exports by expanding overseas

We also provide on-going monitoring and support of our funded businesses including professional services support where appropriate, as well as networking events and seminars



DATA DRIVEN SUCCESS: OUR KEY METRICS

Note: all figures in this section relate to the UK business only

At Crowdcube we're obsessed with monitoring, interrogating and understanding our data to provide intelligence that underpins the decisions we make. This data-driven culture has enabled us to reduce user acquisition costs, engage our members more effectively, improve operational efficiency and drive down associated costs.

Member acquisition and engagement

Our member acquisition economics leverage and benefit from the efforts by companies to engage their own communities as part of a fundraise on Crowdcube. As a result we are able to offer a low cost investor acquisition strategy.

In 2015 we invested in marketing to accelerate member growth, increasing our marketing cost of acquiring a customer ("**Marketing CAC**") to £19.50, a Compound Annual Growth Rate ("**CAGR**") of 25% from 2013. The corresponding increase in new members was from 28,000 to 110,000, a CAGR of 99%. For the same time period, the amount successfully invested through the platform grew at a CAGR of 169%.

In Q1 2016 our Marketing CAC dropped to £9.54 whilst member acquisition remained strong, with almost 28,000 new members joining during that time, highlighting our ability to optimise our marketing spend without compromising growth.

Conversion to member, investor and repeat investor are all trending positively, showing our ability to optimise our platform, engage our community and ultimately generate revenue in the form of commission from successfully funded companies. Strategies to improve investor engagement form a key focus for Crowdcube in 2016 and 2017.

This includes the development of Crowdcube's mobile app, that is scheduled to launch in the second half of 2016, which will provide another platform to communicate with our members, whilst enhancing the capability for people to invest anytime, anywhere.



KEY METRIC	2013	2014	2015	CAGR
MARKETING CAC	£12.43	£14.65	£19.50	25.2%
# UNIQUE VISITORS	412,477	1,124,537	1,362,447	81.7%
VISITORS TO MEMBERS	6.7%	5.5%	8.0%	9.2%
# MEMBERS	27,820	61,610	109,640	98.5%
MEMBERS TO INVESTORS	13.9%	15.4%	21.7%	25.0%
# INVESTORS	3,864	9,487	23,794	148.2%
MEMBERS TO REPEAT INVESTORS	6.0%	6.2%	6.5%	4.0%
# REPEAT INVESTORS	1,672	3,838	7,124	106.4%
6-MONTH REVENUE / MEMBER	£11.60	£19.39	£19.88	30.9%

Data by cohort (not cumulative)

Note: 6-month revenue / member is the average revenue per member that Crowdcube has invoiced within the first six months of their membership. This metric is used to allow a level comparison between years, as although a significant proportion of the revenue is extracted within the first six months, further revenue continues to be generated beyond this point and so earlier years have more revenue due to the longer membership.



Increasing raise size

We're passionate about giving people exciting investment opportunities and we know the quality of pitches drives member acquisition, investment and repeat investment. The increase of later stage businesses, such as JustPark, BrewDog and Sugru, choosing to raise finance on Crowdcube attracted thousands of investors and led to the average amount being raised on the platform increasing from £232,000 in 2013 to £561,000 for pitches launched in 2015; representing CAGR of 55.4%. Satisfying demand from investors for similar later stage investment opportunities forms a key part of Crowdcube's growth strategy.

Operational efficiencies

As part of our on-going efforts to streamline the investment process, for both businesses and investors, we have benefitted from a number of operational efficiencies, including:

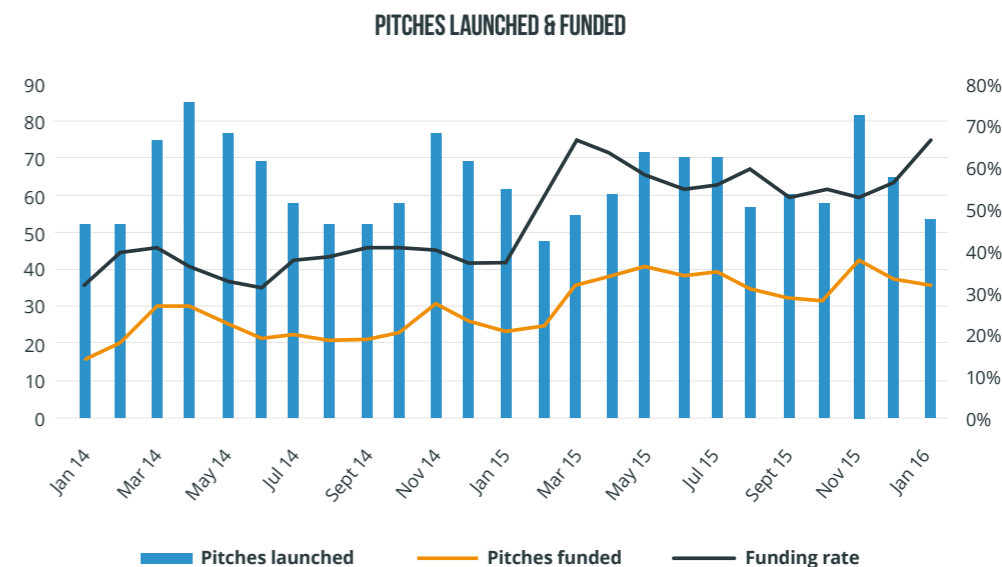
- The average days from a pitch launching to funding, a key cash generating metric, has fallen from 47 days for pitches launched in 2013 to 31 days for pitches launched in 2015. For pitches launched in Q1 2016 this has fallen to 28 days; and
- The average days from when a pitch is launched to when funds are drawn down, which is also when we generate revenue, has reduced from 94 days for pitches launched in 2013 to 71 days for pitches launched in 2015. For Q1 2016 this figure has been reduced even further to 56 days.

By launch cohort	2013	2014	2015	CAGR
# Pitches funded	49	101	147	73.2%
Average £ funded	£232,293	£335,774	£560,876	55.4%
Average days to hit target*	47	41	31	-18.6%
Average days to close*	58	55	44	-13.3%
Average days to funds drawdown*	94	92	71	-13.0%

*days from pitch launch

Pitch funding success

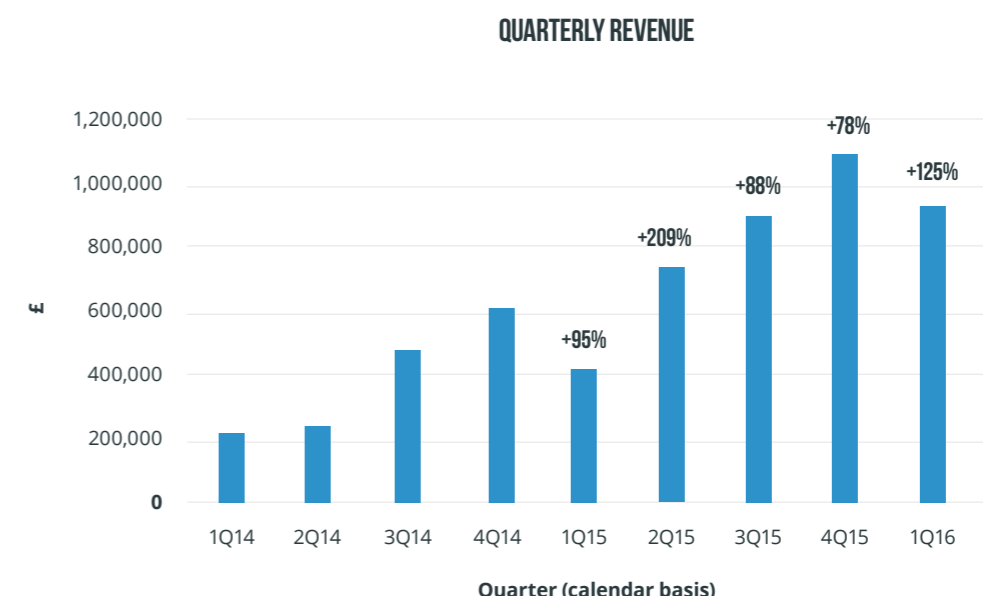
We believe our funding rate, which has increased from 38% in 2014 to 58% in 2015, demonstrates our sales team's capability to secure better investment opportunities, and our ability to fund them through increased investment activity, optimised user experience and more effective marketing communications.



Note: chart above represents 3 month rolling average

Revenue

Since launch in 2011 our revenue has continued to grow year on year. This has been achieved by successfully funding an increasing number of higher value deals and maintaining price. Between financial year 2012 and 2015 revenue grew at a CAGR of 149% to £2.7m. In the first 6 months of our current financial year, starting 1st October 2015, revenues have doubled year on year to £2.1m. Revenue in the first quarter of 2016, historically the smallest quarter due to seasonality, grew 125% year on year to £0.9m representing our second largest quarter ever.



THE MARKET OPPORTUNITY

The total equity investment market in the UK for private companies, which is growing and was estimated to be worth £5.3bn in 2015, represents a significant opportunity for Crowdcube to further gain market share. The market can be broken down into the investment crowdfunding market specifically and the wider UK equity investment markets; Seed, Venture and Growth. The UK IPO market for public companies was worth £1.2bn for new admissions on AIM in 2015 and also represents a sizeable market opportunity for Crowdcube to give retail investors access to IPOs.

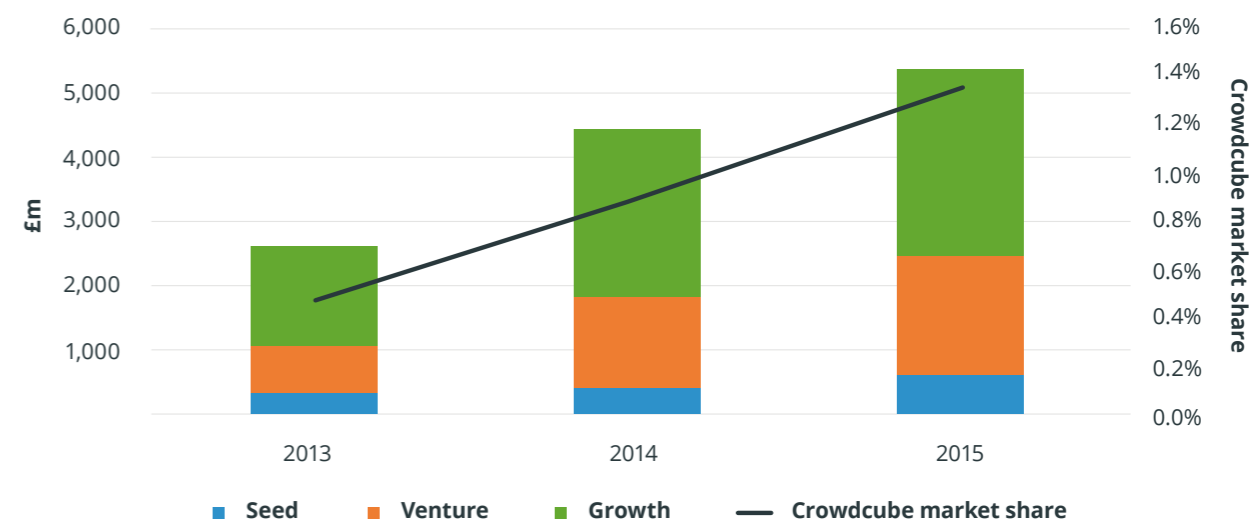
UK Equity Crowdfunding Market

Investment into UK companies through the equity crowdfunding sector has increased from £28m in 2013 to £245m in 2015. As the UK's first equity crowdfunding platform, Crowdcube has created and continues to dominate the equity crowdfunding sector, with a market share of 47% between May 2015 and Apr 2016, according to Crowdsurfer, an independent crowdfunding market researcher. Beauhurst concurred in its article 'Crowdfunding in 2016: the story so far' reporting that Crowdcube had a 48% share of the crowdfunding equity investment market in 2016/Q1. AltFi Data paints a similar picture: their recent article 'Equity Crowdfunding Arms Race Continues' quoted capital raised figures for Q1 2016 which give Crowdcube a 50% market share.

Seed, Venture and Growth Equity Market

We believe Crowdcube has demonstrated strong market penetration at Seed stage funding with a 3.6% share of the £588m market in 2015. The larger Venture stage market, estimated to be worth in excess of £1.8bn, has also seen year on year growth with Crowdcube taking a 2.0% share in 2015. UK equity investment into Growth stage businesses represents the largest market and is estimated to be worth £2.9bn, with Crowdcube gaining a 0.5% market share demonstrating the significant opportunity for growth.

TOTAL EQUITY INVESTMENT MARKET SIZE & CROWDCUBE MARKET SHARE



Source: Beauhurst 'The Deal'

Note: Data provided by Beauhurst is not 100% accurate and therefore does not match exactly Crowdcube's reported figures, however to calculate market share figures it is important to use the same source for market size and Crowdcube figures.

EIS and SEIS Market

The Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) form an important subset of the UK equity investment market, particularly for Seed and Venture stage, and were worth £1.8bn in 2014/15 (HMRC, 2016). John Glencross, acting director-general of the EIS Association, said crowdfunding — websites that allow individuals to buy a stake in an unquoted business — had "accounted for a large part of the growth in EIS". Crowdcube's share of this market is growing and we believe EIS and SEIS investment opportunities represent further growth potential for Crowdcube as people look for tax efficient ways to invest their money.

Pension changes mean 'the mass affluent' and high net worth individuals need alternative tax-friendly investment products as the lifetime allowance of tax-free pension savings has almost halved from £1.8m in 2010 to £1m in 2016. From 2016, anyone with total annual income of £210,000 a year or more will only be permitted to put £10,000 annually into a pension meaning that wealth managers are now looking for alternatives to pensions, presenting a further opportunity for Crowdcube.



IPO Market

The AIM market in the UK, which was valued at over £70bn in March 2016, raised £1.2bn for 61 new admissions onto the market in 2015, with an average fundraising size of circa £19m whilst the LSE Main Market raised £6.8bn for 47 new admissions representing an average fundraising size of £145m. The majority of this investment is currently from institutional investors, which represents a significant opportunity for Crowdcube to democratise the IPO market for retail investors as it has for earlier stage equity investments.

Investor Market

UK equity investment, which was previously restricted to high net worth individuals and sophisticated investors only, has been transformed since Crowdcube launched in 2011. Equity investment in the UK is now more accessible and affordable, which has led to a significant growth in the number of equity investors.

	UK Population ('000s)	Estimated Crowdcube Members ('000s)	Market Penetration
High Net Worth	740	62	8%
Mass Affluent	2,365	81	3%
Everyday Investor	13,760	136	1%

Based on data from HMRC (February, 2016), we estimate the UK addressable investor market to be 16.9m individuals. Research by the London School of Economics (June, 2016) combined with Crowdcube's own analysis suggests that there is room for substantial growth with market penetration of High Net Worth individuals for example being under 10%.



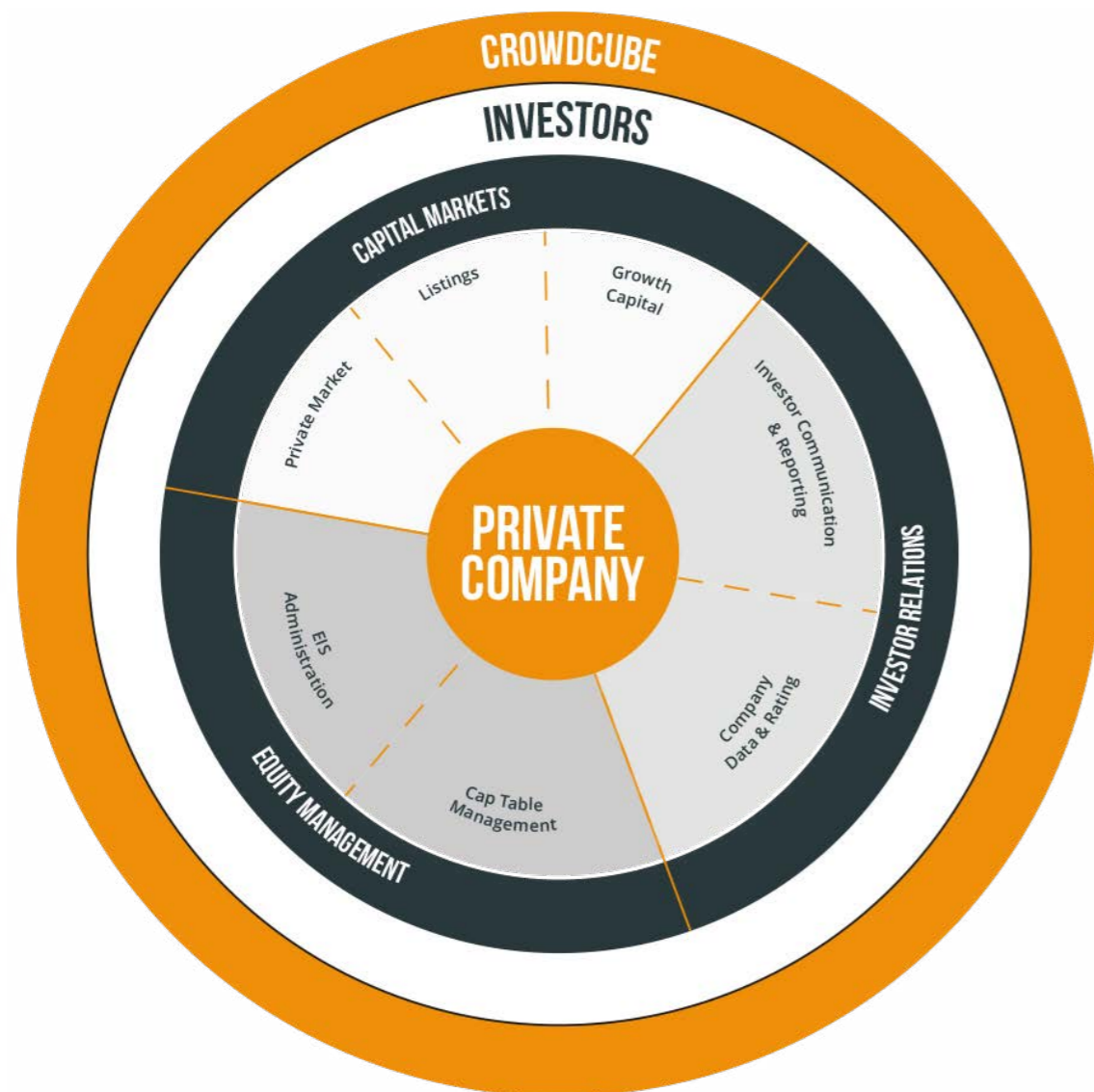
GROWTH STRATEGY

Our vision for future growth is centred on the following three key strategies that we believe will drive our growth and deliver a solid foundation for long term success and ultimately returns for our shareholders.

1. **Provide unrivalled investment opportunities:** We want to give our members unparalleled access to an exclusive and exciting range of investment opportunities and become the place for ambitious companies to raise the growth finance they need.
2. **Fund businesses through the world's largest investor community:** As our investor base continues to scale we become an even more attractive form of financing for growth companies. The ability for a business to market to hundreds of thousands of investors and consumers as part of a funding round is powerful and valuable.
3. **Deliver investor returns:** Liquidity for investors will be vital for long term sustainable growth of Crowdcube and investment crowdfunding as a whole. We aim to pioneer secondary liquidity for equity investors in unlisted securities as well as focusing on presenting investors with later stage businesses, often backed by venture capital firms, that have potential for faster returns.



Underpinning this vision is a series of software products and services that will enable businesses to manage their equity investors more efficiently and provide investors with greater transparency and understanding of how their investments are performing; both of which we strongly believe are vital for long term success.



INVESTMENT PRODUCTS

Seed and Venture Equity

Recognised as the most active UK equity investor two years running by Beauhurst, we remain committed to solving the funding gap for Seed stage businesses. We redoubled our efforts in the last 12 months with dedicated teams, processes and pricing structures developed to serve this market more effectively, which is a strategy we want to advance further. The UK Government-backed London Co-Investment Fund (LCIF), for whom we are the only crowdfunding partner, has proven to be a significant draw that has enabled us to attract qualifying, earlier-stage digital, science and technology businesses to Crowdcube. More partnerships with local government, incubators, accelerators and co-working spaces will be a key strategy for growth in this market.

In 2014 we opened our London office and began investing heavily in our Commercial team. This team has consistently proven its ability to secure Seed and Venture stage equity opportunities. We've seen particular success in larger, often later-stage, funding rounds with 19 £1m+ raises completed in 2015, many of which have been co-funded by leading venture capital firms such as Index Ventures and Passion Capital. We aim to accelerate this area of the business and develop further partner relationships as we seek to become the number one destination for entrepreneurs of high-growth companies needing growth capital.



Growth Equity

Our ambition extends beyond Seed and Venture stage raises. In 2015 Crowdcube was named joint third most active Growth stage investor, alongside Balderton Capital, Index Ventures and Woodford Investment Management in Beauhurst's 'The Deal 2015/16'. This shows our ability to effectively target and fund later stage businesses seeking growth capital, which presents a significant market opportunity with an estimated value of £2.9bn in 2015, according to Beauhurst.

The EU's Prospectus Directive limits businesses to raise no more than €5m investment (or equivalent in British Pounds) from private individuals unless the issuer issues a prospectus, which is time-consuming and costly. The prospectus regime is under review in the EU with a view to increasing the ceiling to €10m. We are working hard through both the UK Crowdfunding Association and the European Crowdfunding Network to ensure an environment favourable to venture investment across the EU. In 2015 we were proud to work with BrewDog, who raised £19m via a prospectus with over £3m being raised through Crowdcube.

Both increasing the prospectus limit and helping more businesses raise investment using a prospectus presents a growth opportunity for Crowdcube. We are focused on delivering more prospectus level deals above the €5m prospectus limit, like Crowdcube and BrewDog. We are in the process of facilitating larger raises on Crowdcube in line with investor demand and the desire for growth businesses to engage with a large audience of investors in addition to their own customers and communities.

Public Listings

The IPO market in the UK is dominated by institutional investors, which restricts access to retail investors unless there is significant political will - as in the case of Royal Mail and Lloyds Bank where larger allocations for retail investors were provisioned. It is our belief that the IPO market, which was worth £1.2bn on AIM in 2015 and £6.8bn on the Main Market, could and should be democratised in the same way that Crowdcube has made early stage equity investing more accessible for retail investors.

We have recently expanded our Financial Conduct Authority regulatory permissions to enable us to offer a wide scope of financial services and investment opportunities including: offering IPOs to retail and institutional investors.

We believe we are well placed to democratise public markets such as AIM and FTSE (the Main Market for listed securities of the London Stock Exchange) once market conditions improve and a suitable listing for retail investors is secured.

Mini-bonds

Mini-bond investments, which target more established businesses seeking a debt finance solution, will continue to remain a part of Crowdcube's product portfolio. The market for mini-bonds has been impacted by the growth of peer-to-peer lending but we are optimistic that the 'Innovative Finance ISA', which launched this year, may create more opportunities for debt securities, including mini-bonds.



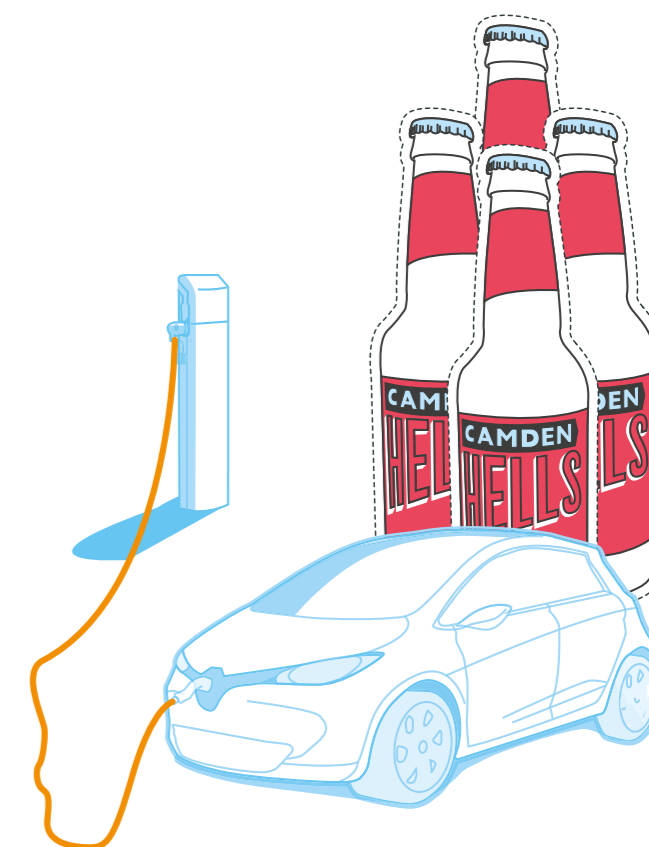
RETURNS FOR THE CROWD

Generating returns for investors is vital to the long term sustainable growth of investment crowdfunding. To date, investors through Crowdcube have benefited financially from the successful exits of Camden Town Brewery and E-Car Club, to AB InBev and Europcar respectively.

We plan to intensify our focus on presenting investors with later stage businesses that have potential for faster returns. We also plan to invest in pioneering secondary liquidity for equity investors in unlisted securities.

We intend to create an environment where secondary liquidity for shareholders is possible. Existing shareholders should have the opportunity to sell their stake, if demand exists, before a mass liquidity event such as a trade sale or IPO. The prospect of liquidity is central to many people when they make an investment and our vision is to accelerate and facilitate this to deliver investor returns, where possible.

We're also committed to tracking, monitoring and supporting the Crowdcube Funded Club, which is an alumni of over 300 businesses, to help them grow faster and build investor value. We already host regular seminars and networking events, which have been met with widespread approval from attending businesses, as well as providing dedicated professional support where appropriate.



INVESTMENT SERVICES

Underpinning our investment products is a series of services we believe will enhance the experience of both investor and investee and provide a compelling point of differentiation in the market.

Investor Relationship Management

We know that investor communication from a business post investment is vital for driving long term investor engagement, satisfaction and ultimately, lifetime value. We want investors to be able to easily track the current performance of businesses they back in a similar way that they can with publicly listed shares.

To achieve this and further stimulate the flow of communications between investor and investee we plan to develop technology that will interpret and present public and privately available information for investors on the performance of funded companies.

Equity Management

A shareholder register, which is a list of active owners of a company's shares, requires updating on an ongoing basis and is a fundamental building block of any company with shareholders. We have plans in place to streamline this process for businesses by developing a market leading tech-led solution for shareholder management and company secretarial services, including official filings to Companies House and HMRC.

The Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) are designed to help qualifying companies raise equity finance, by offering tax relief to investors. The administrative burden for businesses and investors processing tax relief claims can be frustrating for both parties. Our vision is to invest in providing a comprehensive solution for both businesses and investors to ensure they are capitalising on these benefits fully without the administrative burden.

GEOGRAPHICAL EXPANSION

As well as the UK, Crowdcube is also active in Spain, where we are also the number one investment crowdfunding platform. Investment crowdfunding overseas remains highly challenging with local legal, political, regulatory, cultural and economic factors all impacting market attractiveness.

The UK investment crowdfunding market is favourable and remains one of the most developed crowdfunding economies on the planet. Market share data shows that the UK has huge growth potential for Crowdcube, particularly outside of London and the South East, and so our primary focus is expansion in the UK alongside Spain, which in our view is developing rapidly. With regional offices in the South West (Exeter), North West (Manchester) and South Wales (Cardiff) and a commitment to a nationwide affiliate partner strategy, we are determined to extend our market penetration throughout the UK.

We continue to monitor other key overseas markets in Europe, the US and Asia particularly with regard to their emerging crowdfunding regulations. With our experience in forming and running our Spanish operation we have a well defined structure that we can roll out when we feel that an attractive market opportunity exists elsewhere.

GROWING THE CROWD

We believe the quality, diversity and number of investment opportunities available on Crowdcube has attracted one of the largest early stage equity investor communities in the world with more than 285,000 members, who have invested over £160m to date.

We are confident that the growth strategy outlined in this prospectus will enable us to substantially grow our investor community further. If our community continues to scale in line with our expectations then we expect to have circa 500,000 registered members at the end of 2017. This compares to other more established providers of investment opportunities like Hargreaves Lansdown and St James Place who have been trading for over 20 years who reportedly had 783,000 and 525,000 members respectively in December 2015.



INVESTING IN OUR PEOPLE

We have always believed in investing in our team and are extremely proud of all the people behind the success of Crowdcube. We've grown our talented team from just two in 2011 to over 80 people today, we are spread across five offices and three countries. We've had some exceptional people join our team who hail from Google, eBay, Facebook, Microsoft, Amazon, Goldman Sachs and CitiGroup, all of which have bought into our vision. We want to grow the team further, in particular our technology team, to deliver our long term plan.

The values that drive us:

GET STUFF DONE, FAST;

Be flexible, agile and scrappy like a startup

DISRUPT AND CONQUER;

Always challenge the status quo

BE BRAVE AND TENACIOUS;

Never give up on things you believe in

EMPOWER AND TRUST PEOPLE;

Trust and help each other to achieve success

BE ENTREPRENEURIAL, YOU'LL ENJOY IT;

This is our DNA

WE ARE THE CROWD;

Treat them fairly as without them we're nothing

YOU MAKE A DIFFERENCE, CELEBRATE IT;

This is not just a job

YOU ARE CROWDCUBE



YOU ARE CROWDCUBE



THE SENIOR LEADERSHIP TEAM



Darren Westlake,
Co-founder and Chief
Executive Officer

Named by Debrett's as one of Britain's Most Influential 500 People, Darren Westlake is a serial entrepreneur with a passion for technology. Darren launched two companies before starting Crowdcube with Luke Lang in February 2011. He was Financial Services Entrepreneur of the Year at the Great British Entrepreneur Awards 2014 and EY Entrepreneur of the Year 2016 regional finalist.



Luke Lang,
Co-founder and Chief
Marketing Officer

Named on the Fresh Business Thinking Power 100, which ranks British influencers and movers and shakers, Luke is one of the world's leading experts on crowdfunding and alternative finance. He is a prominent industry thought leader, public speaker and has contributed to numerous books on business finance. His expertise and passion lies in marketing and public relations and he is the man behind the branding, press coverage and marketing communications for Crowdcube. More recently Luke was named EY Entrepreneur of the Year 2016 regional finalist and one of the 40 Coolest People in UK Fintech by Business Insider. Darren was too hot to be cool!



Bill Simmons,
Chief Financial Officer

Bill has significant experience in the online, digital and technology sectors holding various financial, strategic and management positions. A chartered management accountant, Bill has held FD and CFO positions at Ask Jeeves, Myspace and Rated People, and more recently has applied his skills and knowledge at a number of startup and early stage businesses. He understands how difficult it is to raise finance for new companies and is passionate about the role we have helping finance businesses.



David Ives,
Chief Technology Officer

David has over a decade of experience delivering highly scalable and robust applications for high profile organisations like the security and governance driven NHS and extremely high traffic global weather forecasting services. David joined Crowdcube in June of 2013 and since taking the helm, has grown the Engineering department from 3 to over 25 with teams in Exeter, London and Cardiff.



Paul Massey,
General Counsel

Paul's legal experience includes working in City law firms, blue chip technology companies and startups. He spent four years leading commercial legal work at eBay before joining Crowdcube. Paul also launched his own startup and is passionate about helping others raise finance to do the same. Paul is a director of the UK Crowdfunding Association and the European Crowdfunding Network and is closely involved in consultations on the future of the law and regulation impacting our sector.



Matt Cooper,
Commercial Director

Matt has 18 years' expertise spanning the financial services and FMCG sectors among others, along with a passion for disrupting established industries through innovative products and services. Before joining Crowdcube Matt was Sales and Business Development Director at MarketInvoice and prior to that held a senior leadership role at the One brand. Matt's early career centered in the City where he worked for a number of investment banks and financial institutions in market-making and middle office roles.



Thor Mitchell,
Chief Product Officer

Thor Mitchell has over 20 years experience working in the technology sector, including 8 years as an Engineer with Sun Microsystems and 9 years with Google as an Engineer and Product Manager in their London, Sydney, and Mountain View offices. Thor returned to the UK to lead Crowdcube's Product team in early 2015.



OUR NON-EXECUTIVE DIRECTOR



Tim Bunting, Non-Executive Director

Tim is a General Partner at Balderton Capital, joining in 2007. He was previously a partner of Goldman Sachs where he spent 18 years. At Goldman, Tim held various roles including Global Head of Equity Capital Markets (2002 to 2005) and Vice-Chairman of Goldman Sachs International (2005 to 2006). Tim started to work with Balderton and its portfolio of companies in 2005. In 2006 Tim spent a period as non-executive chairman of Betfair. Tim is also a Governor of Wellington College and the Wellington Academy and a Trustee of the Rainbow Trust Children's Charity and the Paul Hamlyn Foundation.



OUR ADVISORS



Simon Cook, Advisor

CEO of Draper Esprit, Simon has also been involved with the European VC industry since 1995. He co-founded Draper Esprit in 2005 and has been involved with a number of Europe's most successful startups including LOVEFiLM (Amazon), Cambridge Silicon Radio (IPO), Virata (IPO), nCipher (IPO) and KVS (Symantec). Previously Simon was a partner with Elderstreet Investments and a Director at 3i. He was a computer games developer early in his career and is a graduate of the University of Manchester Institute of Science and Technology (UMIST).



Tim Draper, Advisor

Founder and Managing Partner of Draper Associates, Tim founded Draper Associates in July, 1985, which when joined by John Fisher and Steve Jurvetson became the venture capital firm Draper Fisher Jurvetson (now DFJ).

Tim is the creator of viral marketing, a marketing method for spreading a software application from customer to customer, instrumental to the successes of Hotmail and Skype among hundreds of others including Gmail and Yahoo! Mail. He founded the DFJ/Draper Network, a global network of venture funds who work together to improve service to entrepreneurs, covering 30 cities around the world. He has been listed as #46 of the most outstanding Harvard alumni and #7 on the Forbes Midas List.



Oliver Hemsley, Board Observer

CEO and founder of Numis, Oliver is responsible for Numis's strategic development as well as the day to day management of the main trading entity, Numis Securities Limited which has offices based in London and an affiliate company in New York, employing over 190 staff in total. Oliver is also a non-executive director of The Quoted Companies Alliance and The ECU Group Plc.



OUR BACKERS

We are immensely proud to be backed by more than 500 fantastic private investors who have collectively invested more than £3m across multiple rounds of investment since 2011. This support has been vital to our success and has been boosted by venture and institutional investment over the last two years.

Balderton Capital Balderton Capital invested in Crowdcube in 2014. Since 2000, Balderton has invested in over 100 companies, principally across Europe. Notable realised investments include NaturalMotion (the mobile gaming developer, sold to Zynga in 2014), Betfair (the online betting exchange, IPO in 2010), LOVEFiLM (the home entertainment subscription service, sold to Amazon in 2011), MySQL (the open-source database software, sold to Sun Microsystems in 2008) and YOOX Group (the online retailer of leading fashion brands, IPO in 2009). The current portfolio includes innovative companies such as 3D Hubs, Carwow, Kobalt, Nutmeg, Citymapper, Revolv, Talend, The Hut Group, Tictail, Wooga and WorldStores.

Numis Securities In 2015 Crowdcube has also raised a further £6m of investment to accelerate its growth and help more businesses raise the finance they need to grow, create jobs and deliver returns to investors. The investment was cornerstoned by Numis, a leading UK stockbroker and corporate advisor.

Iconic Silicon Valley investor Tim Draper and venture capital firm Draper Esprit also joined this funding round alongside existing backers Balderton Capital, one of Europe's largest venture firms.

Draper Esprit Draper Esprit is one of Europe's most experienced venture capital investors, helping entrepreneurs build ground-breaking technology companies. In recent years, Draper Esprit's exits have generated more than \$4bn in enterprise value. Portfolio companies include Trustpilot, Lyst, Movidius, Conversocial, Sportpursuit, Graze, Greenpeak, Horizon Discovery (IPO on AIM), Icera (sold to Nvidia), LOVEFiLM (sold to Amazon), Oxford Immunotec (IPO on NASDAQ), The Cloud (sold to BSKyB), and Zeus (sold to Riverbed).

Draper Esprit is the exclusive Western European member of the Silicon Valley-based Draper Venture Network, led by Tim Draper, with historic investments including Baidu, Skype, Tesla, and other leading innovators. Draper Esprit operates a multi-fund strategy with numerous funding sources for primary, angel and secondary deals, creating unique venture and growth capital options for the fastest growing companies in Europe.



OPERATIONS AND CONTROLS

We take corporate governance and regulatory compliance seriously and we're confident that we've built a scalable and robust operational platform with appropriate systems and controls required by a firm authorised and regulated by the FCA. Outlined below are some of our operational systems and controls as well as industry associations of which we are members.

Systems and control: Regulatory Technology AKA "RegTech", including due diligence tools and automated checks, and a large and talented team of legal and financial analysts enable Crowdcube to offer market-leading due diligence at the scale required to support our rapid deal flow. We also work with market-leading third-party providers such as Creditsafe, PitchBook, Onfido, Stripe and Experian. In short, we believe we have created a back-office function to support a growing and sustainable crowdfunding platform.

Regulatory permissions: Crowdcube Capital Limited is authorised and regulated by the Financial Conduct Authority (No. 650205). You can see full details of our authorisation and permissions on the FCA Register (<https://register.fca.org.uk/>).

Our Financial Conduct Authority regulatory permissions enable a wide scope of financial services and investment opportunities including:

- offering IPOs to retail and institutional investors;
- managing a nominee to offer the most flexible equity crowdfunding platform in the UK to companies with diverse demands;
- managing funds to enable retail or institutional investors to access the UK's leading deal flow platform; and
- advising on investments to allow for the further curation of investment opportunities and guidance around pitches for enhanced investor information.

We are also authorised and regulated by the National Securities Markets Commission in Spain.

Technical capabilities: Crowdcube has invested heavily in its technical capabilities both in terms of infrastructure and building a skilled and experienced team of 30. Our core focus in this area is to ensure we have a secure and scalable technology solution, that's optimised for web and mobile and delivers the best possible experience for end users.

The Crowdcube platform has recently been migrated to Amazon Web Services (AWS) platform, which ensures we can increase computer resource quickly as and when it is required. We also have a number of processes in place to ensure any issues are made visible before they arise and have dedicated 24/7 on-call resource within the engineering team to ensure any out of hours issues are quickly addressed with minimum disruption.

As a leading fintech company we are continually expanding the functionality of the platform to further enhance the user experience with a number of releases, planned for the rest of 2016 and beyond, including our mobile app.



Accreditations and Associations: Crowdcube are members of a number of industry associations including:

The British Venture Capital Association (BVCA)

The BVCA's aim is to aid understanding around the activities of their members, promote the industry to entrepreneurs and investors as well as to Government, the EU, trade unions, international media and the general public. During this quarter-century, the private equity and venture capital industry has been transformed from a cottage industry into part of the mainstream economy - making Britain one of the leading centres for private equity in the world. Today, governments and policy makers at home and abroad seek their opinion on a wide range of issues - regulatory, fiscal, technical and legal - as the BVCA has become the respected voice representing a world-class industry, as well as a model for new and existing national private equity and venture capital associations across the globe.

UK Crowdfunding Association (UKCFA)

The (UKCFA) was formed in 2012 by twelve crowdfunding businesses, including Crowdcube. It's aims is to promote crowdfunding as a valuable and viable way for UK businesses, projects or ventures to raise funds; be the voice of all crowdfunding businesses in the UK (donations, loans and equity) to the public, press and policymakers and publish a code of practice that is adopted by UK crowdfunding businesses, that protects those participating in crowdfunding.

UK Business Angels Association

The UK Business Angels Association is the national trade association representing angel and early stage investment in the UK. Each year private investors account for between £800m and £1bn of early stage investment in the UK - the single largest source of early stage capital in this country. The UK Business Angels Association represents and connects all those involved in the angel investment market, including early stage VC funds, banks and also non-traditional sources of finance, as well as advisers and intermediaries, policy makers and academics with a view to ensuring a coherent ecosystem for financing the growth of startup and early stage businesses.

Innovate Finance

Innovate Finance is an independent membership-based industry organisation that aims to advance the UK's standing as a leader in financial technology (fintech) innovation - both domestically and abroad. Members range from the world's leading global corporations to the UK's most promising fintech startups and, through Innovate Finance, will receive a single point of access to policy makers, regulators, investors, customers, educators, talent and key commercial partners. Membership is open to all businesses that have a technology-centric approach to innovation in financial services and a presence in the UK. The organisation has a current roster of over 50 member companies, which are pioneering new digital products and services across the following sectors: insurance, retail and investment banking, payments, remittance, crowdfunding, cloud computing, big data, analytics and alternative finance.

FREQUENTLY ASKED QUESTIONS

We have set out below some of the more frequently asked questions we receive about investing in Crowdcube.

1 Valuation / Return on investment

Please explain how the company has arrived at its current valuation?

Our pre-money valuation of £65 million is derived based on a range of financial metrics that effectively allow us to 'compare' ourselves to similar businesses in the crowdfunding and wider fintech sectors. This is often a reasonable basis to value a high growth, yet still loss making business, as these comparable companies offer a good proxy for valuations actually achieved in practice.

Revenue Multiple

A £65 million valuation represents a 'multiple' of 24x our 30/09/2015 YE revenue of £2.7 million. Our March 2016 year to date revenue of £2.07 million and historical growth rates would imply a significantly lower multiple as at 30 September 2016. Similar companies raising within the last 18 months, including Zopa, TransferWise and Funding Circle have all achieved multiples of 23x-47x sales.

Origination Multiple

As of May 2016 we have helped businesses collectively raise £160 million of equity and debt investment. At a valuation of £65 million this implies an origination multiple of 0.41x. This is consistent with our previous fundraising rounds and crowdfunding companies Seedrs and CircleUP, which have both successfully raised within the last 12 months at multiples of 0.25x to 1x total transaction volume respectively.

User Value

We currently have over 285,000 registered members and 53,000 active investors as of May 2016. A valuation of £65 million implies a value per member of £228 and a value per active investor of £1,226. Hargreaves Lansdown's most recent financial YE implied a market cap per active client of £8,000+.



In July last year, you raised at a £45m pre-money valuation, how are you justifying such an increase?

As you can see from the key metrics section of the securities note the underlying metrics of our business have shown substantial improvement. We added over 23,000 new investors (and 109,000 new members) to our platform in 2015, which was 2.5x greater than the previous year leading to a 2.3x increase in successful investment through the platform.

The average raise on the platform has increased to over £560,000 in 2015 up from £355,000 in 2014 and we are currently seeing successful pitches go from launch to funds drawdown in 56 days. The increase in investor engagement and major improvements in the efficiency of the funding process has resulted in a doubling of revenue from 1H 2015 - £1,036k to 1H 2016 - £2,075k (1st Oct 2015 - 31st Mar 2016 - see financials).

Do you have a time horizon for your exit/what is your exit timing?

We believe that the vision outlined in the securities note will take 3 to 5 years to execute fully. In our view delivering this will maximize the potential for an exit.

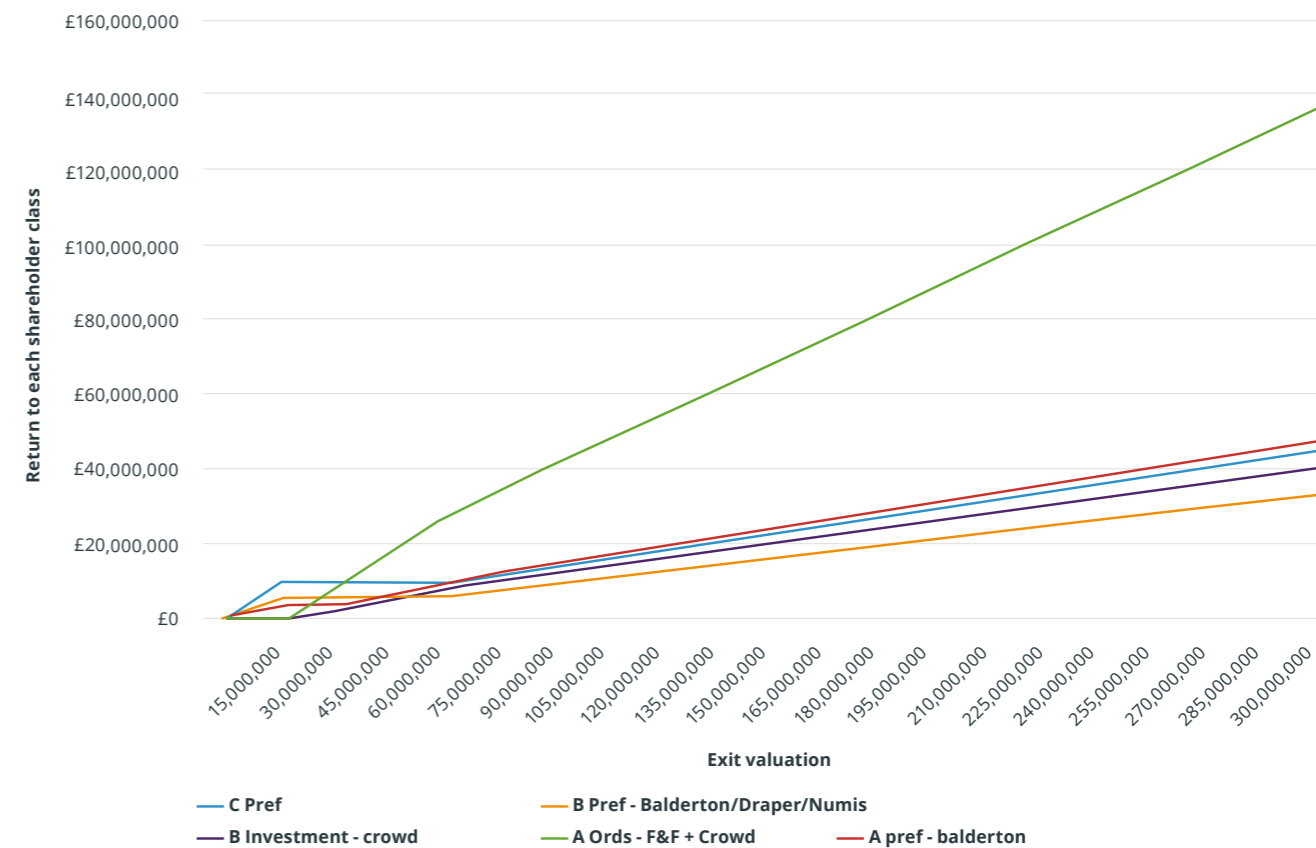
What is the expected return on investment?

ROI is a factor of several key variables, including the timing of exit, the valuation at exit and any further dilution experienced over the investor's holding period. As such it cannot be clearly stated as a fixed value at this point in time with any degree of certainty.

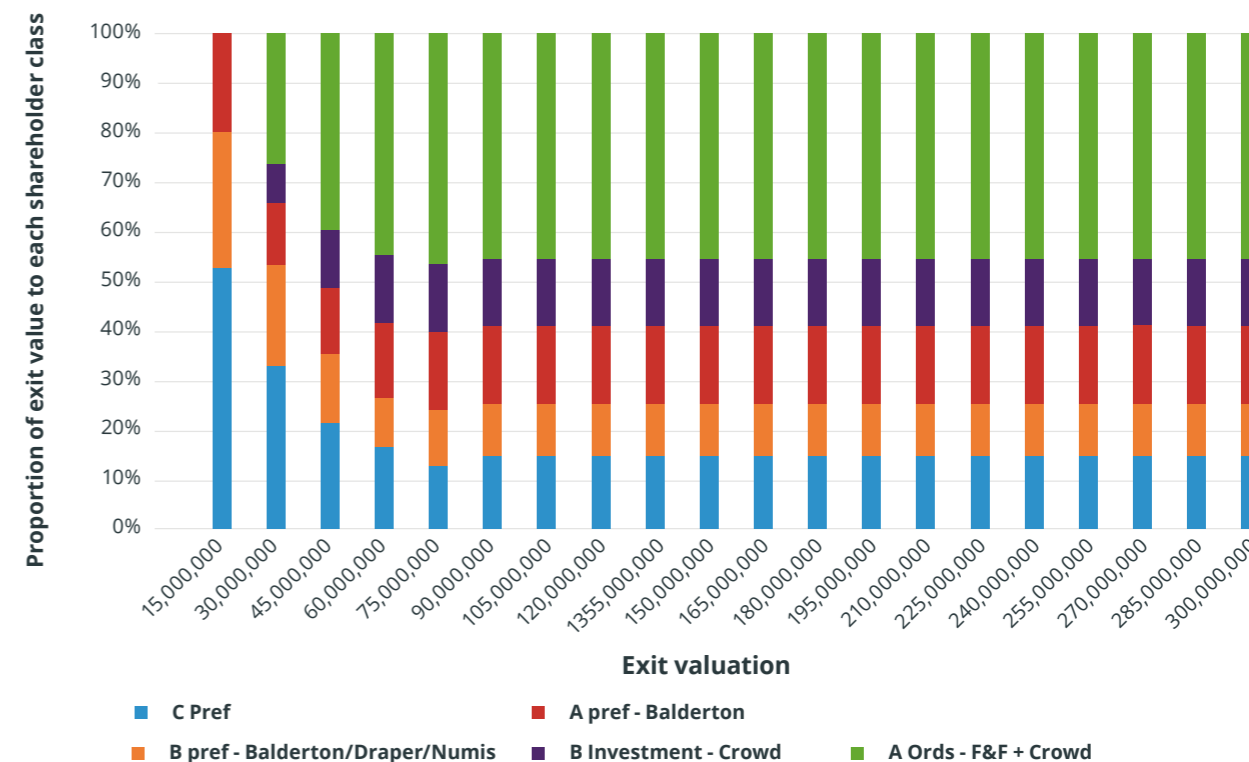
Indicative returns have been provided in the following charts utilising a range of valuations noting these are by no means exhaustive and are for illustrative purposes.

While we can't promise any future level of returns on investment, we are committed to building a high quality business. To date we feel we have successfully grown shareholder value as shown in the table below and are committed to continuing to do so.

SHAREHOLDER RETURNS



SHAREHOLDER RETURNS %



Description	Participants	Issue date	Amount raised	Pre-money valuation	Share price
First crowd round	Crowd	28 Feb 2012	£319,950	£3,033,033	£0.35400000
Second crowd round	Crowd	06 Aug 2013	£1,500,000	£6,142,857	£0.59523810
Third crowd round	Balderton	16 Jul 2014	£3,800,000	£14,500,780	£1.06247500
	Crowd	03 Oct 2014	£1,200,000	£14,500,780	£1.06247500
VC round	Numis/Balderton	30 Jul 2015	£4,770,000	£45,000,000	£2.42650270
	DFJ	04 Nov 2015	£1,000,000	£45,000,000	£2.42650270

2 Financials

When will the company break even?

Under current market conditions, and the successful delivery our current product vision, we are expecting to be breakeven at the end of calendar year 2018.

How much money have you raised to date?

We have raised almost £13m in external funding since 2011, £6.8m of this has come from three crowdfunding campaigns held on our platform in 2011, 2013 and 2014.

Does Crowdcube have to hold capital reserves?

Yes, as a group authorised and regulated by the FCA we are required to hold minimum capital reserves.

Will you need to raise further equity finance in the future?

Based on current market conditions and our estimates we do not anticipate at this stage having to raise any further equity finance. However, as a result of a change in market conditions or new opportunities presenting themselves (e.g. a change in regulation which makes an entry into a new market attractive) we may seek to raise further equity financing.

3 Risk

What steps do you take to protect investors?

We are continuously working on measures to improve our company onboarding processes. We now have the ability to carry out integrated company and director checks through a third party company report provider. These checks are done at the business development stage and allow us to target the issues and ask the right questions earlier on in the process.

Through our partnership with a market leading information provider, we monitor the health of the Crowdcube 'portfolio' of funded companies. This allows us to be alert to issues that arise post funding and being able to lend a hand if possible.

We have partnered with an innovative intelligent identity verification service provider for advanced Anti-Money Laundering/Know Your Customer and document checking. This gives us an efficient service that is backed up by excellent matching results. We are tapping into technology and information that is only now becoming available to the market.

We carry out a thorough due diligence process before a pitch goes live. This process is carried out by a team of investment analysts who review and require substantiation of all material facts raised by an issuer. We are and have been signing off on an average of 40 claims per pitch that all require independent substantiation and are then signed off by a supervisor resulting in pitch texts that Crowdcube can stand behind as a regulated entity. The analysts are supported by a legal and compliance team who are able to carry out a thorough corporate legal review on the underlying documentation.

We have recently acquired FCA approval to operate a nominee service to act on behalf of investors as a nominee to carry out the technical shareholder work on their behalf.

What happens if an investor sues Crowdcube?

Crowdcube takes investor protection extremely seriously, reflecting our company value to "Be the Crowd". A team of legal and financial analysts review the content of pitches as part of due diligence. There remains a risk that an investor may lose money and take issue with Crowdcube. Crowdcube would take such a complaint on a case by case basis, review the facts and respond in line with our corporate values and regulatory requirement to treat customers fairly.

In five years of operation, Crowdcube has never faced a legal claim. This may be because Crowdcube is not a party to the investment contract between the investor and the company issuing shares and also because investors understand that there are risks associated with early stage investments. We ensure that financial promotions carry prominent risk warnings and that all statements made on a pitch are fair, clear and not misleading. We will continue to review our processes and due diligence to minimise risks to investors and to the reputation of our platform. We do not take our reputation for granted and work hard to maintain it.

Is Crowdcube covered by the Financial Services Compensation Scheme (FSCS)?

Investments in equity via Crowdcube are covered by the Financial Services Compensation Scheme but investments in Debt Securities, including mini-bonds are not.



1 The Offer

The Company intends to issue up to 41,607,762 Shares pursuant to the Offer at £0.2922 per Share.

The Company is targeting an initial fundraising of in excess of £5 million (maximum of £12 million). The issue of Shares under the Offer is not being underwritten. The Company has received irrevocable subscriptions for £1.385 million worth of Shares under the Offer. The Offer is not conditional on a minimum fundraising target. If the Offer does not proceed, any subscription monies received will be returned, without interest, at the risk of the applicant.

The Company has also invited existing Shareholders to offer up to 17,111,567 existing Shares for sale at the Offer Price to investors provided there is in excess of £12 million worth of demand under the Offer. The number of additional existing Shares available under the Offer is dependent upon the number of Shares existing Shareholders are willing to sell which, as at the date of this Prospectus, is not known. Details of the number of additional existing Shares available under the Offer and the identity of the Selling Shareholders will be made available at www.crowdcube.com if there is more than £12 million worth of demand.

The Directors and their associates have indicated that, should there be in excess of £12 million worth of demand under the Offer, they currently intend to sell up to £750,000 worth of Shares pursuant to the Offer (or such other number of Shares depending on the demand from Selling Shareholders and investors under the Offer).

Applications under the Offer must be for Shares with a minimum subscription amount of £10. The Company intends to issue up to 41,067,762 Shares pursuant to the Offer. The Offer will be made at an Offer Price of £0.2922 per Share. Investors will receive B Investment Shares (if they invest less than £25,000), A Ordinary Shares (if they invest £25,000 or more but less than £1 million) or C Preference Shares (if they invest £1 million or more). Details of the rights of the different classes of Shares are set out on pages 80 to 90. The Directors reserve the right to refuse applications for any reason.

The Offer will open on 18 July 2016 and close no later than 18 August 2016 (or such later date as the Company shall communicate via its website).

It is expected that all Shares will be issued in registered and electronic form by no later than 18 August 2016. No temporary documents of title will be issued.

Shares issued pursuant to the Offer will rank *pari passu* with the existing Shares of the relevant class then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment of the relevant Shares).

Net Proceeds

Net proceeds of approximately £4.8 million (assuming £5 million worth of Shares are issued under the Offer) will be received by the Company from the allotment of Shares pursuant to the Offer.

Net proceeds of approximately £4.95 million (assuming £5 million worth of existing Shares are transferred to investors under the Offer) will be received by Selling Shareholders from the sale of the Sale Shares pursuant to the Offer.

The aggregate expenses of, or incidental to, the Offer incurred and to be borne by the Company are estimated to be approximately £200,000.

The aggregate expenses of, or incidental to, the Offer incurred and to be borne by the Selling Shareholders (assuming £5 million worth of existing Shares are transferred to investors under the Offer) are estimated to be approximately £50,000.

Scaling Back and Allocation

The maximum number of Shares available under the Offer is 41,067,762 Shares plus such number of additional existing Shares that existing Shareholders are willing to sell (details of which will be made available at www.crowdcube.com if there is more than £12 million worth of demand). In the event that valid applications under the Offer exceed such numbers of Shares, it would be necessary to scale back applications. In such an event, applications will be scaled back on a first come first served basis and thereafter no further commitments or applications will be accepted and the Offer will be closed. If an applicant withdraws their application during the Revocation Period (see below for further details), potential applicants who have given the Company expressions of interest to apply for Shares under the Offer will then be invited to apply for Shares on a first come first served basis.

Withdrawal

In the event that the Company is required to publish a supplementary prospectus prior to the close of the Offer, applicants who have applied for Shares under the Offer shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Shares in its entirety. The right to withdraw an application to acquire Shares in these circumstances will be available to all investors in the Offer. If the application is not withdrawn within the stipulated period, any offer to apply for Shares will remain valid and binding.

Overseas Persons

The Company has agreed to make an offer of Shares pursuant to the Offer in the UK, Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden at the Offer Price, subject to the Terms and Conditions set out below. The Terms and Conditions should be read carefully before an application for Shares is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of the Prospectus or the acquisition of Shares.



The offer of Shares under the Offer to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares under the Offer. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Shares under the Offer to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK, Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S and/or Regulation D thereunder. The Shares may not otherwise be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

2 Terms and conditions of the offer

2.1 Introduction

B Investment Shares, A Ordinary Shares and C Preference Shares are available under the Offer at a price of £0.2922 per Share.

Applications must be made by placing a revocable order to subscribe for Shares on www.crowdcube.com (the “**Website**” and the “**Application**” respectively). Investors will be required to register with Crowdcube and sign-up to Crowdcube’s investor terms (also available on the Website) prior to making an Application. If there is any conflict between these Terms and Conditions and Crowdcube’s investor terms available on the Website, the provisions of these Terms and Conditions will prevail.

The Company has received irrevocable subscriptions for £1.385 million worth of C Preference Shares under the Offer (of which Balderton Capital V, L.P. has irrevocably subscribed for £1 million worth of C Preference Shares at the Offer Price). If less than £5 million is raised under the Offer (excluding the subscription by Balderton Capital V, L.P.) the subscription price for the C Preference Shares issued to Balderton Capital V, L.P. will be adjusted to £0.24265 per Share.

The Offer is not conditional on a minimum fundraising target.

2.2 Effect of application

Applications under the Offer must be for a minimum subscription amount of £10 for 34 Shares. Investors will receive B Investment Shares (if they invest less than £25,000), A Ordinary Shares (if they invest £25,000 or more but less than £1 million) or C Preference Shares (if they invest £1 million or more). Details of the rights of the different classes of Shares are set out at pages 113 to 114. Multiple applications will be accepted. If the Offer does not proceed, any subscription monies received will be returned, without interest, at the risk of the applicant.

2.2.1 Offer to acquire Shares

By completing and submitting an Application on the Website, you as an applicant:

- (a) indicate that you are willing to offer to subscribe for such number of: (i) B Investment Shares (if you invest less than £25,000); (ii) A Ordinary Shares (if you invest £25,000 or more but less than £1 million); or (iii) C Preference Shares (if you invest £1 million or more), at £0.2922 per the relevant class of Share as may be purchased by the subscription amount specified in your Application on the Website (being a minimum of 24 Shares) on the terms, and subject to the conditions, set out in this document, which include Crowdcube’s investor terms set out on the Website (which are incorporated by reference);
- (b) agree that, if, following the expiry of a period of seven Business Days following a communication from Crowdcube by email attaching the Articles and stating that Investors have seven working days during which to cancel their Application (the “**Revocation Period**”), you have not confirmed the revocation of your Application to Crowdcube, your Application may not be revoked (subject to any legal right to withdraw your Application which arises as a result of the publication of a supplementary prospectus) without the consent of the Company and that this paragraph shall constitute a contract between you and the Company which will become binding upon expiry of the Revocation Period upon which Crowdcube accepts your offer to invest;



- (c) undertake following expiry of the Revocation Period that sufficient funds will be held in the bank account for which you have provided direct debit details to the Company's payment provider from which the subscription amount specified in your Application will be collected in full. You agree that if such remittance is not so received you will not be entitled to any Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Company (which acceptance shall not constitute an acceptance of your Application under the Offer and shall be in its absolute discretion and on the basis that you indemnify the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application, without interest);
- (d) agree, in respect of applications for Shares, that no allotment shall be made:
- pending clearance of your remittance;
 - pending investigation of any suspected breach of the warranties contained in paragraph 2.2.4 (a), (b), (f), (h), (m), (n), (o), (p) or (q) below or any other suspected breach of these Terms and Conditions; or
 - pending any verification of identity which is, or which Crowdcube considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (e) agree, on the request of Crowdcube to disclose promptly in writing to them such information as Crowdcube may request in connection with your Application and authorise Crowdcube to disclose any information relating to your Application which they may consider appropriate;
- (f) agree that if evidence of identity satisfactory to Crowdcube is not provided to Crowdcube within a reasonable time (in the opinion of Crowdcube) following a request therefor, the Company may treat your Application as terminated and, in such case, your subscription monies will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (g) agree that you are not applying on behalf of a person engaged in money laundering;
- (h) undertake to pay interest at the rate described in paragraph 2.2.2 below if the remittance accompanying your Application is not honoured on first presentation;
- (i) authorise the Company to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (j) confirm that you have read and complied with paragraph 2.2.7 below;

- (k) agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of Crowdcube Limited;
- (l) agree that your Application is addressed to the Company;
- (m) agree that the number of Shares to be allotted will be rounded down to the nearest whole number and excess funds shall be retained by the Company for its benefit;
- (n) acknowledge that the offer to the public of Shares is being made only in the United Kingdom, Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden and represent that you are resident in any of the foregoing jurisdiction (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares); and
- (o) agree that any application may be rejected in whole or in part at the discretion of Crowdcube.

2.2.2 Acceptance of your offer

Following the expiry of the Revocation Period, your offer to subscribe (if your Application is received, valid (or treated as valid), processed and not rejected) shall be deemed to be accepted by the Company on the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any Application on a 'first come first served' basis. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions or not in all respects completed or delivered in accordance with the instructions accompanying the Application. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions.

Investors will be notified of their allocations under the Offer via the Company's website. The payment provider instructed by the Company will collect in the subscription amount by direct debit and remit to the Company all cash payments received within 5 to 10 business days of initial request.

The Company may require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus four percent per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any Application.

Payments will be made electronically by direct debit via the Company's payment provider. Each Investor will be required to agree to such payment provider's terms and conditions before the Application is made on www.crowdcube.com.



2.2.3 Return of application monies

Where application monies have been banked and/or received, if any Application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Company in a separate account.

2.2.4 Warranties

By completing an Application, you:

- (a) undertake and warrant to the Company and the Selling Shareholders that, you are making the Application in your own name and on behalf of yourself and if you make the Application on behalf of a corporation, you have due authority to do so on behalf of that corporation and that corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant to the Company and the Selling Shareholders that you have complied with the laws of all relevant territories, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory (save for the stamp duty/SDRT that the Selling Shareholders have agreed to be liable for) and that you have not taken any action or omitted to take any action which will result in Crowdcube or any of its officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with the Offer in respect of your application;
- (c) confirm to the Company and the Selling Shareholders that (save for advice received from your financial adviser (if any)) in making an Application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Crowdcube;
- (f) warrant to the Company and the Selling Shareholders that you are not under the age of 18 on the date of your application;

- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address as set out in your Application;
- (h) confirm to the Company and the Selling Shareholders that you have reviewed the restrictions contained in paragraph 2.2.7 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those Shares for which your Application has been received and processed and not rejected, acceptance of your Application shall be constituted by the Company allotting the Shares;
- (j) agree that all Applications, acceptances of Applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the Courts of England and Wales and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it may request in connection with your Application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant to the Company and the Selling Shareholders that, in connection with your Application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in Crowdcube acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (n) represent and warrant to the Company and the Selling Shareholders that: (i) you are acquiring the Shares in a transaction meeting the requirements of Regulation S or Regulation D; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S Persons unless there is a relevant exemption;
- (o) represent and warrant to the Company and the Selling Shareholders that if in the future you



decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S Securities Act to a person outside the United States and not known by the transferor to be a U.S Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (p) agree that Crowdcube will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers and any relationship between you and Crowdcube will be governed by the terms and conditions set out at www.crowdcube.com;
- (q) warrant to the Company and the Selling Shareholders that you (i) fully understand the risks associated with an investment in Shares; and (ii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant to the Company and the Selling Shareholders that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares; and
- (s) warrant to the Company and the Selling Shareholders that the information contained in the Application is true and accurate.

2.2.5 Money Laundering

You agree that, in order to ensure compliance with the UK Money Laundering Regulations and any other applicable regulations, Crowdcube may at its absolute discretion require verification of identity of you the (the “**holder(s)**”) as the applicant lodging an Application and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to Crowdcube that a holder or the payor is acting on behalf of some other person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

If, in such circumstances, the person whose account is being debited is not a holder you will

be required to provide for both the holder and the payor an original or a copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old; a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees’ risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations or otherwise a person making an application for Shares will not be considered as forming a business relationship with Crowdcube but will be considered as effecting a one-off transaction with Crowdcube.

The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless Crowdcube determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

2.2.6 Non-United Kingdom investors

If you receive a copy of this document in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, make an Application unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application could lawfully be made without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Shares under the Offer, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares you will, unless the Company agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the U.S, Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S Person or person resident in Canada, Japan, Australia or the Republic of South Africa. No Application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, Australia or the Republic of South Africa.



2.2.7 Data Protection Act 1998

Pursuant to the Data Protection Act 1998 (the “DP Act”) the Company, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Such personal data held is used by the Company to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company of any personal data relating to them in the manner described above.

2.2.8 Miscellaneous

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer.

The rights and remedies of the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer from 5 p.m. on 16 August 2016. In that event, the new closing time and/or date will be notified to applicants.

The Company may terminate the Offer in its absolute discretion at any time prior to the expiry of the Revocation Period. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.

You agree that Crowdcube does not act for anyone in connection with this document, and that Crowdcube will not owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Offer or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions bear the same meaning as where used in this document.



ADDITIONAL INFORMATION

1 Share Capital

1.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.

1.2 The Company’s share capital: (i) as at the date of this Securities Note and (ii) as it will be immediately following the completion of the Offer is as follows:

	Number	% of issued share capital	% of voting rights
(i) As at the date of this Securities Note			
A Preference Shares	37,990,090	19.33%	22.87%
B Preference Shares	24,726,930	12.58%	14.89%
A Ordinary Shares	103,373,350	52.59%	62.24%
B Investment Shares	30,492,370	15.51%	0.00%
Total	196,582,740	100.00%	100.00%
(ii) Immediately following completion of the Offer*			
A Preference Shares	37,990,090	17.78	22.24
B Preference Shares	24,726,930	11.57	14.47
C Preference Shares	3,422,313	1.60	2.00
A Ordinary Shares	104,690,941	48.99	61.28
B Investment Shares	42,864,033	20.06	0.00
Total	213,694,307	100.00	100.00

(*Assuming 3,422,313 C Preference Shares, 1,317,591 A Ordinary Shares and 12,371,663 B Investment Shares are issued pursuant to the Offer)

1.3 As at the date of this document, options to subscribe for 1,624,294 A Ordinary Shares (with exercise prices from £0.09 to £0.45 and either vesting on an exit or over a 4 or 5 year period on a straight line basis) have been awarded to certain employees of The Group (including certain Directors (see paragraphs 2.3 and 4 below for further details).



1.4 The following changes in the share capital of the Company have taken place between September 2013 and the date of this Securities Note:

- (a) on 16 February 2016, 23,530 A ordinary shares were issued at a nominal value of £0.01 each;
- (b) on 4 November 2015, 412,115 B preference shares were issued at a nominal value of £0.01 each;
- (c) on 22 October 2015, 84,795 A ordinary shares were issued pursuant to the vesting of options granted on 06 October 2015;
- (d) on 31 July 2015, 10,302 A ordinary shares were issued pursuant to an offer for subscription at an issue price of £2.4265 per share;
- (e) on 30 July 2015, 94,786 A ordinary shares were re-designated to 94,786 B preference shares;
- (f) on 20 February 2015, 6,240 A ordinary shares were issued at a nominal value of £0.01 each;
- (g) on 16 July 2014, 3,676,555 A preference shares were issued for a subscription price of £1.0624;
- (h) on 3 October 2014, 270,123 A ordinary shares were issued for a subscription price of £1.0624 per share;
- (i) on 3 October 2014, 859,232 B investment shares were issued for a subscription price of £1.0624 per share;
- (j) on 26 June 2014, 8,438 B investment shares were issued for a subscription price of £1.2657 per share;
- (k) on 28 May 2014, 1 B investment share was issued at a nominal value of £0.01;
- (l) on 28 May 2014 to 09 June 2014 78,763 B investment shares were issued for a nominal value of £0.01;
- (m) on 2 December 2013 24,350 B investment shares were issued for a nominal value of £0.01;
- (n) on 1 July 2013 1,031,453 A ordinary shares were issued for a subscription price of £0.59 per share and 1,488,548 B investment shares were issued for a subscription price of £0.59 per share.
- (o) on 11 July 2016, 222,454 A preference shares were issue for a subscription price of £2.2477 per share; and
- (p) on 14 July 2016, by shareholder resolution, each A preference share, B preference share, A ordinary share and B investment share were subdivided into 10 A Preference Shares, 10 B Preference Shares, 10 A Ordinary Shares and 10 B Investments Shares respectively.

1.5 By ordinary resolution passed on 14 July 2016 it was resolved that the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot new A Ordinary Shares, B Investment Shares and C Preference Shares up to an aggregate nominal amount of £41,067.76 in connection with the Offer; such authority shall expire five years from the date the resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

1.6 On 14 July 2016, the holders 1.6 of the majority of the A Preference Shares, the B Preference Shares and the A Ordinary Shares consented, inter alia, to the Offer and the disapplication of various pre-emption rights set out in the Articles in respect of the Offer.

1.7 It is anticipated that a resolution of Shareholders will be passed shortly prior to the closing of the Offer in order to re-designate (if required) any Shares being sold by existing Shareholders under the Offer into Shares of the relevant class investors shall be entitled to receive under the Offer.

1.8 In accordance with powers granted to the Directors by the Articles, it is expected that the new Shares will be allotted pursuant to a resolution of the Board to be passed shortly after the close of the Offer in accordance with the Act.

2 Interests of directors and major shareholders

2.1 Other than as set out in the table below, as at 14 July 2016 (being the latest practicable date prior to the publication of the Prospectus), the Company was not aware of any person who was directly or indirectly interested in 3 percent or more of the issued share capital of the Company:

Name	Number of Shares	Percentage of issued share capital	Percentage of voting rights ⁽¹⁾
Darren Westlake ⁽²⁾	5,026,070	22.90%	27.11%
Balderton Capital V, L.P ⁽³⁾	42,111,240	21.42%	25.35%
Mark Lang ⁽⁴⁾	17,146,220	8.72%	10.32%
Numis Securities Limited ⁽⁵⁾	16,484,630	8.39%	9.93%
Luke Lang ⁽⁶⁾	12,393,070	6.30%	7.46%
Dynamis PLC ⁽⁷⁾	7,156,190	3.64%	3.73%

(1) The Company has B Preference Shares, A Preference Shares, A Ordinary Shares and B Investment Shares in issue. All Shares save for the B Investment Shares have voting rights.

(2) Darren Westlake holds 45,026,070 A Ordinary Shares.

(3) Balderton Capital V, L.P. holds 4,121,150 B Preference Shares and 37,990,090 A Preference Shares.

(4) Mark Lang holds 17,146,220 A Ordinary Shares.

(5) Numis Securities Limited holds 16,484,630 B Preference Shares.

(6) Luke Lang holds 12,393,070 A Ordinary Shares. He also has options to acquire 3,088,170 A Ordinary Shares.

(7) Dynamis PLC holds 960,850 B Investment Shares and 6,195,340 A Ordinary Shares.

2.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 14 July 2016 (being the last practicable date prior to the publication of this Securities Note), directly, indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.



2.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 14 July 2016 (being the last practicable date prior to the publication of this Securities Note):

Director	Number of Shares	Percentage of issued share capital (%)	Options
Darren Westlake	4,502,607	23.17%	
Luke Lang	1,239,307	6.38%	308,817 Options to acquire A Ordinary Shares ⁽¹⁾
William Simmons			225,888 options to acquire A Ordinary Shares ⁽²⁾

(1) All options have a £0.15 exercise price per A Ordinary Share, vesting on an exit.

(2) 112,944 options have a £0.26 exercise price per A Ordinary Share and vest over a 4 year period on a straight line basis to 30 September 2018. The remaining 112,944 options have a £0.46 exercise price per A Ordinary Share and vest over a 4 year period on a straight line basis to 30 September 2020.

3 Rights attached to the shares

The Articles contain provisions inter alia, to the following effect:

3.1 Objects/purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

3.2 Limitation on Liability

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

3.3 Share Capital

The share capital of the Company comprises A Ordinary Shares, A Preference Shares, B Investment Shares, B Preference Shares and C Preference Shares.

3.4 Rights to capital

(a) The A Preference Shares, B Preference Shares, C Preference Shares, A Ordinary Shares and B Investment Shares are entitled to the following capital rights:

On a return of assets on liquidation, reduction of capital, a sale (in which the purchaser acquires a controlling interest in the Company) or asset sale or otherwise, the assets of the Company remaining after payment of its liabilities ("**Net Proceeds**") are distributed as follows:

- (i) to the holders of the Preference Shares on a pari passu basis as if the A Preference Shares, B Preference Shares and C Preference Shares constituted a single class of share, in priority to all other Shareholders, an amount equal to the subscription price for their Preference Shares (or in the event of the consolidation, sub-division and/or redesignation of the Preference Shares other than a conversion and redesignation into A Ordinary Shares, the subscription price originally paid for each Preference Share from which the Shares arising on such consolidation, sub-division and/or redesignation derive) plus any arrears or accruals of dividend (if any) on the Preference Shares (as the case may be) due or declared but unpaid down to the date of the return of assets; and
- (ii) in addition, to all Shareholders the aggregate sum of £100 whereby each Shareholder is to receive a payment equal to the product of £100 multiplied by a fraction the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total outstanding number of Shares on the date of such payment;

provided that if there are insufficient Net Proceeds to pay the amounts referred to in paragraph (i) in full, the Net Proceeds shall be distributed so far as possible on the basis set out above, with the amounts payable being reduced pro rata in the same proportions; and

- (ii) thereafter the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Ordinary Shares and B Investment Shares (including, for the avoidance of doubt, any A Ordinary Shares arising from conversion of Preference Shares) in proportion to the number of A Ordinary Shares and/or B Investment Shares held by them respectively (as if the A Ordinary Shares and B Investment Shares constituted one and the same class), and in addition, to all Shareholders the aggregate sum of £100 whereby each Shareholder is to receive a payment equal to the product of £100 multiplied by a fraction the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total outstanding number of Shares on the date of such payment.

3.5 Voting rights

- (a) Holders of A Ordinary Shares, A Preference Shares, B Preference Shares and C Preference Shares are entitled to attend and vote at all general meetings of the Company, and on a poll, to one vote for each Share held.
- (b) B Investment Shares carry no right to vote and no right to attend or receive notice of any general meeting or vote on any proposed written resolution of the Company.
- (c) On a show of hands every A Ordinary Shareholder and Preference Shareholder present in person or (if a corporation) present by a representative duly authorised in accordance with the Act who is not also himself a Shareholder entitled to vote, shall have one vote, and on a poll every A Ordinary Shareholder and Preference Shareholder shall have one vote for every A Ordinary and Preference Share of which he is the holder (in the case of holders of Preference Shares, as though the Preference Shares of such holder had been fully converted into A Ordinary Shares).



- (d) No Shareholder shall be entitled to vote at any General Meeting or at any separate meeting of the holders of any class unless all calls or other sums presently payable by him in respect of Shares of the Company have been paid.

3.6 Dividends

- (a) With prior written consent of an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)), the Company may declare dividends to be paid to members according to their respective shareholdings.
- (b) All Shares rank pari passu in respect of dividends and dividends are paid pro rata according to the number of Shares held by each Shareholder respectively.
- (c) All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

3.7 Transfer of shares

- (a) With the prior written consent of an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)) and the A Ordinary Shareholder Majority (being the holder or holders together of over 50% of the A Ordinary Shares in issue), any Shareholder may transfer any of its Shares without restriction as to price or otherwise.
- (b) Any holder of Preference Shares shall be entitled to transfer their Preference Shares without restriction except where the transfer of Preference Shares would amount to a Drag- Along Transfer or a Tag along (as described in paragraph 3.12 and paragraph 3.13 below) or without first offering their Preference Shares to other Preference Shareholders and A Ordinary Shareholders.
- (c) Each Preference Shareholder may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (d) Holders of A Ordinary Shares or B Investment Shares are not entitled to transfer or dispose of their A Ordinary Shares or B Investment Shares without first offering their A Ordinary Shares or B Investment Shares to existing Preference Shareholders and A Ordinary Shareholders.

3.8 Transfer of Managers' Shareholdings

The Managers, being Darren Westlake and Luke Lang, are not permitted to transfer any of their Shares prior to July 2017 unless the transfer is made with the consent of an Investor Majority, (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)) and will then be subject to the pre-emption rights whereby transfers of A Ordinary Shares or B Investment Shares must first be offered to existing Preference Shareholders.

3.9 Co-Sale Rights

- (a) In the circumstance where A Preference Shareholders or A Ordinary Shareholders do not exercise any rights to purchase A Ordinary Shares or B Investment Shares pursuant to the pre-emption rights described above (the "Non-Participating Investors"), then the sale shares will be offered to a third party purchaser (so long as the provisions of Tag along do not apply) then the Board are required to be satisfied that the shares are being sold pursuant to a bona fide sale for not less than the transfer price without reduction and if not satisfied may refuse to register the instrument of transfer; and
- (b) The selling shareholder must procure before transfer that the third party purchaser has made an offer to each Non-Participating Investor to purchase on the same terms and conditions as have been agreed between the selling shareholder and third party purchaser.

3.10 Pre-emption on the transfer of Preference Shares

- (a) On the transfer of Preference Shares, the Company is required to offer the transfer shares to existing holders of Preference Shares and A Ordinary Shares.

3.11 Pre-emption Rights on issue of new shares

- (a) The Issue of new Shares must first be offered to the holders of the Preference Shares and the A Ordinary Shares (and any other person having rights pursuant to any option agreement) in proportion to the number of Shares each holder holds.
- (b) The holders of A Ordinary Shares and B Investment Shares must first offer their Sale Shares to each Preference Shareholder and A Ordinary Shareholder who are entitled to purchase up to their respective Shareholder Proportion.
- (c) If a transfer of Shares will result in the transferee gaining an interest in 5% or more of the Shares in Issue, then an offer to the holders of all other Shareholders to acquire their entire holding of Shares.
- (d) The pre-emption rights on the issue of new Shares can be disapplied by an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) and the holders of a majority of the A Ordinary Shares (being 50% of the holders together from time to time of over 50% of the A Ordinary Shares in issue).



3.12 Drag Along Rights

Where one or more members holding 75% or more of the Shares then in issue (the “**Dragging Shareholders**”) wish to transfer all their interest in the Shares to a transferee, the Dragging Shareholders shall have the option to require all the other holders of Shares to sell their Shares to a transferee (provided that an A Preference Investor Majority consents, being the consent of over 50% of the A Preference Shares in issue, including any A Ordinary Shares deriving from a conversion of A Preference Shares).

3.13 Tag along Rights

Where one or more members holding 50% or more of the Shares then in issue (the “**Tag along Seller(s)**”) wish to transfer all of their interest in the Shares to a transferee, the Tag along Seller must procure that the transferee makes a written offer to all Shareholders to purchase all of the Shares then in issue.

3.14 Conversion

- (a) At any time Preference Shareholders (excluding EIS Investors) may request to convert their Preference Shares to be converted and re-designated into A Ordinary Shares at the rate of one A Ordinary Share for every Preference Share.
- (b) The A Ordinary Shares arising on such conversion and redesignation shall rank pari passu with the A Ordinary Shares then in issue and fully paid up and shall entitle the holders of the A Ordinary Shares to all dividends and other distributions declared, made or paid up on the A Ordinary Shares by reference to any record date occurring after the conversion date.
- (c) At any time an A Preference Investor Majority can request all of the A Preference Shares and C Preference Shares which are not EIS Shares then in issue, regardless of whether they are held by the A Preferred Investor Majority or any other A Preference Shareholder or any other C Preference Shareholder not being one of the A Preference Investor Majority, on the date of such request automatically be converted into and re-designated as A Ordinary Shares at the preference conversion rate. For the avoidance of doubt, the conversion of C Preference Shares to A Ordinary Shares shall not require the consent of the holders of the A Ordinary Shares as a class.
- (d) At any time, a B Preference Investor Majority, all of the B Preference Shares which are not EIS Shares then in issue, regardless of whether they are held by the B Preferred Investor Majority or any other B Preference Shareholder not being one of the B Preference Investor Majority, on the date of such request automatically be converted into and re-designated as A Ordinary Shares at the preference conversion rate.

3.15 Variation of rights

- (a) Any of the rights for the time being attached to any shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu with or senior to the Shares of that class.

- (b) Investor Majority (being the holder or holders of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) is required for any variation of any rights, preferences or privileges attaching to Shares or stock in the Company.

3.16 Alteration of share capital

The Company may, from time to time, by Investor Majority (being the holders of over 50% of the Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of Preference Shares)):

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

3.17 General Meetings

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time to time.
- (c) The notice of any general meeting shall include such statements as are required by the Act and shall in any event specify:
 - (i) the place, the day, and the time of the meeting;
 - (ii) the general nature of the business to be transacted at the meeting;
 - (iii) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (iv) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.



- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum provided also that (i) one or more persons holding or representing not less than 50 percent of the A Preference Shares; (ii) one or more persons holding or representing not less than 50 percent of the B Preference Shares; and (iii) more than 50 percent of the A Ordinary Shares then in issue shall be present.
- (h) If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting. Otherwise it shall not be necessary to give any such notice.
- (i) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded.
- (j) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.

3.18 Issue of shares and reorganisation

- (a) Subject to Investor Majority Consent (being the consent of the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from conversion of Preference Shares)), the Company may allot, issue, grant options over any new shares or rights to subscribe for or convert any security into shares.
- (b) Subject to the provisions of the Act, and to any relevant authority of the Company required by the Act, in respect of all unissued shares the Board may allot, grant options over, or warrants to subscribe or otherwise dispose of them to such persons at such times and on such terms as they think proper.
- (c) All Shares or securities convertible into Shares which the Directors propose to issue from time to time shall first be offered to all of the Preference Shareholders and A Ordinary Shareholders.
- (d) In the event of any issue or reorganisation, the subscription price of a Preference Share shall be subject to adjustment on such basis as may be agreed by the Company and an A Preference Investor Majority in the case of the subscription price of the A Preference Shares and the C Preference Shares; and a B Preference Investor Majority in the case of the subscription price of the B Preference Shares within 10 business days after any issue or reorganisation.

3.19 Directors fees

The remuneration of a CEO, Chief Financial Officer, managing director or any Director or officer of the Company who may be appointed to any other office in the management, administration or conduct of the business of the Company shall from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the Directors as long as it does not exceed £100,000 or increase by 25% in which case Investor Majority Consent, (being the consent of the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from conversion of A Preference Shares and/or B Preference Shares)) is required.

3.20 Directors' interests and conflicts

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.



- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict of interest, is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Act, a Director, notwithstanding his office:
- (i) shall be entitled to be counted in the quorum and to attend any meeting of the Directors or a committee of the Board at which any matter which is or may be relevant to The Group company interest may be discussed, and to vote on any resolution of the Directors or a committee of the Board relating to such matter or take any decision relating to such matter pursuant to the Reserved Matters set out in the Articles and any Board or committee papers relating to such matter shall be provided to the Director in question at the same time as the other Directors;
 - (ii) shall not be obliged to account to the Company for any benefit which he derives from a group company interest;
 - (iii) shall not be obliged to disclose to the Company, or use for the benefit of the Company, any confidential information received by him by virtue of his group company interest and otherwise by virtue of his position as Director, if to do so would result in a breach of a duty or obligation of confidence owed by him to any other group company or third party.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

3.21 Restrictions on Directors voting

Without prejudice to the obligation of each Director to declare an interest in accordance with sections 177 to 182 of the Act, a Director may vote at a meeting of the board of Directors or of a committee of the board of Directors on any resolution concerning a matter in which he has an interest, whether director or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the Director shall be counted in quorum present which any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

3.22 Number of Directors

Unless and until otherwise determined by the consent of both an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)) and a majority of the Board of the Company, the number of Directors (other than alternate Directors) shall be not less than one and not more than eight.

3.23 Directors' appointment, retirement and removal

Appointment

- (a) An 'A Preference Investor Majority' may by notice in writing appoint from time to time one person to be a Director of the Company and each Group Company. An A Preference Investor Director may at any time be removed from office by an 'A Preference Investor Majority'.
- (b) A 'B Preference Investor Majority' may by notice in writing from time to time appoint one person to be a Director of the Company and each other Group Company. A 'B Preference Investor Director' may at any time be removed from office by a 'B Preference Investor Majority'.
- (c) The appointment of any Director, CEO, Chief Financial Officer or other officer of the Company requires Investor Majority Consent (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)).
- (d) No Director shall be required to vacate his office as a Director nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age and the Directors shall not be required to retire by rotation.
- (e) The business of the Company shall be managed by the Directors who, subject to the provisions of the Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

Removal from Office of an A Preference Investor Director

- (f) If at a general meeting a resolution is proposed for the removal from office of any A Preference Investor Director, and an A Preference Investor Majority shall vote on a poll against such resolution and the total number of votes cast against such resolution would (in the absence of this article (f)) be insufficient to prevent it being passed by the Company in general meeting, then an A Preference Investor Majority shall in relation to that resolution carry such number of votes in respect of its or their holding of A Preference Shares as is equivalent to 51 percent of the total number of votes cast (including those conferred pursuant to this article (f)).



Removal from Office of a B Preferred Investor Director

- (g) If at a general meeting a resolution is proposed for the removal from office of any B Preference Investor Director, and a B Preference Investor Majority shall vote on a poll against such resolution and the total number of votes cast against such resolution would (in the absence of this article (g)) be insufficient to prevent it being passed by the Company in general meeting, then a B Preference Investor Majority shall in relation to that resolution carry such number of votes in respect of its or their holding of B Preference Shares as is equivalent to 51 percent. of the total number of votes cast (including those conferred pursuant to this article (g)).

Observer Rights

- (h) The Board can allow observers to be present who will shall be entitled to reasonable notice of all such meetings and shall be entitled to speak but shall not be entitled to vote thereat provided that the appointment of an observer on a standing basis shall require the consent of the Investor Directors, being the A Preferred Investor Director and the B Preferred Investor Director.

3.24 Indemnity of officers

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

4 Share option scheme

4.1 Incentive Arrangements

The Directors believe that the success of the Company depends, in part, on the future performance of the Executive Directors. The Directors also recognise the importance of ensuring that employees are incentivised and identify closely with the success of the Company. The Directors have established a discretionary share option scheme in the form of an EMI Scheme.

4.2 EMI Share Option Scheme (the "Share Option Scheme")

On 14 March 2013 the Company adopted the EMI share option scheme under which EMI Options have been granted to certain eligible employees. The Company has also granted a number of unapproved options to non-executive directors or consultants outside of, but subject to the terms of, the Share Option Scheme.

The Share Option Scheme is administered and operated by the board of directors of the Company. Directors and employees of the Company and its subsidiaries are eligible, but not entitled, to participate in the Share Option Scheme. The details of the terms of the Share Option Scheme are described below.

Eligibility

All directors and employees of the Company or its subsidiaries whose committed time (within the meaning of paragraph 26 of ITEPA 2003 Schedule 5) amounts to at least 25 hours a week or if less at least 75% of his or her working time.

Grant of Options

The Share Option Scheme provides that options may be granted to eligible employees from time to time as selected by the Board. Each Option Agreement shall constitute an Option to acquire Shares granted by the Company in favour of the eligible employee.

Exercise Price

The price at which an Option Holder may acquire Option Shares on the exercise of an Option at the price determined in the Option Holder's certificate.

Vesting

The Share Option Scheme provides for options to vest and become exercisable within 4 years or on an exit provided that the holder has given notice in writing to the Company confirming that they wish to exercise the Option and specifying the number of Option Shares to be acquired. It is a condition of the exercise of any Option that the Company has received payment of the whole amount of the aggregate Option Price payable in respect of the number of Option Shares then to be acquired.

Lapse

Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health. In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. Options immediately lapse on the tenth anniversary of the date of the grant and in the event of the participant's bankruptcy.

Adjustments

The number of shares comprised in an Option and/or the exercise price may be adjusted or varied if any capitalisation of profits or reserves or rights issue, or by way of any subdivision, reduction or consolidation of the Company's share capital occurs, provided the legislative requirements are met.



Amendments

The Board may, at any time, amend the Share Option Scheme provided that no alteration or addition to any existing individual Option Agreement shall be made without the written agreement of the Option Holder and no alteration or addition contravenes the provisions of ITEPA 2003 Schedule 5.

Scheme limit

The maximum number of new issue shares that may be put under an option pursuant to the Share Option Scheme to subscribe and are outstanding shall not exceed 10% of the issued share capital of the Company from time to time.

5 Compulsory acquisition

Under Sections 974 – 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 percent of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares 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 the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 percent of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

6 Working capital

Not applicable. The Company is of the opinion that the working capital available to The Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

7 Capitalisation and indebtedness

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 May 2016 and capitalisation as at 30 April 2016:

	31 May 2016 (unaudited) (£'000)
Total current debt:	-
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Total indebtedness	-
	30 April 2016 (unaudited) (£'000)
Capitalisation:	
Share capital	194.4
Share premium	13,002.8
Other reserves	473.2
Total capitalisation	13,670.4

(1)Other reserves exclude retained earnings.

The following table shows the Company's unaudited net indebtedness as at 31 March 2016:

	31 May 2016 (unaudited) (£'000)
Cash	2,612.7
Liquidity	2,612.7
Current financial receivables	-
Current bank debt	-
Current portion of non-current debt	-
Current financial debt	-
Net-current financial liquidity	2,612.7
Net financial liquidity	2,612.7

As at 31 May 2016 The Group had no indirect or contingent indebtedness.



8 General

- 8.1** Balderton Capital V, L.P. has agreed to subscribe for £1 million worth of C Preference Shares pursuant to the Offer.
- 8.2** Where third party information has been referenced in this Securities Note, the source of that third party information has been disclosed. All information in this Securities Note that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.3** None of the Shares will be the object of an application for admission to trading on AIM, the Main Market for listed securities of the London Stock Exchange or any other stock exchange or trading platform.
- 8.4** Existing Shareholders who do not participate in the Offer may have their percentage holding in the Company diluted on the issue of new Shares. If 17,111,567 Shares are issued pursuant to the Offer (being the target number of Shares to be issued under the Offer) there would be a dilution of approximately 8.01% in Existing Shareholders' capital of the Company.

TAXATION

1 Introduction

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation and what we believe to be HM Revenue & Customs practice as at the date of this document. The below is not a complete and exhaustive analysis of all the potential tax consequences for Shareholders. It will only apply to Shareholders who are resident and domiciled in the UK for tax purposes and who beneficially hold their shares as investments. The summary below does not cover securities held in the course of a trade and does not cover Investors who may be subject to special rules, for example, pension funds, insurance companies, brokers, intermediaries etc. Shareholders who receive shares in connection with an employment contract with any member of The Group or as an office holder, should seek specific advice on their tax position. Shareholders are strongly recommended to consult their own professional advisers immediately, particularly if they are subject to tax in a jurisdiction other than the UK.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

2 The Company

The Company is resident in the United Kingdom for tax purposes such that the Company will be subject to United Kingdom corporation tax.

3 Shareholders

This section provides general guidance for Shareholders who are United Kingdom resident and domiciled in the UK for tax purposes and hold their Shares as investments.

Tax on chargeable gains

A UK tax resident or individual Shareholder who disposes (or is deemed to dispose) of all or any of their Shares may be liable to capital gains tax ("CGT") in relation thereto at rates up to 20 percent, subject to any available exemptions or reliefs. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to CGT at the rate of 10 percent. The principal factors that will determine the extent to which a gain will be subject to CGT are (i) the extent to which they realise any other capital gains in the tax year of assessment in which the gain arises, (ii) the extent to which they have incurred capital losses in that or any earlier tax year or assessment and (iii) the level of annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place, currently £11,100 (in tax year 16/17).

A UK tax resident corporate Shareholder disposing of its Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits. In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Shares as increased by an indexation allowance.



Dividends

Under current UK legislation, no UK tax is required to be withheld from dividend payments by the Company.

The tax rates provided below are for illustration purposes and are with reference to the 2016/2017 tax year.

From 6 April 2016 the previous dividend tax credit system applicable to UK tax resident individuals has been withdrawn and replaced by a dividend tax allowance of £5,000 a year. Dividends falling within this allowance will not be subject to income tax. The rates of tax dividend income above the allowance are 7.5 percent for basic rate taxpayers, 32.5 percent for higher rate taxpayers and 38.1 percent for additional rate taxpayers.

Inheritance Tax ("IHT")

Individuals and trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 percent after a holding period of two years provided that all the relevant conditions for the relief are satisfied at the appropriate time.

In the absence of IHT business property relief, the value of the shareholding will be subject to IHT in the event of death or a chargeable lifetime transfer at rates up to 40 percent, subject to any available exemptions or other reliefs.

A UK tax resident corporate holder of Shares which receives a dividend paid by the Company will not generally be subject to tax in respect of that dividend, subject to anti-avoidance rules and certain exceptions.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed and what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

Stamp duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT will arise on the issue of Shares. Stamp duty at 0.5 percent will be payable on a transfer of Shares.

The transfer of, or agreement to transfer, Sale Shares sold by the Selling Shareholders under the Offer will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5 percent of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). It is a condition of a Selling Shareholder participating in the Offer that they agree to meet such liability. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

Enterprise Investment Scheme

The Company has received advance assurance from HMRC that the Company will be a "qualifying company" for EIS purposes. Prospective investors who may be eligible for EIS relief are strongly recommended to consult their own professional advisers particularly on the conditions which must be satisfied by both the Company and the investor to obtain such relief, the nature of the tax advantages which may be obtained, and the circumstances in which relief may be withdrawn or reduced.

If a prospective investor is eligible for EIS relief, they should note that: (i) there is a £5 million annual limit on investments in the Company that are eligible for EIS relief; and (ii) the Company previously issued, or has agreed to issue, £1,065,000 worth of Shares eligible for EIS relief; and (iii) EIS relief would be granted to prospective investors on a first come first served basis under the Offer.

The Company cannot guarantee or undertake to conduct its business following the fundraising in a way to ensure that the Company will continue to meet the requirements of Chapter 4, Part 5 of the Income Tax Act 2007. Neither the Company nor its advisers give any warranties or undertakings that EIS relief will be available, or that if available, such relief will not be withdrawn or reduced. The tax legislation in respect of EIS relief is found in Part 5 of the Income Tax Act 2007 and in Section 150A to 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992.

If any Shareholder is in any doubt as to his or her taxation position, he or she should seek independent and professional financial advice.



DEFINITIONS

The following definitions apply throughout this Securities Note unless the context requires otherwise:

"A Ordinary Shares"	the A Ordinary Shares of £0.001 each in the share capital of the Company in issue from time to time;
"A Ordinary Shareholder"	any holder of A Ordinary Shares;
"A Ordinary Shareholder Majority"	the holder or holders together from time to time of over 50% of the A Ordinary Shares in issue;
"A Preference Shares"	the A Preference Shares of £0.001 each in the share capital of the Company in issue from time to time;
"A Preference Investor Majority"	the holder or holders together from time to time of over 50% of the A Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of A Preference Shares pursuant to the Company's Articles);
"Articles"	the articles of association of the Company;
"B Investment Shares"	the B Investment Shares of £0.001 each in the share capital of the Company in issue from time to time;
"B Investment Shareholder"	the holder of B Investment Shares;
"B Preference Shares"	the B Preference Shares of £0.001 each in the share capital of the Company in issue from time to time and a holder;
"B Preference Investor Majority"	the holder or holders together from time to time of over 50% of the B Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of B Preference Shares pursuant to the Articles of the Company);
"Business Day"	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London;
"C Preference Shares"	the C Preference Shares of £0.001 each in the share capital of the Company in issue from time to time;
"C Preference Shareholder"	the holder of C Preference Shares;
"Certificated" or "in certificated form"	not in uncertificated form;
"Companies Act" or "Act"	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;

"Company" or "Crowdcube"	Crowdcube Limited;
"CTA 2010"	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
"Directors" or "Board"	the directors of the Company, whose names appear on pages 54 and 56, or the board of directors from time to time of the Company, as the context requires;
"EEA"	the European Economic Area;
"EEA States"	the member states of the European Union and the European Economic Area, each an "EEA State";
"EU"	the Member States of the European Union;
"Executive Directors"	the executive directors of the Company being;
"Existing Shares"	A Ordinary Shares, A Preference Shares, B Preference Shares, B Investment Shares and C Preference Shares;
"FCA"	the Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force;
"Group"	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010;
"HMRC"	Her Majesty's Revenue and Customs;
"Interest in the Company"	includes, without limitation, an interest in a Distribution made or to be made by the Company;
"Investor Majority"	the holder or holders together from time to time of over 50% of the Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of Preference Shares pursuant to the Company's Articles);
"ISA"	UK individual savings account;
"ITA"	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force;
"LIBOR"	London Interbank Offered Rate;
"London Stock Exchange"	London Stock Exchange plc;



"Net Proceeds"	the funds received on closing of the Initial Offer less any expenses paid or payable in connection with the Initial Offer;
"Offer"	the offer for subscription of Shares pursuant to the Offer (and forming part of the Offer) which is expected to close on or before 18 August 2016
"Offer Price"	£0.2922 per Share;
"Overseas Persons"	a potential investor who is not resident in, or who is not a citizen of, the UK;
"Person"	includes a body of persons, corporate or unincorporated, wherever domiciled;
"Prospectus"	the prospectus prepared in accordance with the Prospectus Rules comprising this Securities Note, the Registration Document and the Summary, each dated 15 July 2016;
"Prospectus Directive"	the EU Prospectus Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
"Prospectus Rules"	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA as amended from time to time;
"Register"	the register of members of the Company;
"Registration Document"	the registration document dated 15 July 2016 issued by the Company in respect of Shares made available pursuant to the Offer;
"Relevant Member State"	a member state of the European Economic Area which has implemented the Prospectus Directive;
"SDLT"	stamp duty land tax;
"SDRT"	stamp duty reserve tax;
"Securities Note"	this securities note issued by the Company in connection with the Initial Offer and Offer and approved by the FCA;
"Shareholder"	any holder for the time being of a Share or Shares in the Company;

"Share" or "Shares"	any Share or Shares in the capital of the Company;
"Sterling" or "£"	the lawful currency of the United Kingdom;
"Summary"	the summary dated 15 July 2016 issued by the Company in respect of Shares made available pursuant to the Initial Offer and the Offer;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"Tranches" each a "Tranche"	a tranche of Shares issued under the Offer (including the Initial Offer and the Offer) ;
"UK Listing Authority" or "UKLA"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"UK Money Laundering Regulations"	the UK Money Laundering Regulations 2007, as amended;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "U.S"	the United States of America;
"VAT"	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.





CROWDCUBE LIMITED

SUMMARY

15 July 2016

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A—E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings

Element	Disclosure Requirement	Disclosure
A.1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale or final placement of securities through financial intermediaries	Not applicable. The Company is not engaging any financial intermediaries for any resale or final placement of securities after publication of the Prospectus.



Section B – Issuer

Element	Disclosure Requirement	Disclosure
B.1	Legal and commercial name	Crowdcube Limited (the “Company” or “Crowdcube”).
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 10 September 2009 with registered number 07014587 as a public limited company under the Act. The Company re-registered as a private limited company on 14 April 2011. The principal legislation under which the Company operates is the Act.
B.3	Key factors of the Company's current operations and principal activities	<p>Crowdcube is an investment crowdfunding platform that enables entrepreneurs to raise growth finance for their business. For investors, Crowdcube provides a way to invest in businesses that traditionally would have been restricted to professional or institutional investors.</p> <p>Since 2011, Crowdcube's 285,000 investors have raised more than £160 million for over 400 successful pitches with two funded businesses, E-Car Club and Camden Town Brewery, subsequently successfully being acquired by Europcar and AB InBev respectively.</p> <p>Crowdcube has been recognised as the ‘Most Active Equity Investor’ in the UK every year since 2013 by Beauhurst, a leading provider of data on fast-growth UK companies.</p> <p>Crowdcube Capital Limited, a wholly owned subsidiary of the Company, is authorised and regulated by the UK Financial Conduct Authority (No. 650205).</p> <p>Crowdcube Spain, SL, a wholly owned subsidiary of the Company, is authorised and regulated by the National Securities Markets Commission in Spain.</p>
B.4.a	Significant recent trends affecting the Company and its industry	Both the online equity crowdfunding market and wider private company investment market continue to grow in the UK. The Group continues to operate in a competitive environment with no material change from 2015.
B.5	Group description	The Company is the holding company of The Group and has the following subsidiaries and subsidiary undertakings:

Name	Country of incorporation	Proportion of ownership interest
JP Nominees Limited	England and Wales	100%
Crowdcube Capital Limited	England and Wales	100%
Crowdcube Nominees Limited	England and Wales	100%
Crowdcube Spain, SL	Spain	100%



Element	Disclosure Requirement	Disclosure
B.6	Major shareholders	Other than as set out in the table below, as at 14 July 2016 (being the latest practicable date prior to the publication of the Prospectus) the Company was not aware of any person who was directly or indirectly interested in 3 percent or more of the issued share capital of the Company:

Name	Number of Shares	Percentage of issued share capital	Percentage of voting rights ⁽¹⁾
Darren Westlake ⁽²⁾	45,026,070	22.90%	27.11%
Balderton Capital V, L.P. ⁽³⁾	42,111,240	21.42%	25.35%
Mark Lang ⁽⁴⁾	17,146,220	8.72%	10.32%
Numis Securities Limited ⁽⁵⁾	16,484,630	8.39%	9.93%
Luke Lang ⁽⁶⁾	12,393,070	6.30%	7.46%
Dynamis PLC ⁽⁷⁾	7,156,190	3.64%	3.73%

- (1) The Company has B Preference Shares, A Preference Shares, A Ordinary Shares and B Investment Shares in issue. All Shares save for the B Investment Shares have voting rights.
- (2) Darren Westlake holds 45,026,070 A Ordinary Shares.
- (3) Balderton Capital V, L.P holds 4,121,150 B Preference Shares and 37,990,090 A Preference Shares.
- (4) Mark Lang holds 1,714,622 A Ordinary Shares.
- (5) Numis Securities Limited holds 16,484,630 B Preference Shares.
- (6) Luke Lang holds 12,393,070 A Ordinary Shares. He also has options to acquire 3,088,170 A Ordinary Shares.
- (6) Dynamis PLC holds 96,085 B Investment Shares and 619,534 A Ordinary Shares.

Element	Disclosure Requirement	Disclosure
B.7	Financial information	The selected historical financial information set out below, which has been prepared under UK GAAP (including FRS 102), has been extracted without material adjustment from the audited consolidated financial information of The Group for the financial years ended 30 September 2013, 30 September 2014 and 30 September 2015 and the unaudited interim financial statements for the financial period ended 31 March 2016:

Consolidated Profit and Loss Statement and Other Comprehensive Income

£'000	As at 31 March 2016 (unaudited)	As at 31 March 2015 (unaudited)	As at 30 September 2015 (audited)	As at 30 September 2014 (audited)	As at 30 September 2013 (audited)
Turnover	2,074.9	1,036.2	2,691.4	1,083.6	323.3
Cost of sales	(941.1)	(605.5)	(1,433.0)	(391.1)	(50.4)
Gross profits	1,133.8	430.6	1,258.4	692.5	272.9
Administrative expenses	(3,417.8)	(3,282.2)	(6,270.7)	(2,202.0)	(876.3)
Other operating gains	-	-	-	-	0.1
Operating loss	(2,284.0)	(2,851.6)	(5,012.3)	(1,509.5)	(603.3)
Net finance interest income/ (expense)	(0.6)	-	-	3.4	-
Loss before taxation	(2,284.6)	(2,851.6)	(5,012.3)	(1,506.1)	(603.3)
Taxation	-	-	-	-	-
Net loss	(2,284.6)	(2,851.6)	(5,012.3)	(1,506.1)	(603.3)



Consolidated balance sheet

£'000	As at 31 March 2016 (unaudited)	As at 30 September 2015 (audited)	As at 30 September 2014 (audited)	As at 30 September 2013 (audited)
Fixed assets				
Intangible assets	469.0	469.0	-	-
Tangible assets	124.7	100.1	57.7	44.4
Investments in associates	50.0	-	-	-
	643.7	569.1	57.7	44.4
Current assets				
Debtors	466.6	493.7	664.4	183.4
Investments	9.8	6.2	1.2	-
Cash at bank and in hand	3,587.6	4,944.3	4,625.6	985.3
	4,064.0	5,444.2	5,291.2	1,168.7
Creditors - amounts falling due within one year				
	(699.7)	(796.6)	(594.3)	(126.0)
Net current assets	3,364.3	4,647.6	4,696.9	1,042.7
Total assets less current liabilities	4,008.0	5,216.7	4,754.6	1,087.1
Net assets	4,008.0	5,216.7	4,754.6	1,087.1
Capital and reserves				
Called up share capital	194.4	189.1	168.1	120.0
Share premium account	13,002.8	11,796.1	6,745.2	1,783.0
Other reserves	473.2	609.3	206.8	43.7
Retained earnings	(9,662.4)	(7,377.8)	(2,365.5)	(859.4)
Total equity	4,008.0	5,216.7	4,754.6	1,087.3

Consolidated statement of cash flows

	As at 31 March 2016 (unaudited)	As at 31 March 2015 (unaudited)	As at 30 September 2015 (audited)	As at 30 September 2014 (audited)	As at 30 September 2013 (audited)
Net cash flow from operating activities	(2,269.3)	(2,397.2)	(4,403.9)	(1,330.0)	(563.4)
Taxation paid	-	-	-	-	-
Net cash generated from operating activities	(2,269.3)	(2,397.2)	(4,403.9)	(1,330.0)	(563.4)
Cash flow from investing activities					
Purchase of subsidiary (net of cash acquired)	-	-	(2.6)	-	-
Purchase of tangible assets	(45.1)	(34.5)	(66.8)	(42.5)	(21.5)
Purchase of investments	(53.6)	(3.1)	(5.0)	(1.1)	-
Interest received	-	-	-	3.4	-
Net cash used in investing activities	(98.6)	(37.7)	(74.4)	(40.2)	(21.5)
Cash flow from financing activities					
Interest paid	(0.7)	-	-	-	-
Proceeds from issue of ordinary share capital	1,007.0	-	4,795.1	5,010.5	1,428.8
Net cash used in financing activities	1,006.3	-	4,795.1	5,010.5	1,428.8
Net increases in cash	(1,361.7)	(2,434.8)	316.8	3,640.3	843.9
Cash at beginning of year	4,944.4	4,625.6	4,625.6	985.3	141.4
Exchange gains	5.0	-	2.0	-	-
Cash at end of year	3,587.6	2,190.7	4,944.4	4,625.6	985.3



Save as set out below, as at the date of this document, there has been no significant change in the financial condition or operating results of the Company or The Group during or subsequent to the period covered by the historical financial information has been drawn up.

- On 1 July 2013 the Company raised approximately £1.5 million via the issue of 1,031,453 A ordinary shares and 1,488,548 B investment shares (which were subsequently sub-divided into 10,314,530 A Ordinary Shares and 1,488,548 B Investment Shares).
- On 16 July 2014 the Company raised approximately £3.8 million via the issue of 3,576,555 A preference shares (which were subsequently sub-divided into 35,765,550 A Preference Shares).
- On 3 September 2014, the Company raised approximately £1.2 million via the issue of 270,123 A ordinary Shares and 859,232 B investment shares (which were subsequently sub-divided into 2,701,230 A Ordinary Shares and 8,592,320 B Investment Shares).
- On 30 July 2015, the Company raised approximately £4.8 million via the issue of 1,965,792 B preference shares (which were subsequently sub-divided into 19,657,920 B Preference Shares).
- On 4 November 2015, the Company raised £1 million via the issue of 412,115 B preference shares (which were subsequently sub-divided into 4,121,150 B Preference Shares).
- On 11 July 2016, the Company raised £0.5 million via the issue of 222,454 A preference shares (which were subsequently sub-divided into 2,224,540 A Preference Shares).

Element	Disclosure Requirement	Disclosure
B.8	Key pro forma financial information	Not applicable. No pro forma financial information is contained in the Prospectus.
B.9	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit report on the historical financial information in the Prospectus is not qualified.
B.11	Qualified working capital	Not applicable. The Company is of the opinion that the working capital available to The Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1	Type and class of securities	<p>The Company intends to issue up to 41,067,762 Shares pursuant to the Offer. The Offer will be made at an Offer Price of £0.2922 pence per Share. Investors will receive B Investment Shares (if they invest less than £25,000), A Ordinary Shares (if they invest £25,000 or more but less than £1 million) or C Preference Shares (if they invest £1 million or more).</p> <p>The Company is targeting an initial fundraising of in excess of £5 million (maximum of £12 million). The Company has received irrevocable subscriptions for £1.385 million worth of C Preference Shares under the Offer (of which Balderton Capital V, L.P. has have irrevocably subscribed for £1 million worth of C Preference Shares at the Offer Price). If less than £5 million is raised under the Offer (excluding the subscription by Balderton Capital V, L.P.) the subscription price for the C Preference Shares issued to Balderton Capital V, L.P. will be adjusted to £0.24265 per Share. The Offer is not conditional on a minimum fundraising target.</p> <p>The Company has also invited existing Shareholders to offer up to 17,111,567 existing Shares for sale at the Offer Price to investors provided there is in excess of £12 million worth of demand under the Offer.</p> <p>The number of additional existing Shares available under the Offer is dependent upon the number of Shares existing Shareholders are willing to sell which, as at the date of this Prospectus, is not known. Details of the number of additional existing Shares available under the Offer and the identity of the Selling Shareholders will be made available at www.crowdcube.com if there is more than £12 million worth of demand.</p>
C.2	Currency	The currency of the Offer is United Kingdom pounds sterling
C.3	Issued Shares	<p>As at 14 July 2016 (being the latest practicable date prior to the publication of the Prospectus), the issued share capital of the Company was 196,582,740 Shares divided into:</p> <ul style="list-style-type: none"> ▪ 24,726,930 B Preference Shares; ▪ 37,990,090 A Preference Shares; ▪ 103,373,350 A Ordinary Shares; and ▪ 30,492,370 B Investment Shares.



Element	Disclosure Requirement	Disclosure
C.4	Description of the rights attaching to the securities	<p>Dividends</p> <p>All Shares carry the right to receive all dividends declared by the Company or the Directors.</p> <p>Voting</p> <p>Holders of A Ordinary Shares, A Preference Shares, B Preference Shares and C Preference Shares are entitled to attend and vote at all general meetings of the Company, and on a poll, to one vote for each A Ordinary Share, A Preference Share or B Preference Share and C Preference Share held. B Investment Shares carry no right to vote and no right to attend or receive notice of any general meeting or vote on any proposed written resolution of the Company.</p> <p>Winding up</p> <p>On a winding up, provided the Company has satisfied all of its debts and liabilities, the holders of Preference Shares on a pari passu basis as if A Preference Shares, B Preference Shares and C Preference Shares constitute a single class of shares, shall receive in priority of all other Shareholders, an amount equal to their subscription price for their Preference Shares (or in the event of a consolidation, sub-division and/or redesignation of the Preference Shares, other than a conversion and redesignation into A Ordinary Shares in accordance with the Articles, the subscription price originally paid for each Preference Share from which the shares arising on such consolidation, sub-division and/or redesignation derive) plus any arrears or accruals of dividend (if any) on the Preference Shares (as the case may be) due or declared but unpaid down to the date of the return of assets; in addition, to all Shareholders the aggregate sum of £100 whereby each Shareholder is to receive a payment equal to the product of £100 multiplied by a fraction the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total outstanding number of Shares on the date of such payment; thereafter the balance of net proceeds are to be distributed to holders of each of the A Ordinary Shares and B Investment Shares, in proportion to the number of shares held by them.</p> <p>Conversion</p> <p>At any time Preference Shareholders (excluding EIS investors) may request to convert their Preference Shares into A Ordinary Shares at the rate of one A Ordinary Share for every Preference Share (the "Preference Conversion Rate"). The A Ordinary Shares arising on such conversion and redesignation shall rank pari passu with the A Ordinary Shares then in issue and fully paid up and shall entitle the holders of the A Ordinary Shares to all dividends and other distributions declared, made or paid up on the A Ordinary Shares by reference to any record date occurring after the Cconversion date.</p> <p>Immediately on the request in writing, at any time, by a holder or holders together from time to time of over 50% of the A Preference Shares in issue (the "A Preferred Investor Majority"), all of the A Preference Shares and C Preference Shares which are not EIS shares then in issue shall, regardless of whether they are held by the A Preferred Investor Majority or any other A Preference Shareholder or C Preference Shareholder, on the date of such request automatically be converted into and re-designated as A Ordinary Shares at the Preference Conversion Rate.</p>

Element	Disclosure Requirement	Disclosure
		<p>With the prior consent of the holder or holders together from time to time of over 50% of the A Preference Shares and B Preference Shares in issue to a listing, all of the Preference Shares shall, on the date of, immediately prior to and conditionally upon a listing, automatically be converted into and re-designated as A Ordinary Shares at the Preference Conversion Rate and all of the B Investment Shares shall, on the date of, immediately prior to and conditionally upon a listing, automatically be converted into and re-designated as A Ordinary Shares at the rate of one A Ordinary Share for every B Investment Share. Unless the holders of a majority of the B Preference Shares otherwise agree, in the event of a conversion on a listing would result in the A Ordinary Shares arising on conversion of the B Preference Shares having an aggregate value at the issue price of the listing lesser than the aggregate subscription price paid for the B Preference Shares, then the Preference Conversion Rate will be increased such that the relevant B Preference Shares shall be converted and re-designated as such number of A Ordinary Shares having an minimum aggregate value (at the listing price) equal to the aggregate subscription price paid by the B Preference Shareholders for their relevant B Preference Shares.</p>
C.5	Restrictions on the free transferability of the securities	<p>The Articles contain pre-emption rights whereby new Shares must first be offered to the holders of the Preference Shares and the A Ordinary Shares (and any other person having rights pursuant to any option agreement) in proportion to the number of Shares each holder holds.</p> <p>Holders of A Ordinary Shares and B Investment Shares must first offer their sale shares to each Preference Shareholder and A Ordinary Shareholder who are entitled to purchase up to their respective proportion.</p> <p>The Articles provide that if a transfer of Shares will result in the transferee gaining an interest in 50% or more of the Shares in Issue, then an offer to the holders of all other Shareholders to acquire their entire holding of Shares.</p> <p>Where one or more members holding 75% or more of the Shares then in issue (the "Dragging Shareholders") wish to transfer all their interest in the Shares to a transferee, the Dragging Shareholders shall have the option to require all the other holders of Shares to sell their Shares to a transferee (provided that the holder or holders together from time to time of over 50% of the A Preference Shares consent).</p>
C.6	Admission	No application is being made for any class of Shares to be dealt on any stock exchange or investment exchange.
C.7	Dividend policy	The declaration and payment by the Company of any future dividends on the Shares will depend on the results of The Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.
D.1	Key information on the key risks that are specific to the Company or its industry	<p>The Group's revenue and profitability are dependent on client activity and product demand.</p> <p>The Group's revenue and profitability largely depend on client activity and the demand for The Group's products and services. There can be no assurance that demand for The Group's products and services will grow or continue at current levels. If products become preferred alternatives for clients, for example, due to negative publicity, political factors, changes in law or regulation that impose restrictions on their trading or tax treatment, or for any other reason, The Group's business would be significantly affected.</p>



Section D – Risks

Element	Disclosure Requirement	Disclosure
		<p>The Group faces competition.</p> <p>The online crowdfunding business in which The Group operates is very competitive, involving a large number of market participants, and The Group expects competition to continue to intensify in the future. The financial success of companies within the markets in which The Group operates may attract new competitors to the industry, such as banks, software development companies, providers of online financial information, stock exchanges and others. Certain competitors or potential competitors of The Group may have greater financial, marketing, technological and personnel resources than The Group possesses, or they may be subject to substantially less regulatory oversight and control than The Group.</p>
		<p>Damage to The Group's reputation and the reputation of the industry could harm The Group's business.</p> <p>Damage to the reputation of The Group and its industry as perceived by clients, investors, counterparties and industry regulators could lead to negative publicity, loss of income, litigation, regulatory or legislative action (including the loss or suspension of operating licences), loss of existing and potential business, reduced workforce morale, and difficulties in recruiting talent. The reputation of The Group and its industry could be harmed in many different ways, including by The Group's or other industry participants' actual or perceived regulatory, risk management, governance or technology failures, breaches of client data, inappropriate or unethical behaviour or association with controversial activities, markets or market participants.</p>
		<p>The Group's existing regulatory authorisations for its operations could be withdrawn, and The Group may be unable to obtain the necessary authorisations to expand its business into new jurisdictions.</p> <p>The Group has regulatory authorisation from the FCA in the UK and the National Securities Markets Commission in Spain. The withdrawal of regulatory authorisations by the FCA or the National Securities Markets Commission, or the transfer of regulatory oversight to a new regulator, could require The Group to cease or modify a significant part of its operations. In addition, The Group could fail to obtain regulatory authorisation in a jurisdiction where it wishes to operate, which could prevent The Group from maintaining or expanding its business. Any of these risks could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.</p>
		<p>Changes in laws or regulations affecting crowdfunding or The Group.</p> <p>The regulatory environment surrounding the crowdfunding industry is relatively new and susceptible to change and may in certain respects require clarification or interpretive guidance in respect of existing laws and regulations. The body of law and regulation in respect of the crowdfunding industry is continuously evolving. In the UK, as well as elsewhere, The Group is subject to laws and regulations enacted by national, state and local governments (as applicable) and the Company's operators are, or may be in future affected by such technical requirements in existing laws and regulations. Any change in the law and regulation affecting The Group may have a material adverse effect on the ability of The Group to carry on its business and on the value of the Shares.</p>

Element	Disclosure Requirement	Disclosure
		<p>Risks relating to The Group's systems and operations systems failures could harm The Group's business.</p> <p>The Group's operations are highly dependent on technology, communications systems, including telephone and mobile networks, and the internet. Any damage, malfunction, failure or interruption of or to systems, software or networks used by The Group could result in a lack of confidence in The Group's services and a possible loss of existing clients to its competitors or could expose The Group to higher risk or losses. In addition, if The Group's connection to telephone or mobile networks or the internet is interrupted or not available, The Group may not be able to provide clients with its products and services or may be unable to mitigate market related risks.</p>
D.3	Key information on the key risks that are specific to the Shares	<p>The Group relies on its technology and must keep pace with rapid technological changes as well as changes in its clients' requirements and preferences, including platform design and functionality.</p> <p>The Group's success in the recent past has largely been attributable to its technology that has taken many years to develop. The Group believes its technology has provided it with a competitive advantage relative to many market participants and, in order to remain competitive, The Group needs to continuously develop and redesign its technology. If The Group's competitors develop more advanced technologies, The Group may be required to devote substantial resources to the development of more advanced technology to remain competitive. In doing so, there is an ongoing risk that failures may occur and result in service interruptions or other negative consequences. Any disruption or corruption of The Group's technology or its inability to remain technologically competitive in the industry could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.</p> <p>The issuance of additional Shares in the Company may dilute all other shareholdings</p> <p>The Company may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional equity or convertible equity securities. As a result, the Company's existing Shareholders may suffer dilution in their percentage ownership or the price of the Shares may be adversely affected.</p> <p>Investments in unlisted companies attract a higher degree of risk</p> <p>The Shares will not be traded on AIM nor the Main Market for listed securities of the London Stock Exchange. An investment in unquoted shares quoted may carry a higher risk than an investment in shares admitted to trading on AIM or FTSE (the Main Market for listed securities of the London Stock Exchange). There will be no public market or matched bargain facility for the Shares following the closing of the Offer. The Shares will be illiquid because it is unlikely that an active market for Shares will develop or, if it does develop, that such market will be sustained. Accordingly, investors should be aware that the value of the Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.</p>



Element	Disclosure Requirement	Disclosure
		<p>Substantial shareholder influence</p> <p>Balderton Capital V, L.P. holds 4,121,150 B Preference Shares and 37,990,090 A Preference Shares (approximately 21.42% of the issued share capital and 25.35% of the voting rights of the Company) and, by virtue of the reserved matters set out in the Articles (including matters such as the payment of dividends, transfer of Shares, the exercise of drag and tag rights and the alteration of the Company's share capital), has the ability to exercise a controlling influence on the business and may cause or take actions that are not in, or may conflict with, the best interests of the Company or its Shareholders as a whole.</p> <p>B Investor Shares</p> <p>Investors subscribing for less than £25,000 worth of Shares in the Offer will be allotted B Investment Shares. B Investment Shares have less rights attaching to them than other classes of Shares. For example, holders of B Investment Shares do not have any right to vote at, and no right to attend or receive notice of any, general meeting or vote on any proposed written resolution of the Company. Accordingly, whilst the Company has an open dialogue with its Shareholders, any investors holding B Investment Shares will not be able to influence the business of the Company in the same way as holders of other classes of Shares.</p>

Section E – Offer

E.1	Proceeds and Expenses	<p>Net proceeds of approximately £4.8 million (assuming £5 million worth of Shares are issued under the offer) will be received by the Company from the allotment of Shares pursuant to the Offer.</p> <p>Net proceeds of approximately £4.95 million (assuming £5 million worth of existing Shares are transferred to investors under the Offer) will be received by Selling Shareholders from the sale of the Sale Shares pursuant to the Offer.</p> <p>The aggregate expenses of, or incidental to, the Offer incurred and to be borne by the Company are estimated to be approximately £200,000.</p> <p>The aggregate expenses of, or incidental to, the Offer incurred and to be borne by the Selling Shareholders (assuming £5 million worth of existing Shares are transferred to investors under the Offer) are estimated to be approximately £50,000.</p>
E.2.a	Reason for offer and use of proceeds	<p>The Company is looking to raise at least £5 million to provide The Group with the working capital to support its on-going operations and growth plans, including includes the expansion of its technology team in order to deliver on the Company's three key growth strategies - provide unrivalled investment opportunities to our members, grow its active investor community and deliver investor returns.</p> <p>Selling Shareholders who offer existing Shares for sale under the Offer will be looking to realise all or part of their investment in The Group.</p>

Element	Disclosure Requirement	Disclosure
E.3	Terms and conditions of the offer	<p>B Investment Shares, A Ordinary Shares and C Preference Shares are available under the Offer at an offer price of £0.2922 per Share.</p> <p>Applications must be made by placing a revocable order to subscribe for Shares on www.crowdcube.com (the “Website” and the “Application” respectively). Investors will be required to register with Crowdcube and sign-up to Crowdcube's investor terms (also available on the Website) prior to making an Application.</p> <p>Applications under the Offer must be for Shares with a minimum subscription amount of £10. The Company intends to issue up to 41,067,762 Shares pursuant to the Offer. The Offer will be made at an Offer Price of £0.2922 per Share. Investors will receive B Investment Shares (if they invest less than £25,000), A Ordinary Shares (if they invest £25,000 or more but less than £1 million) or C Preference Shares (if they invest £1 million or more).</p> <p>The Company has received irrevocable subscriptions for £1.385 million worth of Shares under the Offer. The Offer is not conditional on a minimum fundraising target.</p>
E.4	Material interests	Not applicable. No interest is material to the Offer.
E.5	Name of person selling securities	<p>The Company has invited existing Shareholders to offer up to 17,111,567 existing Shares for sale at the Offer Price to investors provided there is in excess of £12 million worth of demand under the Offer.</p> <p>The number of additional existing Shares available under the Offer dependent upon the number of Shares existing Shareholders are willing to sell which, as at the date of this Prospectus, is not known. Details of the number of additional existing Shares available under the Offer and the identity of the Selling Shareholders will be made available at www.crowdcube.com if there is more than £12 million worth of demand.</p> <p>The Directors and their associates have indicated that, should there be in excess of £12 million worth of demand under the Offer, they currently intend to sell up to £750,000 worth of Shares pursuant to the Offer (or such other number of Shares depending on the demand from Selling Shareholders and investors under the Offer).</p>
E.6	Dilution	<p>Existing Shareholders who do not participate in the Offer may have their percentage holding in the Company diluted on the issue of new Shares.</p> <p>If 17,111,567 Shares are issued pursuant to the Offer (being the target number of Shares to be issued under the Offer) there would be a dilution of approximately 8.01% in Existing Shareholders' capital of the Company.</p>
E.7	Estimated Expenses	Neither the Company nor Selling Shareholders will charge investors any separate costs or expenses in connection with the Offer.





THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Registration Document, the Securities Note and the Summary together constitute a prospectus relating to Crowdcube Limited (the “**Company**”) (the “**Prospectus**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“**FCA**”) made pursuant to section 84 of FSMA has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules at www.crowdcube.com. Persons receiving this Registration Document should read the Prospectus together as a whole.

The Company and the Directors, whose names appear on page 136 of this Registration Document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

CROWDCUBE LIMITED

(incorporated in England and Wales
with registered number 07014587)

REGISTRATION DOCUMENT



The Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (the “**U.S Securities Act**”) or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S under the U.S Securities Act (“**Regulation S**”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only (i) outside the United States to non U.S Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S Securities Act provided by Regulation S thereunder and (ii) to persons that are “qualified institutional buyers” (as the term is defined in Rule 144A under the U.S Securities Act) that are also “qualified purchasers” within the meaning of section 2(a) (51) of the U.S Investment Company Act of 1940, as amended (the “**U.S Investment Company Act**”) in reliance on the exemption from registration provided by Rule 506 of Regulation D under the U.S Securities Act. The Company has not been and will not be registered under the U.S Investment Company Act and investors will not be entitled to the benefits of the U.S Investment Company Act.

Copies of this Registration Document, the Securities Note and the Summary will be available on the Company’s website (www.crowdcube.com) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm. The contents of the Company’s website do not form part of the Prospectus.

Dated: 15 July 2016.

RISK FACTORS

Prospective investors should note that the risks relating to The Group and its industry and the Shares summarised in the “Summary” are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which The Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the “Summary” but also, among other things, the risks and uncertainties described below and in the section headed “Risk Factors” in the Securities Note.

The Directors believe the risks described below are the material risks relating to an investment in the Shares and the Company at the date of this Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Registration Document, may also have an adverse effect on the performance of the Company and the value of the Shares. In addition specific risk factors in respect of the Shares are set out in the Summary and the Securities Note prepared in respect of this Registration Document.

Risks relating to The Group’s business and the markets in which it operates

The Group’s revenue and profitability are dependent on client activity and product/service demand, which are affected by factors outside of The Group’s control.

The Group’s revenue and profitability largely depend on client activity and the demand for The Group’s products and services. There can be no assurance that demand for The Group’s products and/or services will grow or continue at current levels. If competing products become preferred alternatives for clients, for example, due to negative publicity, political factors, changes in law or regulation that impose restrictions on their trading or tax treatment, or for any other reason, The Group’s business would be significantly affected. The foregoing and other additional factors outside of The Group’s control, such as declines in the disposable income of The Group’s clients, may cause a substantial decline in client activity, which could have a material adverse effect on The Group’s business, prospects, financial condition and results of operations.

The Group may be unable to attract new investee companies or investors or retain current investee companies or investors.

The Group’s profitability and growth depend on increasing the quantity and value of its investee company and investor base in a cost-effective manner. The Group spends significant financial resources on marketing, including expenditure on digital advertising and traditional media outlets. However, there can be no guarantee that these efforts will be successful, and any inability to attract or retain investee companies and/or investors, in a cost-effective manner, or at all, could have a material adverse effect on The Group’s business, prospects, financial condition and results of operations.



The Group faces risks associated with the implementation of its business strategy.

The implementation of The Group's strategy is subject to a number of risks, including operational, financial, macroeconomic, market, pricing and technological challenges. For example, The Group's strategy involves potential geographic expansion, the development of new products and an expansion of its partner and institutional client offerings. There can be no guarantee that The Group will be able to achieve these goals within the timescale envisaged, or at all. Implementing The Group's strategy will also require management to make complex judgements, including anticipating client trends and needs across a range of products as well as structuring and pricing its products competitively. There also can be no guarantee that The Group's technological infrastructure will be adequate to support its planned growth, or that The Group will be able to successfully augment its systems if required in a timely manner, or at all. The inability of The Group to implement its business strategy for any of these reasons could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group may receive significant client complaints.

As with all regulated financial firms, clients of the Company may complain directly to the Company or to the Financial Services Ombudsman. The Company is required to report any such complaints in accordance with the Financial Conduct Authority's Rules. Although the Company has not had any material client complaints to respond to date, client complaints could result in The Group incurring significant costs or could affect The Group's reputation and thus its ability to attract and retain investee companies and/or investors.

The Group has a complaints handling policy in place and has target response times for dealing with complaints quickly and in a comprehensive manner. However, if complaints cannot be resolved internally, clients may be referred to an adjudicator service in the applicable jurisdiction; for example, in the UK, to the UK Financial Ombudsman Service ("FOS"). The inability of The Group to resolve client complaints, or the escalation of client complaints by regulators could result in negative publicity, fines or other regulatory and legal action against The Group, which could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group faces significant competition.

The online crowdfunding business in which The Group operates is very competitive, involving a large number of market participants. The financial success of companies within the markets in which The Group operates may attract new competitors to the industry, such as banks, software development companies, providers of online financial information, stock exchanges and others. Certain competitors or potential competitors of The Group may have greater financial, marketing, technological and personnel resources than The Group possesses, or they may be subject to substantially less regulatory oversight and control than The Group. These factors may enable them to:

- develop new products that compete with those of The Group;
- increase their market share through acquisitions of other competitors or organic growth;
- price their products and services more competitively or aggressively;
- provide a more comprehensive and efficient platform, including on mobile devices;
- more effectively market, promote and sell their products and services;

- better leverage existing relationships with clients and partners or exploit better recognised brand names to market and sell their services; and
- carry out their business strategies more quickly and effectively than The Group.

The Group's ability to maintain and enhance its competitiveness and respond to existing or new competitors will have a direct impact on the results of its operations. In addition, even if existing or new entrants do not significantly erode The Group's trading volume, The Group may be required to change its pricing policy significantly to remain competitive, and as a result, its profitability may be pressured by prices on similar products quoted by competitors, which could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group is dependent on certain third parties, including infrastructure suppliers, data providers and online marketing service providers.

The Group's operations rely on the products and services of certain third parties. For example, The Group depends on the capacity and reliability of its network infrastructure, which is to a certain extent provided by a range of third-party suppliers such as power providers, online storage and hosting, payment service providers and telecommunications operators that transmit The Group's traffic over local and wide area networks and the internet. If any of these suppliers were unable to fulfil the terms of their contracts for any reason, or if they terminated their contracts with The Group and The Group could not replace them with alternative suppliers in a timely fashion and on favourable commercial terms, it could impair the quality of, or make it impossible for The Group to deliver, its own products and services. In addition, the networks of public telecommunications operators may experience capacity constraints causing The Group's clients difficulty in accessing The Group's products and services.

The Group is also reliant on third parties to provide online marketing services, and any increase in the cost of online marketing channels, or the termination of a contract by a key provider of online marketing services to The Group (such as Google), could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group depends on its experienced senior management team and it may be unable to retain its current personnel or hire additional personnel when needed.

The Group's future success depends, in part, upon the leadership and performance of its experienced senior management team, many of whom have significant experience with The Group and would be difficult to replace.

The Group's continued growth is also dependent upon having a senior management team with the appropriate highly-specialised expertise in the industry in which The Group operates. As The Group continues to grow, it will continue to hire and appoint senior managers and other key employees. However, there can be no assurance that The Group will be able to retain its executive officers and key personnel or attract additional qualified members to its management team in the future, and the loss of key senior personnel or the inability to recruit sufficient, qualified personnel, could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.



Damage to The Group's reputation and the reputation of the industry could harm The Group's business.

Damage to the reputation of The Group and its industry as perceived by clients, investors, counterparties and industry regulators could lead to negative publicity, loss of income, litigation, regulatory or legislative action (including the loss or suspension of operating licences), loss of existing and potential business, reduced workforce morale, and difficulties in recruiting talent. The reputation of The Group and its industry could be harmed in many different ways, including by The Group's or other industry participants' actual or perceived regulatory, risk management, governance or technology failures, breaches of client data, inappropriate or unethical behaviour or association with controversial activities, markets or market participants. Events have occurred in the past that attracted negative publicity to The Group's industry, and any such event in the future that adversely affects the reputation of the industry, The Group or other market participants could result in a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group may be unable to protect or continue to use its intellectual property.

The Group's success and ability to compete in the markets in which it operates depends in part upon its intellectual property, which includes internally developed software. Periodically, "copycat" websites have appeared using The Group's name, design and purporting to offer similar products to those of The Group, and there can be no assurance that The Group will be able to avoid infringement, misappropriation or other violation of its intellectual property. For example, third parties may attempt to reverse engineer or otherwise obtain, use and/or duplicate The Group's intellectual property, without its permission and without its knowledge. In addition, third parties may independently design and exploit software similar to the software developed by The Group without infringing The Group's intellectual property rights, but in a way that negatively affects The Group's business and profitability.

The Group depends upon a combination of contract, copyright, trademark and trade secret laws to protect its proprietary information and its intellectual property rights. While The Group aims to protect its trademarks in all jurisdictions in which it operates, there can be no guarantee that such protections will be applied for or granted in all cases. The Group attempts to ensure that software and other works created by its employees in the course of their employment with The Group are owned by The Group. However, The Group cannot guarantee that its employees will not claim intellectual property rights in the works that such employees create.

Litigation to protect against infringement or misappropriation of intellectual property is generally complex, expensive and unpredictable. Therefore, any such litigation, whether successful or unsuccessful, could result in substantial costs to The Group and diversion of management attention and its resources, and any inability of The Group to protect its intellectual property could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group may become subject to claims of infringement by third parties of intellectual property rights.

The Group may from time to time make use of the intellectual property rights held or claimed by others. The Group's competitors as well as other companies and individuals may also obtain and may have obtained patents related to technologies for the types of products and providing the type of services The Group offers or plans to offer. There can be no guarantee that The Group's use of such intellectual property will not lead to a claim of infringement by third parties of their intellectual property rights. In addition, The Group is aware of companies that claim rights in certain jurisdictions to names and marks that are similar to those of The Group, which may lead to a claim of infringement by third parties. If The Group were found to have infringed on the intellectual property rights of third parties, it may be liable for damages, be required to stop developing or

marketing certain products or services and/or be required to obtain licences to use the intellectual property in question, any of which could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group may experience risks associated with future growth or expansion of its operations or acquisitions of businesses, and may never realise the anticipated benefits of such initiatives.

In the future, The Group may explore and pursue opportunities to strengthen and expand its business. For example, The Group may seek to acquire businesses and introduce institutional partnerships in existing and/or new jurisdictions to expand its international reach. In doing so, management may not realise the anticipated benefits of any such initiatives. Furthermore, these initiatives could require substantial time and attention of management, which could prevent the management team from successfully overseeing other activities. Any future acquisitions, investments or expansion could result in difficulties in assimilating the operations and personnel of acquired entities, maximising The Group's financial and strategic position and maintaining uniform standards, controls, procedures and policies. These investments could also expose The Group to significant liabilities that were not identified at the time of the transaction.

There can be no assurance that The Group's current business model will be successful in new countries The Group may target. Further difficulties may arise in relation to the recruitment of qualified local personnel, local competition, lack of or reduced protection for intellectual property rights and potentially adverse international tax consequences. Any of these factors could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group's insurance coverage may not be adequate.

While The Group maintains insurance at a level it believes is appropriate against risks commonly insured in the industry, The Group does not maintain full coverage under its insurance policies to cover all losses or damages in respect of The Group's business, facilities, equipment or personnel. In addition, certain risks may be uninsurable or uneconomic to insure, and there can be no guarantee that The Group will be able to obtain the desired levels of insurance coverage on acceptable terms in the future or that claims made are paid out in a timely manner. The Group also has not set aside any amounts to cover any such potential future losses. Any of the foregoing could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

UK exit from the European Union.

The result of the UK Government referendum on 23 June 2016 was that the UK should not remain in the EU ("**Brexit**"). Both Brexit, and the period leading up to Brexit, could have an impact on the Company. The extent of the impact will depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of Brexit, and the period leading up to Brexit is unknown.



Risks relating to the regulatory environment in which The Group operates

The Group's existing regulatory authorisations for its operations could be withdrawn, and The Group may be unable to obtain the necessary authorisations to expand its business into new jurisdictions.

The Group has regulatory authorisation from the FCA in the UK and the National Securities Markets Commission in Spain. The withdrawal of regulatory authorisations by the FCA or the National Securities Markets Commission, or the transfer of regulatory oversight to a new regulator, could require The Group to cease or modify a significant part of its operations. In addition, The Group could fail to obtain regulatory authorisation in a jurisdiction where it wishes to operate, which could prevent The Group from maintaining or expanding its business. Any of these risks could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group may not adequately discharge its obligations under anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations.

The Group, along with other market participants, is subject to increasing scrutiny by regulators of its compliance with global anti-money laundering and financial sanctions laws and regulations. In order to discharge its obligations under the anti-money laundering and counter-terrorist financing laws and regulations of the UK and other jurisdictions, The Group is required to perform adequate due diligence prior to accepting each new client and ensure that it has proper systems and safeguards in place to prevent and detect money laundering and market abuse and comply with international financial sanctions, including maintaining mechanisms to report sanctions matches to Her Majesty's Treasury and suspicious activity and transactions to the FCA and the National Crime Agency (NCA). In addition, The Group is required to engage with third parties in the UK and abroad in a manner compliant with the anti-bribery and corruption laws, guided as a rule by the UK Bribery Act 2010, which has extraterritorial effect. While The Group devotes significant time and resources to remain compliant with all relevant anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations, and the Directors are not aware of any violations of such laws or regulations having occurred by or within The Group, there can be no assurance that its systems and procedures will be deemed compliant with relevant laws, FCA standards, or the laws or standards of other regulators in the jurisdictions where it operates, or that individuals will not circumvent The Group's systems and procedures to engage in money laundering, market abuse, bribery and corruption or other prohibited activities.

If The Group is deemed to violate applicable anti-money laundering, financial sanctions, market abuse or anti-bribery and corruption laws and regulations, The Group and/or its directors and officers may be subject to financial penalties and criminal sanctions, be required to suspend some or all of its client accounts or cease part or all of its operations, any of which could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

Risk relating to The Group's systems and operations

Changes in laws or regulations affecting crowdfunding or The Group

The regulatory environment surrounding the crowdfunding industry is relatively new and susceptible to change and may in certain respects require clarification or interpretive guidance in respect of existing laws and regulations. The body of law and regulation in respect of the crowdfunding industry is continuously evolving. In the UK, EU and US, as well as elsewhere, The Group is subject to laws and regulations enacted by national, state and local governments (as applicable) and the Company's operators are, or may be in future affected by such technical requirements in existing laws and regulations. For example, the FCA is currently carrying out

a review of the UK crowdfunding regulations in order to assess whether the existing size and status of the crowdfunding industry are of such a scale as to justify a change in the regime.

Any change in the law and regulation affecting The Group may have a material adverse effect on the ability of The Group to carry on its business and on the value of the Shares. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of products or, a decrease in the value of the Shares. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to The Group's business model. Compliance with such requirements could involve additional costs for The Group, and could result in civil or criminal violations of existing laws and regulations in respect of appropriate regulatory permissions, permitted conduct, or in other areas of the business.

The Group must comply with data protection and privacy laws and may be targeted by cybercriminals.

The Group's operations are subject to a number of laws relating to data privacy, including the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, as well as relevant non-EEA data protection and privacy laws. The requirements of these laws may affect The Group's ability to collect and use personal data, transfer personal data to countries that do not have adequate data protection laws and also to utilise cookies in a way that is of commercial benefit to The Group. Enforcement of data privacy legislation has become increasingly frequent and could result in The Group being subjected to claims from its clients that it has infringed their privacy rights, and it could face administrative proceedings (including criminal proceedings) initiated by the Information Commissioner's Office in the UK or similar regulators in The Group's other countries of operation. In addition, any enquiries made, or proceedings initiated by, individuals or any of such regulators may lead to negative publicity and potential liability for The Group. The Group's operations may be subject to any future laws relating to data privacy, such as the General Data Protection Regulation, which is currently being considered by the European Parliament and the Council of Ministers. The General Data Protection Regulation would have direct effect across all current EU Member States and would repeal the Data Protection Act 1998 and other data protection legislation in the EU Member States.

The Group must also comply with the Payment Card Industry Data Security Standards in respect of any data collected, transferred or processed in respect of any client payments from branded payment cards. Non-compliance with these standards may lead to The Group facing fines, increased card handling fees or withdrawal of payment processing services in the future.

The secure transmission of confidential information over the internet and the security of The Group's systems are essential in maintaining client confidence and ensuring compliance with data privacy legislation. If The Group or any of its third-party suppliers fails to transmit client information and payment details online securely, or if they otherwise fail to protect client privacy in online transactions, or if third parties obtain and/or reveal The Group's confidential information, The Group may lose clients and potential clients may be deterred from using The Group's products. In addition, there can be no assurance that The Group's systems will not be subject to disruption by cybercriminals or other security breaches, which could expose The Group to liability and could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

Risks relating to The Group's systems and operations systems failures could harm The Group's business.

The Group's operations are highly dependent on technology, communications systems, including telephone and mobile networks, and the internet. While The Group has very strong system uptimes, it has experienced short-term outages in the past. The efficient and uninterrupted operation of the systems and networks



on which it relies is important to the success of The Group's business. Any damage, malfunction, failure or interruption of or to systems, software or networks used by The Group could result in a lack of confidence in The Group's services and a possible loss of existing clients to its competitors or could expose The Group to higher risk or losses. In addition, if The Group's connection to telephone or mobile networks or the internet is interrupted or not available, The Group may not be able to provide clients with its products and services or may be unable to mitigate market related risks.

The Group's systems and networks may also fail as a result of other events, including but not limited to:

- fire, flood or natural disasters;
- power or telecommunications failure;
- cybercrimes, including security breaches or denial of service attacks;
- viruses or defects in The Group's software or hardware; or
- acts of war or terrorism.

The Group periodically upgrades its existing systems, and problems implementing these upgrades may lead to delays or loss of service to The Group's clients, as well as an interruption to The Group's business, which could expose The Group to potential liability. The Group also relies on its systems and the security of its network for the secure transmission of confidential information, such as addresses, telephone numbers, occupations or salaries, or the details of the products and services used, which is a critical element of The Group's operations. A network security breach (whether due to systems malfunction, unauthorised access or otherwise) could result in The Group's current clients ceasing to do business with The Group as well as criminal sanction or civil liability for The Group.

The Group has disaster recovery procedures in place designed to mitigate the effects of events such as those mentioned above, but there can be no assurance that these recovery procedures will account for and protect against all eventualities, or that they will be effective in preventing any interruption to The Group's operations and systems. In addition, The Group utilises backup operational sites in the event its primary systems fail, but there can be no assurance that The Group will be able to successfully or promptly migrate the necessary personnel or systems in the event of an emergency or outage. Any system failures could result in reputational damage, including a loss of confidence by clients in The Group's services, a loss of clients and potential liabilities. In addition, a failure of The Group's systems could result in, among other things, regulatory action against The Group, and any of the risks discussed could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.

The Group relies on its technology and must keep pace with rapid technological changes as well as changes in its clients' requirements and preferences, including to platform design and functionality.

The Group's success in the recent past has largely been attributable to its technology that has taken many years to develop. The Group believes its technology has provided it with a competitive advantage relative to many market participants and, in order to remain competitive, The Group needs to continuously develop and redesign its technology. If The Group's competitors develop more advanced technologies, The Group may be required to devote substantial resources to the development of more advanced technology to remain competitive. In doing so, there is an ongoing risk that failures may occur and result in service interruptions or other negative consequences. Any disruption or corruption of The Group's technology or its inability to remain technologically competitive in the industry could have a material adverse effect on The Group's business, prospects, financial condition and results of operations.



IMPORTANT INFORMATION

General

This Registration Document should be read in its entirety, along with the Summary and the Securities Note, before making any application for Shares. In assessing an investment in the Company, investors should rely only on the information in this Registration Document (together with the Summary and the Securities Note).

This Registration Document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This Registration Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Registration Document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Registration Document is received are required to inform themselves about and to observe such restrictions.

Foward-looking statements

This Registration Document contains forward looking statements, including, without limitation, statements containing the words, "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of The Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Registration Document. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA and the Prospectus Rules.

Nothing in this Registration Document qualifies or should be deemed to qualify the working capital statement given in the Summary or the Securities Note.



DIRECTORS AND ADVISERS

Directors	<p>Darren Westlake (Chief Executive Officer)</p> <p>William Simmons (Chief Financial Officer)</p> <p>Luke Lang (Chief Marketing Officer)</p> <p>Timothy Bunting (Non-executive Director)</p>
Company Secretary	Paul Massey
Registered Office	<p>The Innovation Centre University of Exeter Rennes Drive Exeter EX4 4RN</p>
Legal advisers to the Company	<p>Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU</p>
Auditors and Reporting Accountants	<p>PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH</p>
Company Website	www.crowdcube.com

PART 1 INFORMATION ON THE GROUP

1 Overview

Crowdcube is the world's first equity investment crowdfunding platform and was founded in 2011 with the ambitious idea of democratising equity investment by enabling anyone to invest in businesses they believe in. Having experienced the challenges of raising finance first hand, the founders of the Company had a palpable passion to help other ambitious entrepreneurs who had been let down by conventional funding methods to secure the growth finance they needed.

Crowdcube has pioneered the creation of a new and vibrant market for entrepreneurs and investors and just five years on, it amassed a crowd of over 285,000 people, who have invested more than £160m in over 400 raises for more than 350 businesses. In a short space of time the Company has experienced investment crowdfunding move into the mainstream world of finance, according to NESTA (February 2016), it contributed £245m worth of venture financing in 2015. The Company is also seeing the amounts raised on Crowdcube increase, with 29 raises in excess of £1m from January 2015 to June 2016. A growing number of more established and venture capital-backed businesses like Mondo, JustPark, eMoov and Adzuna, are turning to Crowdcube to raise finance; further democratising investment by enabling everyday and professional investors to participate in investment rounds they previously would have been locked out of.



Crowdcube's highlights include:

The first equity crowdfunding platform

We have built a strong team hailing from Google, eBay, Facebook, Microsoft, Amazon, Goldman Sachs and CitiGroup

Successfully funded over 400 raises for more than 350 businesses

We're backed by 506 crowd investors and institutions including Balderton Capital, Numis Securities and Draper Esprit and we work with some of Europe's other most prominent venture capital firms

Included in the London Stock Exchange Group's ELITE programme, which is designed to develop and support the most ambitious private companies in the UK

Completed 39 £1m+ fund raises, 4 of which were £3m+ raises

We won 12 awards in 2015

Over £160m has been successfully invested on Crowdcube since 2011, £82.5m in 2015 alone

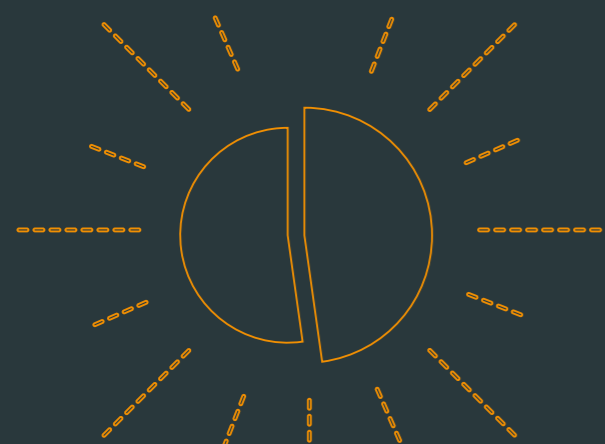
Two funded businesses, Camden Town Brewery and E-Car Club, were successfully acquired by AB InBev and Europcar respectively

Recognised as the most active equity investor in the UK for the last two years by Beauhurst

We had a 47% share of the UK's equity investment crowdfunding market between May 2015 to Apr 2016

Named on the Future Fifty Programme as one of 50 of the fastest growing and most disruptive technology companies in the UK

Our member base has grown to over 285,000, with a Compound Annual Growth Rate from 2011 to 2015 of 102%



The important events in the development of The Group's business are:

2011



Launched Crowdcube, the first equity crowdfunding platform in the world

Funded the first business

Successfully funded first £1m+ raise

2012



163 people invested £316,000 in Crowdcube's first round

Co-founded the UK Crowdfunding Association

Escape the City turned down a VC to raise £600,000 on Crowdcube

2013



Became authorised by the Financial Conduct Authority (FCA)

Named the UK's 'Most Active Seed Equity Investor' by Beauhurst (UK Equity Investment Review, 2013)

Raised £1.5m from 262 investors in our second crowd round

2014



FCA introduced new regulation dedicated to investment crowdfunding

Launched mini-bond product

Launched in Spain

Balderton Capital invested in Crowdcube alongside 145 crowd investors, raising £1.2m from the crowd in just 17 minutes

The Eden Project Bond reached £1.5m in 20 hours from launching

First major advertising campaign launched

Named a partner of the UK Government-backed London Co-Investment Fund (LCIF)

2015



JustPark sets a new record for the largest raise on Crowdcube - £3.5m

A Crowdcube member invested £1m in Sugru via their mobile phone

Over £100m invested through Crowdcube since launch

Membership surpasses 200,000 members

Camden Town Brewery and E-Car Club both exit for approaching £90m in total providing a return of circa 70% for crowd investors

Successful investment tops £84m in calendar year

2016



Over £150m successfully raised through the platform since launch

Over 400 successful raises since launch

Mondo raises £1m in just 96 seconds

The crowd has grown to 285,000 members

Extended FCA permissions to cover acting as nominee, fund manager and facilitating IPOs

We launched our fourth crowdfunding round, this time via a prospectus

2 Strengths

The Directors believe that The Group has the following key strengths:

Dominant market leader: since launch, Crowdcube has created and dominated the equity investment crowdfunding sector, with a market share of 47% between May 2015 and Apr 2016, according to Crowdsurfer, an independent crowdfunding market researcher. Beauhurst concurred in its article 'Crowdfunding in 2016: the story so far' reporting that Crowdcube had a 48% share of the crowdfunding investment market in the first quarter of 2016 based on the total amount raised during that time. AltFi Data paint a similar picture: their recent article 'Equity Crowdfunding Arms Race Continues' (May 2016) quoted capital raised figures for Q1 2016 which give Crowdcube a 50% market share.

Unrivalled investment opportunities: the Company has leveraged its leadership position to capitalise on this market opportunity to date by providing its investors unparalleled access to an exclusive and exciting range of investment opportunities. Over 400 successful raises, 39 raising £1m or more, numerous co-investment funding rounds with leading venture capital firms and two successful exits demonstrate Crowdcube's growing reputation and ability to deliver high calibre investment opportunities.

Investor community: by offering exciting investment opportunities Crowdcube has attracted one of the largest equity investor communities in the world with over 285,000 members, which the Directors forecast to grow to circa 500,000 members by the end of 2017. This has been achieved at a relatively low cost of acquisition when compared to other more established providers of investment opportunities like Hargreaves Lansdown and St James Place who have been trading for decades who reportedly had 783,000 and 525,000 members respectively in December 2015.

3 Investment products

The Group's principal investment products are: (i) Seed and Venture Equity; (ii) Growth Equity; (iii) Public Listing; and (iv) Mini-bonds.

Seed and Venture Equity

Recognised as the most active UK equity investor two years running by Beauhurst, Crowdcube remain committed to solving the funding gap for Seed stage businesses. Crowdcube redoubled its efforts in the last 12 months with dedicated teams, processes and pricing structures developed to serve this market more effectively, which is a strategy it wants to advance further. The UK Government-backed London Co-Investment Fund (LCIF), for whom Crowdcube is the only crowdfunding partner, has proven to be a significant draw that has enabled it to attract qualifying, earlier -stage digital, science and technology businesses to Crowdcube. More partnerships with local government, incubators, accelerators and co-working spaces will be a key strategy for growth in this market.

In 2014 Crowdcube opened its London office and began investing heavily in its Commercial team. This team has consistently proven its ability to secure Seed and Venture stage equity opportunities. Crowdcube has seen particular success in larger, often later-stage, funding rounds with 19 £1m+ raises completed in 2015, many of which have been co-funded by leading venture capital firms such as Index Ventures and Passion Capital. Crowdcube aims to accelerate this area of the business and develop further partner relationships as it seeks to become the number one destination for entrepreneurs of high-growth companies needing growth capital.

Growth Equity

Crowdcube's ambition extends beyond Seed and Venture stage raises. In 2015 Crowdcube was named joint third most active Growth stage investor, alongside Balderton Capital, Index Ventures and Woodford Investment Management in Beauhurst's 'The Deal 2015/16'. This shows its ability to effectively target and fund later stage businesses seeking growth capital, which presents a significant market opportunity with an estimated value of £4.9bn in 2015, according to Beauhurst.

The EU's Prospectus Directive limits businesses to raise no more than €5m investment (or equivalent in British Pound) from private individuals unless the issuer issues a prospectus, which is time-consuming and costly. The prospectus regime is under review in the EU with a view to increasing the ceiling to €10m. We are working hard through both the UK Crowdfunding Association and the European Crowdfunding Network to ensure an environment favourable to venture investment across the EU. In 2015 we were proud to work with BrewDog, who raised £19m via a prospectus with over £3m being raised through Crowdcube.

Both increasing the prospectus limit and helping more businesses raise investment using a prospectus presents a growth opportunity for Crowdcube. Crowdcube is focused on delivering more prospectus level deals above the €5m prospectus limit, like Crowdcube and BrewDog. Crowdcube is in the process of facilitating larger raises on Crowdcube in line with investor demand and the desire for growth businesses to engage with a large audience of investors in addition to their own customers and communities.

Public Listings

The IPO market in the UK is dominated by institutional investors, which restricts access to retail investors unless there is significant political will - as in the case of Royal Mail and Lloyds Bank where larger allocations for retail investors were provisioned. It is Crowdcube's belief that the IPO market, which was worth £1.2bn on AIM in 2015 and £6.8bn on the Main Market, could and should be democratised in the same way that Crowdcube has made early stage equity investing more accessible for retail investors.

Crowdcube has recently expanded its Financial Conduct Authority regulatory permissions to enable it to offer a wide scope of financial services and investment opportunities including: offering IPOs to retail and institutional investors.

Crowdcube believes it is well placed to democratise public markets such as AIM and the Main Market for listed securities of the London Stock Exchange once market conditions improve and a suitable listing for retail investors is secured.

Mini-bonds

Mini-bond investments, which target more established businesses seeking a debt finance solution, will continue to remain a part of Crowdcube's product portfolio. The market for mini-bonds has been impacted by the growth of peer-to-peer lending but Crowdcube is optimistic that the 'Innovative Finance ISA', which launched this year, may create more opportunities for debt securities, including mini-bonds.



4 Market opportunity

Growth of crowdfunding: Nesta (February 2016) recently reported that equity-based crowdfunding in the UK has grown from £28m in 2013 to over £245m in 2015 and was the second fastest growing sector within the UK alternative finance industry. Goldman Sachs (March 2015) has previously named crowdfunding as “potentially the most disruptive of all the new models of finance globally”.

Significant potential market: In 2015 the UK Seed and Venture stage equity investment market was reported to be worth £2.4bn with the total equity investment in the UK for private companies estimated to be worth £5.3bn. This presents a significant opportunity for Crowdcube to further penetrate these markets and grow the crowdfunding market.

5 The Crowdcube story so far

The table below sets out a number of key trends and milestones for The Group since 2011.

Calendar Year	2011	2012	2013	2014	2015
Website sessions	160,321	706,399	1,000,347	2,406,997	3,097,445
New members	6,977	20,394	29,002	65,357	116,407
Funded	13	21	49	110	166
Investments	894	1,239	5,000	21,209	43,765
Investment	£2,481,950	£2,408,210	£11,382,359	£36,915,381	£84,589,188
£1m+ successes	1	0	2	8	20
People	3	6	16	41	78

6 Operating and financial review

The following discussion of the Crowdcube Group’s financial condition and results of operations should be read in conjunction with: (i) the consolidated historical financial information of The Group as at and for the years ended 30 September 2013, 2014 and 2015 (the “**Annual Historical Financial Information**”); and (ii) the unaudited condensed and consolidated interim financial statements as at and for the six months ended 31 March 2016 (the “**Interim Results**” or the “**Unaudited Interim Historical Financial Information**”) and related notes (together with the Annual Historical Financial Information, the “**Historical Financial Information**”). The Historical Financial Information is set out at Part 2 of this document. The following discussion should also be read in conjunction with the other information relating to the business of The Group contained in the Prospectus.

The following discussion includes forward-looking statements that reflect The Group’s plans, estimates and beliefs and involves risks and uncertainties. The Group’s actual results could differ materially from those discussed in these statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this document, particularly in the Risk Factors on page 127 of this document.

References below to “2013”, “2014” and “2015” are to the financial years ended 30 September 2013, 30 September 2014 and 30 September 2015, respectively. References to “1H 2015” and “1H 2016” are to the six month interim financial periods ended 31 March 2015 and 31 March 2016 respectively. The Historical Financial Information presented in tabular form in the following discussion has been rounded to the nearest decimal. Therefore the sum of the numbers in a column may not conform exactly to the total figure given for that column.

6.1 Overview

Introduction to The Group

The Company is a company incorporated and domiciled in the UK. The principal activity of the Company and its subsidiaries (collectively, the “**Group**”) is the provision of a crowdfunding platform.

6.2 Presentation of Historical Financial Information

Basis of preparation

The Historical Financial Information has been prepared in accordance with UK GAAP, including FRS 102, and the Companies Act.

6.3 Significant factors affecting The Group’s results of operations

The Group’s results of operations have been affected during the periods under review, and will continue to be affected in future, by the following factors:

(a) Market factors

The Group’s revenue is impacted by the share of the market it holds, as well as the overall market growth of equity crowdfunding.



(b) Pricing

The percentage commission The Group charges on successful deals is subject to competitive pressures and can fluctuate.

(c) Competition

The Group operates in a competitive environment and competes both with other crowdfunding platforms and other finance providers to attract deals to the platform.

(d) Foreign currency translations

The Group's functional and presentation currency is GBP. Funding for the Spanish subsidiary is made in Euros and dependent on trading results in Euros. Where relevant, transactions are translated into GBP using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account.

6.4 Key profit and loss account items

Turnover – Revenues comprise commissions earned on successful raises and administrative fees, net of sales taxes.

Cost of sales – Cost of sales includes all costs directly related to supporting issuances on the platform. It includes the salary costs of the teams directly involved with sourcing, vetting and completing deals listed on the platform as well as associated legal and professional fees.

Administrative expenses - Administrative expenses comprise salary costs (primarily marketing, product & engineering, and G&A), as well as marketing expenses, travel and other administrative and corporate overheads.

Net interest income – Net interest income is interest earned on cash balances held at banks offset by interest expense on overdrafts.

Taxation – The Group is assessed for tax in the UK at the standard rate of corporation tax. To date The Group has been loss making and as such has tax losses carried forward.

6.5. Results of operations

The results of operations that follow reflect the historic periods under review and should not be taken as indicative of future performance and future results of operations for The Group may differ materially to the results of operations described in this paragraph.

The following table sets out information relating to the statement of comprehensive income, including as a percentage of Turnover for The Group during the periods under review and the 1H Interim Results.

	1H 2016		1H 2015		2015		2014		2013	
	(£'000s) % of Turnover		(£'000s) % of Turnover		(£'000s) % of Turnover		(£'000s) % of Turnover		(£'000s) % of Turnover	
Turnover	2,074.9	100%	1,036.2	100%	2,691.4	100%	1,083.6	100%	323.3	100%
Cost of sales	-941.1	-45%	-605.5	-59%	-1,433.0	-53%	-391.1	-36%	-50.4	-16%
Gross profit	1,133.8	55%	430.6	41%	1,258.4	47%	692.5	64%	272.9	84%
Administrative expenses	-3,417.8	-165%	-3,282.2	-317%	-6,270.7	-233%	-2,202.0	-203%	-876.3	-271%
Other operating gains	-	0%	-	0%	-	0%	-	0%	0.1	0%
Operating loss	-2,284.0	-110%	-2,851.6	-275%	-5,012.3	-186%	-1,509.5	-139%	-603.3	-187%
Net finance interest income	-0.6	0%	0.0	0%	0.0	0%	3.4	0%	0.0	0%
Loss before taxation	-2,284.6	-110%	-2,851.6	-275%	-5,012.3	-186%	-1,506.1	-139%	-603.3	-187%
Taxation	-	0%	-	0%	-	0%	-	0%	-	0%
Net loss	-2,284.6	-110%	-2,851.6	-275%	-5,012.3	-186%	-1,506.1	-139%	-603.3	-187%

(a) 1H 2016 compared to 1H 2015

Turnover. Net revenue increased by 100%, to £2,074.9 thousand in 1H 2016 from £1,036.2 thousand in 1H 2015. This increase was primarily attributable to an increase in the number of transactions invoiced and an increase in the average size of the transaction resulting in higher commission per transaction.

Cost of sales. Cost of sales increased to £941.2 thousand in 1H 2016 from £605.5 thousand in 1H 2015. This increase was primarily attributable to investment in our commercial team.

Administrative expenses. Administrative expenses for 1H1 2016 increased by 4% to £3,417.8 thousand in 1H 2016 from £3,282.2 thousand in 1H 2015. This increase in administrative expenses was primarily attributable to the investment in our product and engineering team which more than offset a reduction in marketing spend.

Net loss. Net loss for 1H 2016 was £2,284.6 thousand compared to £2,851.6 thousand in 1H 2015 representing a reduction of 20%.



(b) 2015 compared to 2014

Turnover. Net revenue increased by 148% to £2,691.4 thousand in 2015 from £1,083.6 thousand in 2014. This increase was primarily attributable to an increase in the number of transactions invoiced and an increase in the average size of the transaction resulting in higher commission per transaction.

Cost of sales. Cost of sales increased to £1,433.0 thousand in 2015 from £391.1 thousands in 2014. This increase was primarily attributable to investment in our legal, financial analysis, commercial and completions teams.

Administrative expenses. Administrative expenses for 2015 increased from £2,202.0 thousand to £6,270.7 thousand. This increase in administrative expenses was primarily attributable to a significant increase in marketing spend as well as an investment in our team.

Net loss. Net loss for 2015 was £5,012.3 thousand compared to £1,506.1 thousand in 2014.

(c) 2014 compared to 2013

Turnover. Net revenue increased by 235%, to £1,083.6 thousand in 2014 from £323.3 thousand in 2013. This increase was primarily attributable to an increase in the number of transactions invoiced and an increase in the average size of the transaction resulting in higher commission per transaction.

Cost of sales. Cost of sales increased to £391.1 thousand in 2014 from £50.4 thousand in 2013. This increase was primarily attributable to investment in our legal, financial analysis, commercial and completions teams.

Administrative expenses. Administrative expenses for 2014 increased from £876.3 thousand to £2,202.0 thousand. This increase in administrative expenses was primarily attributable to an increase in marketing spend as well as investment in our team.

Net loss. Net loss for 2014 was £1,506.1 thousand compared to £603.3 thousand in 2013.

6.6 Liquidity and capital resources**(a) Overview**

Historically, The Group's principal source of funding has been cash from equity raises from both Crowd and Institutional investors. The principal uses of The Group's funds have been to fund its operating costs and expenses.

The Group's expected uses of funds is to fund its on-going operations, including the expansion of its technology team, in order to deliver on its three core objectives as set out in the securities note – provide unrivalled investment opportunities, fund businesses through the world's largest investor community and deliver investor returns.

(b) Cash flow

The following table summarises the principal components of The Group's cash flows for the periods under review:

£'000s	1H 2016	1H 2015	2015	2014	2013
Net cash provided by operating activities	(2,269.3)	(2,397.2)	(4,403.9)	(1,330.0)	(563.4)
Net cash used in investing activities	(98.6)	(37.7)	(74.4)	(40.2)	(21.5)
Net cash used in financing activities	1,006.3	0.1	4,795.1	5,010.5	1,428.8
Net (decrease)/increase in cash and cash equivalents	(1,361.7)	(2,434.8)	316.8	3,640.3	843.9

Net cash provided by operating activities

Net cash provided by operating activities was an outflow of £2,269.3 thousand in 1H 2016 compared to an outflow of £2,397.2 thousand in 1H 2015. This decrease mainly reflected the lower operating loss made in the six months.

Net cash provided by operating activities was an outflow of £4,403.9 thousand in 2015 compared to an outflow of £1,330.0 thousand in 2014. The decrease reflects the larger operating loss made in the year.

Net cash provided by operating activities was £1,330.0 thousand in 2014 compared to an outflow of £563.4 thousand in 2013. The decrease reflects the larger operating loss made in the year.

Net cash used in investing activities

Net cash used in investing activities was £98.6 thousand in 1H 2016 compared to £37.7 thousand in 1H 2015. Investing activities in 1H 2016 related primarily to the purchase of tangible assets (principally office equipment) and an investment of £50 thousand in to The Group's associated undertaking, Crowdfunder Limited. In 1H 2015 investing activities related primarily to the purchase of tangible assets.

Net cash used in investing activities was £74.4 thousand in 2015 compared to £40.2 thousand in 2014. Investing activities in both 2015 and 2014 primarily related to the purchase of tangible assets (principally office equipment).

Net cash used in investing activities was £40.2 thousand in 2014 compared to £21.5 thousand in 2013. Investing activities in 2013 primarily related to the purchase of tangible assets (principally office equipment).



Net cash used in financing activities

Net cash used in financing activities was £1,006.3 thousand in 1H 2016 compared to £0.1 thousand in 1H 2015. Financing activities in 2016 related to equity issued to DFJ / Draper Esprit and in 1H 2015 financing activities related to the exercise of share options.

Net cash used in financing activities was £4,795.1 thousand in 2015 compared to £5,010.5 thousand in 2014. Financing activities in 2015 related to equity issued to Numis Securities and Balderton Capital and 2014 financing activities related to equity issued to Balderton Capital alongside crowd investors.

Net cash used in financing activities was £5,010.5 thousand in 2014 compared to £1,428.8 thousand in 2013. Financing activities in 2013 related to equity issued to crowd investors.

6.7 Contractual obligations and commitments

The Group has operating lease liabilities as at 30 September 2015 of £39.3 thousand payable in the next 12 months and £5.1 thousand in the next 1-5 years.

7 Directors

The Directors have overall responsibility for The Group's operations. Following completion of the Offer, the Board will meet at least 6 times a year to review, formulate and approve The Group's strategy, budgets and corporate actions and to oversee The Group's progress towards its goals.

The principal responsibility of the Board is to promote the long term success of the Company by creating and delivering sustainable shareholder value.

The Directors are as follows:



Darren Westlake,
Co-founder and Chief
Executive Officer

Named by Debrett's as one of Britain's Most Influential 500 People, Darren Westlake is a serial entrepreneur with more than 20 years' experience in the internet and telecoms industries, Darren launched and exited two companies before starting Crowdcube with Luke Lang in February 2011. He was Financial Services Entrepreneur of the Year at the Great British Entrepreneur Awards 2014 and EY Entrepreneur Of The Year 2016 regional finalist.



Bill Simmons,
Chief Financial Officer

Bill has over 15 year's experience in the online, digital and technology sectors holding various financial, strategic and management positions. A chartered management accountant, Bill has held FD and CFO positions at Ask Jeeves, Myspace and Rated People, and more recently has applied his skills & knowledge at a number of startup and early stage businesses. He understands how difficult it is to raise finance for new companies and is passionate about the role we have helping finance businesses.



Luke Lang,
Chief Marketing Officer

Named by Debrett's as one of Britain's Most Influential 500 People, Darren Westlake is a serial entrepreneur with a passion for technology. Darren launched two companies before starting Crowdcube with Luke Lang in February 2011. He was Financial Services Entrepreneur of the Year at the Great British Entrepreneur Awards 2014 and EY Entrepreneur of the Year 2016 regional finalist.



Timothy Bunting,
Non-executive Director

Tim is a General Partner at Balderton Capital, joining in 2007. He was previously a partner of Goldman Sachs where he spent 18 years. At Goldman, Tim held various roles including Global Head of Equity Capital Markets (2002 to 2005) and Vice-Chairman of Goldman Sachs International (2005 to 2006). Tim started to work with Balderton and its portfolio of companies in 2005. In 2006 Tim spent a period as non-executive chairman of Betfair. Tim is also a Governor of Wellington College and the Wellington Academy; a Trustee of the Rainbow Trust Children's Charity and the Paul Hamlyn Foundation.



8 Corporate Governance

The Company is an unlisted private limited company and therefore does not comply with the provision of the Takeover Code, the UK Corporate Governance Code, the Listing Rules or the AIM Rules for Companies, Listing Rules or Disclosure and Transparency Rules of the UK Listing Authority.

The Board as a whole is responsible for determining the remuneration of the Directors, reviewing the Company's accounts and for supervising its auditors and has not delegated these responsibilities to any remuneration or audit committees respectively.

The Directors recognise the importance of sound corporate governance and confirm that following the completion of the Offer, they intend to comply, as far as practicable and to the extent appropriate for a company of its nature and size, with the recommendations in the QCA Guidelines.

PART 2 HISTORICAL FINANCIAL INFORMATION ON THE GROUP

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

The Directors
Crowdcube plc
The Innovation Centre
University of Exeter
Rennes Drive
Exeter EX4 4RN

15 July 2016

Dear Sirs

Crowdcube Limited

We report on the financial information set out in section B of Part 2 below (the "**Annual Historical Financial Information**"). The Annual Historical Financial Information has been prepared for inclusion in the prospectus dated 15 July 2016 (the "**Prospectus**" of Crowdcube Limited (the "**Company**") on the basis of the accounting policies set out in note 3 to the Annual Historical Financial Information. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Annual Historical Financial Information in accordance with generally accepted accounting practices in the United Kingdom ('**UK GAAP**').

It is our responsibility to form an opinion as to whether the Annual Historical Financial Information gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules 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 item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.



Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Annual Historical 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 Company'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 Annual Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Annual Historical Financial Information gives, for the purposes of the Prospectus dated 15 July 2016, a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with UK GAAP.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus 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 Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants



**Section B: Audited annual historical financial information for years ended
30 September 2015, 2014 and 2013**

Crowdcube Limited

Consolidated profit and loss account

For the years ended 30 September 2013, 2014 and 2015

	Note	2015	2014	2013
		£	£	£
Turnover	5	2,691,427	1,083,572	323,268
Cost of Sales		(1,432,970)	(391,126)	(50,441)
Gross profit		1,258,457	692,446	272,827
Administrative expenses		(6,270,742)	(2,201,989)	(876,315)
Other operating gains		-	-	141
Operating loss		(5,012,284)	(1,509,543)	(603,347)
Loss on ordinary activities before interest and taxation		(5,012,284)	(1,509,543)	(603,347)
Interest receivable and similar income	9	2	3,403	10
Interest payable and similar charges	9	-	(1)	-
Net interest expense	9	2	3,402	10
Loss on ordinary activities before taxation		(5,012,282)	(1,506,141)	(603,337)
Tax on loss on ordinary activities	10	-	-	-
Loss for the financial year		(5,012,282)	(1,506,141)	(603,337)

Consolidated statement of comprehensive income

	Year ended 30 September		
	2015	2014	2013
	£	£	£
Loss for the financial year	(5,012,282)	(1,506,141)	(603,337)
Other comprehensive income:	(11,217)		
Currency translation differences			
Total tax on components of other comprehensive income			
Total comprehensive expense for the year	(5,023,499)	(1,506,141)	(603,337)

Crowdcube Limited

Consolidated balance sheet

As at 30 September 2013, 2014 and 2015

	Note	2015	2014	2013
		£	£	£
Fixed assets				
Intangible assets	11	469,046	-	-
Tangible assets	12	100,089	57,742	44,359
Associated undertaking	13	-	-	-
		569,135	57,742	44,359
Current assets				
Debtors		493,656	664,412	183,441
Investments		6,222	1,235	95
Cash at bank and in hand		4,944,254	4,625,573	985,343
		5,444,132	5,291,220	1,168,879
Creditors - amounts falling due within one year	16	(796,573)	(594,300)	(126,008)
Net current assets		4,647,559	4,696,920	1,042,871
Total assets less current liabilities		5,216,694	4,754,662	1,087,230
Net assets		5,216,694	4,754,662	1,087,230
Capital and reserves				
Called-up share capital	18	189,084	168,126	119,952
Share premium account	18	11,796,143	6,745,233	1,782,949
Other reserves	18	609,269	206,822	43,706
Retained earnings	18	(7,377,802)	(2,365,519)	(859,377)
Total equity		5,216,694	4,754,662	1,087,230



Crowdcube Limited
Consolidated statement of changes in equity

	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		£	£	£	£	£
Balance at 1 October 2012		94,752	379,328	-	(256,040)	218,040
Loss for the year and comprehensive income		-	-	-	(603,337)	(603,337)
Issue of share capital	18	25,200	1,403,621	-	-	1,428,821
Credit relating to share based payments	8	-	-	43,706	-	43,706
Total transactions with owners		25,200	1,403,621	43,706	-	1,472,527
Balance as at 30 September 2013		119,952	1,782,949	43,706	(859,377)	1,087,230
Balance at 1 October 2013		119,952	1,782,949	43,706	(859,377)	1,087,230
Loss for the year and comprehensive income		-	-	-	(1,506,142)	(1,506,142)
Issue of share capital	18	48,174	4,962,284	-	-	5,010,458
Credit relating to share based payments	8	-	-	163,116	-	163,116
Total transactions with owners		48,174	4,962,284	163,116	-	5,173,574
Balance as at 30 September 2014		168,126	6,745,233	206,822	(2,365,519)	4,754,662
Balance at 1 October 2014		168,126	6,745,233	206,822	(2,365,519)	4,754,662
Loss for the year and comprehensive income		-	-	-	(5,012,283)	(5,012,283)
Issue of share capital	18	19,824	4,775,295	-	-	4,795,119
Credit relating to share based payments	8	-	-	207,907	-	207,907
Total transactions with owners		19,824	4,775,295	207,907	-	5,003,026
Acquisition of subsidiary	24	1,134	275,615	194,540	-	471,289
Total changes in ownership interests in subsidiary		1,134	275,615	194,540	-	471,289
Balance as at 30 September 2015		189,084	11,796,143	609,269	(7,377,802)	5,216,694

Crowdcube Limited
Consolidated cash flow statement

For the years ended 30 September 2013, 2014 and 2015

	Note	2015	2014	2013
		£	£	£
Net cash from operating activities	19	(4,403,911)	(1,329,986)	(563,385)
Taxation paid		-	-	-
Net cash generated from operating activities		(4,403,911)	(1,329,986)	(563,385)
Cash flow from investing activities				
Purchase of subsidiary (net of cash acquired)	24	(2,638)	-	-
Purchase of tangible assets		(66,818)	(42,504)	(21,517)
Purchase of investments		(4,987)	(1,140)	-
Interest received		2	3,403	10
Net cash used in investing activities		(74,441)	(40,241)	(21,507)
Cash flow from financing activities				
Interest paid		-	(1)	-
Proceeds from issue of ordinary share capital		4,795,062	5,010,458	1,428,821
Net cash used in financing activities		4,795,062	5,010,457	1,428,821
Net increase in cash and cash equivalents		316,710	3,640,230	843,929
Cash and cash equivalents at the beginning of the year		4,625,573	985,343	141,414
Exchange gains / (losses) on cash and cash equivalents		1,971	-	-
Cash and cash equivalents at the end of the year		4,944,254	4,625,573	985,343



Notes to the annual consolidated historical financial information

1 General Information

Crowdcube Limited (the 'Company') is a company incorporated and domiciled in the UK. The address of the registered office is: The Innovation Centre, University of Exeter, Rennes Drive, Exeter, Devon EX4 4RN. The principal activity of the Company and its subsidiaries (collectively, the "Group") is the provision of a crowdfunding platform.

2 Statement of compliance

The Group financial information of Crowdcube Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 (together the "Annual Historical Financial Information").

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this consolidated Annual Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 in the Annual Historical Financial Information. Details of the transition to FRS 102 are disclosed in note 26.

(a) Basis of preparation

This Annual Historical Financial Information presents the financial track record of The Group for the three years ended 30 September 2015 and is prepared for the purposes of the Public Offer Prospectus. This special purpose financial information has been prepared in accordance with the requirements of the Prospectus Directive regulation, in accordance with United Kingdom Accounting Standards, including FRS 102, and with those parts of the Companies Act 2006 as applicable.

The preparation of the Annual Historical Financial Information in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in note 4.

The Group's deemed transition date to FRS 102 is 1 October 2012. This Annual Historical Financial Information does not contain the statutory financial statements.

(b) Going concern

This historical financial information relating to The Group has been prepared on the going concern basis. Since the balance sheet date the Group has raised additional funds and commitments for financing from new and existing shareholders as disclosed in note 23.

After making appropriate enquiries, the directors have a reasonable expectation that The Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this Annual Historical Financial Information. For these reasons they continue to adopt the going in concern basis in preparing The Group's Annual Historical Financial Information.

The cash flow projections are the sole responsibility of the directors based upon their present plans, expectations and intentions. In this context, the directors have prepared and considered cash flow projections for The Group for a period extending one year from the date of approval of this Historical Financial Information. Based on these cash flows the directors are satisfied that The Group are able to meet their liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of this Historical Financial Information.

(c) Basis of consolidation

The Annual Historical Financial Information includes the financial information of the Company and all of its subsidiary undertakings together with The Group's share of the results of associates made up to 30 September.

A subsidiary is an entity controlled by The Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where The Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to The Group, adjustments are made to those subsidiary financial statements to apply The Group's accounting policies when preparing the consolidated financial information.

An associate is an entity, being neither a subsidiary nor a joint venture, in which The Group holds a long-term interest and where The Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.



(d) Foreign currency translation**(i) Functional and presentation currency**

The Group financial information are presented in pound sterling. The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense) / income.' All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses) / gains'.

(iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises commissions earned on successful raises and administrative fees, net of value added taxes.

Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the entity. For The Group, this is determined to be once the funding requirement of a raise has been achieved, following a 7 day cool off period, in which investors can withdraw. Since the revenue earned is contingent upon a successful raise, the recognition of revenue is deferred until this point.

(f) Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension scheme.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a defined contribution pension scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

(iii) Share based payments

The Group operates share option schemes which allows key employees to acquire shares in the company. Where The Group awards share options, the fair value of options granted is calculated at the grant date using the Black Scholes model. The model is internationally recognised as being appropriate to value employee share schemes but does require inputs based on best estimates from management. The resulting cost of the options is charged to the profit and loss account over the vesting period during which the recipient becomes unconditionally entitled to exercise the options, and credited to equity.

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



(ii) Deferred tax

Deferred tax arises from the timing differences that are differences between taxable profits and total comprehensive income as stated in the Annual Historical Financial Information. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in Annual Historical Financial Information.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(h) Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase combination over the fair values to The Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

In the year Goodwill is recognised it is not amortised. Subsequently goodwill is amortised over an expected useful life of 5 years. Where The Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals

of impairment are recognised when the reasons for the impairment no longer apply.

(i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation at rates calculated to write off the cost less their estimated residual value on a straight line basis over the expected useful lives of the assets as follows:

Computer equipment:	25% straight line
Office equipment:	25% straight line

Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Repairs, maintenance and minor inspection costs are expensed as incurred.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(j) Leased assets

The Group assesses all agreements that transfer the right to use assets, considering whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Investments**(ii) Investment in associate**

Investment in an associate is held at cost less accumulated impairment losses.

(l) Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

(m) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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

(ii) Financial liabilities

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

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

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

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new

ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same group that are wholly owned. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on The Group financial information.

4 Critical accounting judgements and estimates

Preparation of the financial information requires the directors to make significant judgements and estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the Annual Historical Financial Information.

Share based payments

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes but does require inputs based on best estimates from management.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and / or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.



5 Turnover

Analysis of turnover by geography:

	2015	2014	2013
	£	£	£
United Kingdom	2,684,061	1,083,572	323,268
Spain	7,366	-	-
	2,691,427	1,083,572	323,268

6 Operating loss

Operating loss is stated after charging:

	Note	2015	2014	2013
		£	£	£
Wages and salaries		2,550,595	847,975	345,294
Social security costs		292,998	93,115	38,661
Share-based payments	8	207,907	163,116	43,706
Staff costs charged to profit and loss		3,051,500	1,104,206	427,661
(Profit) / loss on disposal of tangible assets				
Impairment of trade receivables		7,123	45,871	43,391
Depreciation	12	27,437	29,121	24,538
		34,560	74,992	67,929
Fees payable to the Company's auditor and its associates for the audit of the parent Company and The Group's consolidated financial statements		12,500	13,000	-
Fees payable to the Company's auditor and its associates for other services:				
- The audit of the Company's subsidiaries		4,100	-	-
- Audit-related assurance services		1,500	2,700	-
- Tax advisory services		13,825	-	-
- Tax compliance services		9,700	25,200	-
- all other non-audit service		14,560	-	3,000
Total amount payable to the Company's auditor and its associates		56,185	40,900	3,000

7 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by The Group during the year was:

	2015	2014	2013
No. of employees	54	22	9

Directors

The directors' emoluments were as follows:

	2015	2014	2013
	£	£	£
Aggregate emoluments	405,367	217,383	149,321

No directors (2014: none, 2013: none) were members of defined contribution pension schemes. No directors (2014: three, 2013: none) exercised share options during the year.

Highest paid director

The highest paid director's emoluments were as follows:

	2015	2014	2013
	£	£	£
Total amounts of emoluments	127,000	90,000	66,667

The highest paid director exercised no share options in 2015 (2014: none, 2013: none)



8 Share based payments

The Group operates a number of share based payment schemes. All options are granted with a fixed exercise price, and expire within 10 years of the date of grant. There is no entitlement to dividends attached to the options. Employees are required to remain in employment until the shares are exercised. Vesting conditions of options granted over the period are as follows:

2013

109,353 options granted vested immediately
176,588 options granted vest on an exit event

2014

308,817 options granted vested immediately
109,200 options granted, 1/3 vest a year from grant, the remaining 2/3 vest on an exit event
24,350 options granted vesting on a monthly basis

2015

972,489 options granted, vest in equal annual instalments over 4 years.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

A reconciliation of share option movements over the year to 30 September is shown below:

	2015		2014		2013	
	No. of options	Weighted average exercise price £	No. of options	Weighted average exercise price £	No. of options	Weighted average exercise price £
Outstanding at 1 October	625,195	£0.12	285,941	£0.06	-	-
Granted	972,489	£0.26	442,367	£0.15	285,941	£0.06
Exercised	(6,240)	£0.01	(103,113)	£0.01	-	-
Forfeited	(66,412)	£0.09	-	-	-	-
Outstanding as at 30 September	1,525,032	£0.22	625,195	£0.12	285,941	£0.06
Exercisable as at 30 September	48,580	£0.15	8,820	£0.05	109,353	£0.01

The total charge for the period expensed to the profit and loss account was £207,907 (2014: £163,116, 2013: £43,706).

The fair value of the options is estimated at the grant date using a Black-Scholes option-pricing model that uses assumptions noted in the table below.

Grant year date	Year to 30 September 2015	Year to 30 September 2014	Year to 30 September 2013
Expected life of options (years)	4	4	4
Range of exercise prices (per option)	£0.26	£0.15	£0.01-£0.15
Market value of underlying shares	£1.06	£0.60	£0.35
Risk free rate	0.5%	0.5%	0.5%
Expected share price volatility	40%	40%	40%
Range of fair values per option	£0.81	£0.45	£0.22 - £0.34

The Group uses historical data to estimate option exercise and employee termination within the valuation model. The risk free rates for the periods within the contractual life of the option are based on the UK base rates at the time of the grant. Expected volatilities are based on implied volatilities as determined by review of information available for companies based in similar sectors. The average option life is expected to be 4 years from grant date.

9 Net interest expense

(a) Interest receivable and similar income

	2015	2014	2013
	£	£	£
Bank interest received	2	3,403	10
Total interest receivable and similar income	2	3,403	10

(b) Interest payable and similar charges

	2015	2014	2013
	£	£	£
Interest expense on bank overdraft	-	(1)	-
Total interest payable and similar charges	-	(1)	-



(c) Net interest expense

	2015	2014	2013
	£	£	£
Interest receivable and similar income	2	3,403	10
Interest payable and similar charges	-	(1)	-
Net interest expense	2	3,402	10

10 Tax on loss on ordinary activities**(a) Tax expense included in profit and loss**

	2015	2014	2013
	£	£	£
Current tax:			
- UK Corporation tax on profits for the year	-	-	-
- Foreign Corporation tax on profits for the year	-	-	-
Total current tax	-	-	-
Deferred tax:			
- Origination and reversal of timing differences	-	-	-
- Adjustment in respect of prior periods	-	-	-
Total deferred tax	-	-	-
Tax on profit on ordinary activities	-	-	-

(b) Reconciliation of tax charge

Tax assessed for the period is the lower than the standard rate of corporation tax in the UK for the year ended 30 September 2015 of 20.5% (2014: 22%, 2013: 23%). The differences are explained below:

	2015	2014	2013
	£	£	£
Loss on ordinary activities before tax	(5,012,282)	(1,506,141)	(603,337)
Loss multiplied by the standard rate of tax in the UK of 20.5% (2014: 22%, 2013: 23%)	(1,027,518)	(331,351)	(138,768)
Effects of:			
- Unrelieved tax losses carried forward	1,027,518	331,351	138,768
Tax charge for the year	-	-	-

(c) Tax rate changes

The UK Government introduced annual reductions in the UK corporation tax rate culminating in a rate of 20% for the 2015/16 tax year. Subsequent budgets have announced further changes to and reductions in the rate culminating in a rate of 17% for 2020/21.

As at 30 September 2015 the Company had £6,866,710 (2014: £2,185,462, 2013: £843,387) of tax losses to carry forward against suitable future trading profits.



11 Intangible assets

Group	Goodwill
	£
Year ended 30 September 2013	
Opening net book amount	-
Additions	-
Amortisation	-
Impairment	-
Closing net book amount	-
At 30 September 2013	
Cost	-
Accumulated amortisation and impairment	-
Net book amount	-
Year ended 30 September 2014	
Opening net book amount	-
Additions	-
Amortisation	-
Impairment	-
Closing net book amount	-
At 30 September 2014	
Cost	-
Accumulated amortisation and impairment	-
Net book amount	-
Year ended 30 September 2015	
Opening net book amount	-
Additions	469,046
Amortisation	-
Impairment	-
Closing net book amount	469,046
At 30 September 2015	
Cost	469,046
Accumulated amortisation and impairment	-
Net book amount	469,046

12 Tangible assets

Group	Office equipment	Computer equipment	Total
	£	£	£
Year ended 30 September 2013			
Opening net book amount	12,473	49,575	62,048
Additions	21,069	661	21,730
Disposals	-	(14,881)	(14,881)
Depreciation	(6,362)	(18,176)	(24,538)
Impairment	-	-	-
Closing net book amount	27,180	17,179	44,359
At 30 September 2013			
Cost	37,331	54,253	91,584
Accumulated depreciation and impairment	(10,151)	(37,074)	(47,225)
Net book amount	27,180	17,179	44,359
Year ended 30 September 2014			
Opening net book amount	27,180	17,179	44,359
Additions	42,504	-	42,504
Disposals	-	-	-
Depreciation	(12,606)	(16,515)	(29,121)
Impairment	-	-	-
Closing net book amount	57,078	664	57,742
At 30 September 2014			
Cost	79,835	54,253	134,088
Accumulated depreciation and impairment	(22,757)	(53,589)	(76,346)
Net book amount	57,078	664	57,742
Year ended 30 September 2015			
Opening net book amount	57,078	664	57,742
Additions	66,818	-	66,818
Acquisitions	1,078	1,675	2,753
Disposals	-	-	-
Depreciation	(26,773)	(664)	(27,437)
Impairment	-	-	-
Foreign exchange translation adjustment	37	176	213
Closing net book amount	98,238	1,851	100,089
At 30 September 2015			
Cost	147,768	56,104	203,872
Accumulated depreciation and impairment	(49,530)	(54,253)	(103,783)
Net book amount	98,238	1,851	100,089



13 Associated undertaking

The carrying value of The Group's investment in an associate was as follows:

Group	2015	2014	2013
	£	£	£
At 1 October	-	-	-
Additions	122,278	-	-
Negative goodwill on acquisition	(122,278)	-	-
At 30 September	-	-	-

The Group holds a 29.97% equity investment in Crowdfunder Limited (an unlisted entity), a rewards based crowdfunding platform in the UK. The investment is accounted for using the equity method.

14 Debtors

	2015	2014	2013
	£	£	£
Due after more than one year			
Loans receivable	1,358	42,000	42,000
Due within one year			
Trade debtors	205,383	387,257	55,334
Other debtors	286,915	235,155	86,107
	493,656	664,412	183,441

Trade debtors are stated after provisions for impairment of £7,123 (2014: £45,871, 2013: £43,391).

15 Investments

	2015	2014	2013
	£	£	£
Unlisted investments	6,222	1,235	95

Unlisted investments represents notional value holdings in clients of the company. Investments are valued at cost less provision for impairment.

16 Creditors: amounts falling due within one year

	2015	2014	2013
	£	£	£
Bank loan and overdrafts	7,424	3,253	-
Trade creditors	449,099	440,170	42,543
Other taxation and social security	134,946	43,607	17,726
Other creditors	205,104	107,270	65,739
	796,573	594,300	126,008

17 Financial instruments

The Group has the following financial instruments:

	Note	2015		2014		2013	
		£	£	£	£	£	£
Financial assets that are debt instruments measured at amortised cost							
- Trade receivables	14	205,383		387,257		55,334	
- Other receivables	14	286,915		235,155		86,107	
- Unlisted investments	15	6,222		1,235		95	
			498,520		623,647		141,536
Financial liabilities measured at amortised cost							
Bank loans and overdrafts	16	7,424		3,253		-	
Trade creditors	16	449,099		440,170		42,543	
Other creditors	16	205,104		107,270		65,739	
			661,627		550,693		108,282



18 Capital and reserves

Share capital

Allotted and fully paid	A Ordinary shares		A Preference shares		B Investment shares		B Preference shares		Total
	Number	£	Number	£	Number	£	Number	£	
At 1 October 2012	8,885,258	88,853	-	-	589,907	5,899	-	-	94,752
Settlement of employee share schemes	-	-	-	-	-	-	-	-	-
Share issue	1,031,453	10,315	-	-	1,488,547	14,885	-	-	25,200
At 30 September 2013	9,916,711	99,168	-	-	2,078,454	20,784	-	-	119,952
At 1 October 2013	9,916,711	99,168	-	-	2,078,454	20,784	-	-	119,952
Settlement of employee share schemes	-	-	-	-	103,113	1,030	-	-	1,030
Share issue	270,123	2,701	3,576,555	35,766	867,670	8,677	-	-	47,144
At 30 September 2014	10,186,834	101,869	3,576,555	35,766	3,049,237	30,491	-	-	168,126
At 1 October 2014	10,186,834	101,869	3,576,555	35,766	3,049,237	30,491	-	-	168,126
Settlement of employee share schemes	6,240	62	-	-	-	-	-	-	62
Share issue	(84,484)	(845)	-	-	-	-	2,060,578	20,607	19,762
Issued during business combination	113,361	1,134	-	-	-	-	-	-	1,134
At 30 September 2015	10,221,951	102,221	3,576,555	35,766	3,049,237	30,491	2,060,578	20,607	189,084

The A ordinary shares, A Preference shares, B Preference shares and B investment shares rank pari passu in all rights, except the B investment shares do not carry the right to vote. All classes of share have a nominal value of £0.01 per share.

2013

During the year, the company allotted 1,031,453 A Ordinary shares and 1,488,547 B Investment shares at a price of £0.5952 per share.

2014

On 2 December 2013, J Davidson a director of the company exercised his option to purchase 24,350 B investment shares for a price of £0.09 per share.

On 23 May 2014, J Davidson, a director of the company, exercised his option to purchase 30,063 B Investment shares for a price of £0.09 per share.

On 6 June 2014, D Hamer and M Lang, directors of the company, both exercised their options to purchase 24,350 B Investment shares for a price of £0.09 per share.

On 28 June 2014, 8,438 B Investment shares were issued for £0.1501185 per share.

On 16 July 2014, 3,576,555 A Preference shares were issued for £1.062475 per share.

On 3 September 2014 270,123 ordinary A shares were issued for £1.062475 per share. Additional, a further 859,232 B Investment shares were issued for £1.062475 per share.

2015

On 2 February 2015 6,240 options to acquire A Ordinary shares for a price of £0.01 per share were exercised.

On 30 July 2015 113,361 A Ordinary shares were issued in exchange for 177,050 Ordinary shares in Crowdcube Spain S.L. and 1,965,792 B Preference shares were issued for £2.4265 per share. Additionally, 94,786 A Ordinary shares were designated as B Preference shares.

On 31 July 2015 10,302 A Ordinary shares were issued for £2.4265 per share.

Other reserves

Other reserves consists of the following amounts

	Deferred consideration reserve	Foreign exchange reserve	Share based payment reserve	Total
	£	£	£	£
At 1 October 2012	-	-	-	-
Share based payments	-	-	43,706	43,706
Transfer on purchase of subsidiary	-	-	-	-
Movement on foreign exchange	-	-	-	-
At 30 September 2013	-	-	43,706	43,706
At 1 October 2013	-	-	43,706	43,706
Share based payments	-	-	163,116	163,116
Transfer on purchase of subsidiary	-	-	-	-
Movement on foreign exchange	-	-	-	-
At 30 September 2014	-	-	206,822	206,822
At 1 October 2014	-	-	206,822	206,822
Share based payments	-	-	207,907	207,907
Transfer on purchase of subsidiary	205,757	-	-	205,757
Movement on foreign exchange	-	(11,217)	-	(11,217)
At 30 September 2015	205,757	(11,217)	414,729	609,269



As part of the acquisition of Crowdcube Spain, S.L on 27 July 2015 the shareholders of Crowdcube Spain, S.L. received a commitment to 84,976 share options with a deemed market value of £2.4265 per option. The options were granted and vested immediately preceding the year end. As a result, £205,757 of the total consideration in shares of the purchase are recorded as deferred consideration.

19 Notes to the cash flow statement

	2015	2014	2013
	£	£	£
Profit / (loss) for the financial year	(5,012,282)	(1,506,141)	(603,337)
Adjustments for:			
Tax			
Net interest expense	(2)	(3,402)	(10)
Income from interests in associated undertakings			
Operating profit	(5,012,284)	(1,509,543)	(603,347)
Amortisation of intangible assets			
Depreciation of tangible assets	27,437	29,121	24,538
Share based payment charge	207,907	163,116	43,706
Working capital movements:			
- (Increase) / decrease in debtors	170,756	(480,971)	(109,109)
- (Decrease) / increase in creditors	202,273	468,292	80,827
Cash flow from operating activities	(4,403,911)	(1,329,986)	(563,385)

20 Capital and other commitments

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2015	2014	2013
	£	£	£
Not later than one year	39,333	36,000	-
Later than one year and not later than five years	5,085	39,333	39,333
Later than five years	-	-	-
	44,418	75,333	39,333

The Group had no other off-balance sheet arrangements.

21 Related party transactions

The company generates revenue through an agreement with its FCA regulated subsidiary, Crowdcube Capital Limited ("CCL"), which recharges its revenue made through the provision of crowdfunding activities at 100% to Crowdcube Limited. During the year CCL recharged £2,642,274 of revenue (2014: £65,000, 2013: £nil) to the company and an amount of £116,449 (2014: £78,000, 2013: £nil) was due from CCL at the year end on which no interest accrues and which is repayable on demand. Intercompany trading and balances is eliminated within this Annual Historical Financial Information.

Prior to September 2014 the company generated revenue through an agreement with a FCA regulated company under common control (but outside The Group), Crowdcube Ventures Limited ("CVL"), which recharged its revenue made through the provision of crowdfunding activities at 100% to Crowdcube Limited. In the year to 30 September 2014 CVL recharged £992,588 (2013: £212,409) of revenue to the company and an amount of £237,746 (2013: £95,229) was due to the company from CVL. No interest accrues on this balance and it is repayable on demand.

At the year end, D Westlake owed the company £39,098 (2014: £39,098; 2013: £38,187) in connection with drawings and unpaid share capital. This amount is included within other debtors.

At the year end, L Lang owed the company £19,079 (2014: £19,079; 2013: £19,079) in connection with drawings and unpaid share capital. This amount is included within other debtors.

22 Controlling party

Group and company

The company is not under the control of any one individual.



23. Events after the reporting period

On 6 October 2015 the Company issued 84,796 options to the previous shareholders of Crowdcube Spain, S.L. The options vested immediately and were exercised on 22 October 2015. As a result, the Deferred consideration reserve was converted into fully paid ordinary shares via the issue of a total of 84,796 £0.01 A Ordinary shares.

On 22 October 2015 a further 217,803 EMI options were granted to purchase A Ordinary shares with a nominal value of £0.01 per share for an exercise price of £0.45 to various employees of the Company.

On 4 November 2015 412,115 B preference shares with a nominal value of £0.01 each were issued for £2.4265 per share.

On 4 December 2015 a further 43,530 EMI options were granted to purchase A Ordinary shares with a nominal value of £0.01 per share for an exercise price of £0.45 to various employees of the Company.

On 15 February 2016 a further 212,944 EMI options were granted to purchase A Ordinary shares with a nominal value of £0.01 per share for an exercise price of £0.45 to various employees of the Company.

On 16 May 2016 the Company issued 197,759 EMI options to purchase A Ordinary shares with a nominal value of £0.01 per share for an exercise price of £0.45 to various employees.

On 11 July 2016 Balderton Capital V, L.P. exercised a warrant to acquire 222,454 A Preference shares for £2.24765 per share.

On 14 July 2016 investors irrevocably committed to subscribe for £1.385 million worth of shares under the Offer.

On 14 July 2016, by shareholder resolution, each A Preference share of £0.01 each, B Preference share of £0.01 each, A Ordinary share of £0.01 each and B Investment share of £0.01 each were subdivided into 10 A Preference shares of £0.001 each, 10 B Preference shares of £0.001 each, 10 A Ordinary shares of £0.001 each and 10 B Investments shares of £0.001 each respectively.

24. Business combinations

On 27 July 2015, The Group acquired control of Crowdcube Spain, S.L. through the acquisition of the entire share capital previously not held by The Group.

Consideration at 27 July 2015

Fair value of equity issued	482,506
Cash	16,524
Total consideration	499,030

For cash flow disclosure purposes the amounts are disclosed as follows:

Cash consideration	16,524
Less Cash and cash equivalents acquired	(13,886)
Net cash outflow	2,638

As part of the acquisition of Crowdcube Spain, S.L. on 27 July 2015 the shareholders of Crowdcube Spain, S.L. received share options in Crowdcube Limited with a deemed market value of £205,757 be issued at a future date. This amount is included in the fair value of equity issued amount stated above.

The remaining fair value of equity issued, relates to 113,361 A Ordinary shares that were issued by Crowdcube in exchange for 177,050 Ordinary shares in Crowdcube Spain S.L. The value of the A Ordinary shares of Crowdcube Limited at the point of exchange was deemed to be £2.4265 per share.



Recognised amounts of identifiable assets acquired and liabilities assumed

Notes	Book values	Adjustments	Fair value
	£	£	£
Tangible assets	2,754	-	2,754
Intangible assets (a)	52,042	(52,042)	-
Debtors	14,956	-	14,956
Cash and cash equivalents	13,886	-	13,886
Other creditors and provisions	(1,612)	-	(1,612)
Total identifiable net assets	82,026	(52,042)	29,984
Goodwill			469,046
Total			499,030

The adjustments arising on acquisition were in respect of the following:

- (a) The de-recognition of capitalised IP which was supplied by Crowdcube Limited to Crowdcube Spain, S.L. Therefore on acquisition and consolidation, this IP was deemed to be internally generated.

The summarised profit and loss account results for Crowdcube Sapin, S.L. that are included within the consolidated financial statements since acquisition are as follows:

	£
Turnover	7,366
Operating loss	(42,859)
Loss before tax	(42,859)
Loss after tax	(42,859)

25 Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial Annual Historical Financial Information are as follows:

Name	Country of incorporation	Nature of business	Interest
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Crowdcube Capital Limited	UK	Provision of FCA regulated crowdfunding activities	100% ordinary shares
Crowdcube Spain, S.L.	Spain	Provision of crowdfunding activities	100% ordinary shares
JP Nominees Limited	UK	Dormant	100% ordinary shares
Crowdcube Nominees Limited	UK	Dormant	100% ordinary shares

All the above subsidiaries are included in the consolidation. The Company investments in all subsidiaries is direct ownership.

26 Transition to FRS 102

As stated in Note 3 these are the first consolidated Annual Historical Financial Information prepared in accordance with FRS 102. The date of The Group transition to FRS 102 is 1 October 2012 (the "Transition date").

The accounting policies described in Note 3 were applied when preparing consolidated Annual Historical Financial Information for the years ended 30 September 2013, 2014 and 2015 and the Consolidated balance sheet as at the Transition date. Set out below are reconciliations between The Group's financial results for the years ended 30 September 2013, 2014 and 2015 and its financial position at those date between UK GAAP as previously reported and FRS 102.

(a) Profit and loss account**Year ended 30 September 2015**

Notes	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£



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Turnover	2,691,427	-	2,691,427
Cost of Sales	(1,432,970)	-	(1,432,970)
Gross profit	1,258,457	-	1,258,457
Administrative expenses	A (6,062,834)	(207,907)	(6,270,742)
Other operating gains	-	-	-
Operating loss	(4,804,377)	(207,907)	(5,012,284)
Loss on ordinary activities before interest and taxation	(4,804,377)	(207,907)	(5,012,284)
Interest receivable and similar income	2	-	2
Interest payable and similar charges	-	-	-
Net interest expense	2	-	2
Loss on ordinary activities before taxation	(4,804,375)	(207,907)	(5,012,282)
Tax on loss on ordinary activities	-	-	-
Loss for the financial year	(4,804,375)	(207,907)	(5,012,282)

(a) Profit and loss account**Year ended 30 September 2014**

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
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Turnover	£ 1,083,572	£ -	£ 1,083,572
Cost of Sales	(391,126)	-	(391,126)
Gross profit	692,446	-	692,446
Administrative expenses	A (2,038,873)	(163,116)	(2,201,989)
Other operating gains	-	-	-
Operating loss	(1,346,427)	(163,116)	(1,509,543)
Loss on ordinary activities before interest and taxation	(1,346,427)	(163,116)	(1,509,543)
Interest receivable and similar income	3,403	-	3,403
Interest payable and similar charges	(1)	-	(1)
Net interest expense	3,402	-	3,402
Loss on ordinary activities before taxation	(1,343,025)	(163,116)	(1,506,141)
Tax on loss on ordinary activities	-	-	-
Loss for the financial year	(1,343,025)	(163,116)	(1,506,141)

(a) Profit and loss account**Year ended 30 September 2013**

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
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	£	£	£
Turnover	323,268	-	323,268
Cost of Sales	(50,441)	-	(50,441)
Gross profit	272,827	-	272,827
Administrative expenses	A (832,609)	(43,706)	(876,315)
Other operating gains	141	-	141
Operating loss	(559,641)	(43,706)	(603,347)
Loss on ordinary activities before interest and taxation	(559,641)	(43,706)	(603,347)
Interest receivable and similar income	10	-	10
Interest payable and similar charges	-	-	-
Net interest expense	10	-	10
Loss on ordinary activities before taxation	(559,631)	(43,706)	(603,337)
Tax on loss on ordinary activities	-	-	-
Loss for the financial year	(559,631)	(43,706)	(603,337)

b) Balance sheet

At 30 September 2015

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
		£	£	£
Fixed assets				
Intangible assets		469,046	-	469,046
Tangible assets		100,089	-	100,089
Associated undertaking		-	-	-
		569,135	-	569,135
Current assets				
Debtors		493,656	-	493,656
Investments		6,222	-	6,222
Cash at bank and in hand		4,944,254	-	4,944,254
		5,444,132	-	5,444,132
Creditors - amounts falling due within one year		(796,573)	-	(796,573)
Net current assets		4,647,559	-	4,647,559
Total assets less current liabilities		5,216,694	-	5,216,694
Net assets		5,216,694	-	5,216,694
Capital and reserves				
Called-up share capital		189,084		189,084
Share premium account		11,796,143		11,796,143
Other reserves	A	194,540	414,729	609,269
Retained earnings	A	(6,963,073)	(414,729)	(7,377,802)
Total equity		5,216,694	-	5,216,694



b) Balance sheet

At 30 September 2014

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
		£	£	£
Fixed assets				
Intangible assets		-	-	-
Tangible assets		57,742	-	57,742
Associated undertaking		-	-	-
		57,742	-	57,742
Current assets				
Debtors		664,412	-	664,412
Investments		1,235	-	1,235
Cash at bank and in hand		4,625,573	-	4,625,573
		5,291,220	-	5,291,220
Creditors - amounts falling due within one year		(594,300)	-	(594,300)
Net current assets		4,696,920	-	4,696,920
Total assets less current liabilities		4,754,662	-	4,754,662
Net assets		4,754,662	-	4,754,662
Capital and reserves				
Called-up share capital		168,126		168,126
Share premium account		6,745,233		6,745,233
Other reserves	A	-	206,822	206,822
Retained earnings	A	(2,158,697)	(206,822)	(2,365,519)
Total equity		4,754,662	-	4,754,662

b) Balance sheet

At 30 September 2013

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
		£	£	£
Fixed assets				
Intangible assets		-	-	-
Tangible assets		44,359	-	44,359
Associated undertaking		-	-	-
		44,359	-	44,359
Current assets				
Debtors		183,441	-	183,441
Investments		95	-	95
Cash at bank and in hand		985,343	-	985,343
		1,168,879	-	1,168,879
Creditors - amounts falling due within one year		(126,008)	-	(126,008)
Net current assets		1,042,871	-	1,042,871
Total assets less current liabilities		1,087,230	-	1,087,230
Net assets		1,087,230	-	1,087,230
Capital and reserves				
Called-up share capital		119,952		119,952
Share premium account		1,782,949		1,782,949
Other reserves	A	-	43,706	43,706
Retained earnings	A	(815,671)	(43,706)	(859,377)
Total equity		1,087,230	-	1,087,230



c) Statement of changes in equity

	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
		£	£	£
Balance at 1 October 2012		218,040		218,040
Loss for the year and comprehensive income	A	(559,631)	(43,706)	(603,337)
Total transactions with owners	A	1,428,821	43,706	1,472,527
Total changes in ownership interests in subsidiary		-	-	-
Balance as at 30 September 2013		1,087,230	-	1,087,230
Balance at 1 October 2013		1,087,230	-	1,087,230
Loss for the year and comprehensive income	A	(1,343,026)	(163,116)	(1,506,142)
Total transactions with owners	A	5,010,458	163,116	5,173,574
Total changes in ownership interests in subsidiary		-	-	-
Balance as at 30 September 2014		4,754,662	-	4,754,662
Balance at 1 October 2014		4,754,662	-	4,754,662
Loss for the year and comprehensive income	A	(4,804,376)	(207,907)	(5,012,283)
Total transactions with owners	A	4,795,119	207,907	5,003,026
Total changes in ownership interests in subsidiary		471,289	-	471,289
Balance as at 30 September 2015		5,216,694	-	5,216,694

A – Recognition of share based payments

Previously, under UK GAAP, the company has been exempt from recognising share based payments under the Financial Reporting Standard for Smaller Entities. With the adoption of FRS 102 the company is now recognising share based payments (the Company grant share options to certain employees). Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of share or options that will vest.

Section C - unaudited interim historical financial information

Crowdcube Limited

Condensed unaudited interim profit and loss account

For the six months ended 31 March 2015 and 2016

	Note	1H 2016	1H 2015
		£	£
Turnover	4	2,074,938	1,036,166
Cost of Sales		(941,137)	(605,532)
Gross profit		1,133,801	430,634
Administrative expenses		(3,417,787)	(3,282,222)
Other operating gains		-	-
Operating loss	5	(2,283,986)	(2,851,587)
Loss on ordinary activities before interest and taxation		(2,283,986)	(2,851,587)
Interest receivable and similar income	6	38	1
Interest payable and similar charges	6	(699)	-
Net interest expense	6	(661)	1
Loss on ordinary activities before taxation		(2,284,647)	(2,851,586)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		(2,284,647)	(2,851,586)

There were no material elements of other comprehensive income for any of the financial periods above other than those included in the consolidated profit and loss accounts and therefore no statement of comprehensive income has been presented.



Crowdcube Limited

Condensed unaudited interim balance sheet

As at 31 March 2016 and 30 September 2015

	Note	31 March 2016	30 September 2015
		£	£
Fixed assets			
Intangible assets		469,046	469,046
Tangible assets	8	124,657	100,089
Associated undertaking	9	50,000	-
		643,703	569,135
Current assets			
Debtors	10	466,605	493,656
Investments		9,794	6,222
Cash at bank and in hand		3,587,557	4,944,254
		4,063,956	5,444,132
Creditors - amounts falling due within one year	11	(699,669)	(796,573)
Net current assets		3,364,287	4,647,559
Total assets less current liabilities		4,007,990	5,216,694
Net assets		4,007,990	5,216,694
Capital and reserves			
Called-up share capital	12	194,443	189,084
Share premium account	12	13,002,799	11,796,143
Other reserves	12	473,197	609,269
Retained earnings	12	(9,662,450)	(7,377,802)
Total equity		4,007,990	5,216,694

Crowdcube Limited

Condensed unaudited interim statement of changes in equity

	Note	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		£	£	£	£	£
Balance at 1 October 2014		168,126	6,745,233	206,822	(2,365,519)	4,754,662
Loss for the six months and comprehensive income		-	-	-	(2,851,586)	(2,851,586)
Issue of share capital	12	7	56	-	-	63
Credit relating to share based payments		-	-	80,724	-	80,724
Total transactions with owners		7	56	80,724	-	80,787
Balance as at 31 March 2015		168,133	6,745,289	287,546	(5,217,105)	1,983,863
Balance at 1 October 2015		189,084	11,796,143	609,269	(7,377,802)	5,216,694
Loss for the six months and comprehensive income		-	-	-	(2,284,647)	(2,284,647)
Issue of share capital	12	5,359	1,206,656	(189,954)	-	1,022,061
Credit relating to share based payments		-	-	53,882	-	53,882
Total transactions with owners		5,359	1,206,656	(136,072)	-	1,075,943
Balance as at 31 March 2016		194,443	13,002,799	473,198	(9,662,450)	4,007,990



Crowdcube Limited

Condensed unaudited interim cash flow statement

For the six months ended 31 March 2015 and 2016

	1H 2016	1H 2015
	£	£
Net cash from operating activities	(2,269,310)	(2,397,228)
Taxation paid	-	-
Net cash generated from operating activities	(2,269,310)	(2,397,228)
Cash flow from investing activities		
Purchase of tangible assets	(45,088)	(34,519)
Purchase of investments	(53,572)	(3,147)
Interest received	38	1
Net cash used in investing activities	(98,622)	(37,665)
Cash flow from financing activities		
Interest paid	(699)	-
Proceeds from issue of ordinary share capital	1,006,964	62
Net cash used in financing activities	1,006,265	62
Net increase in cash and cash equivalents	(1,361,667)	(2,434,830)
Cash and cash equivalents at the beginning of the year	4,944,254	4,625,573
Exchange gains / (losses) on cash and cash equivalents	4,970	
Cash and cash equivalents at the end of the year	3,587,557	2,190,743

Crowdcube Limited

Notes to the unaudited interim historical financial information

1. Basis of preparation

These unaudited condensed interim financial statements for the six months ended 31 March 2016 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting', as adopted by the European Union (the "Unaudited Interim Historical Financial Information"). The condensed Unaudited Interim Historical Financial Information should be read in conjunction with the annual financial statements information for the year three years ended 30 September 2015, 2014 and 2013 (the "Annual Historical Financial Information") included in Section B of Part 2 to this Prospectus.

Going-concern basis

After making appropriate enquiries, and taking into account the minimum raise amount from the equity offer detailed in this prospectus, the Directors have a reasonable expectation that The Group has adequate resources to continue in operational existence for the foreseeable future and as such they consider it appropriate to adopt the going concern basis in preparing its condensed interim financial statements. This Interim Historical Financial Information relating to The Group has been prepared on the going concern basis.

2. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year as outlined on note B of the Annual Historical Financial Information set out in Section B of Part 2.

3. Estimates

The preparation of interim financial statements requires management to make judgements and estimates. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying The Group's accounting policies and the key sources of uncertainty were the same as those that applied to the consolidated financial statements for the years ended 30 September 2015, 2014, 2013 as detailed in section B of Part 2.



4. Turnover

Analysis of turnover by geography:

	1H 2016	1H 2015
	£	£
United Kingdom	2,042,815	1,036,166
Spain	32,123	-
	2,074,938	1,036,166

5. Operating loss

Operating loss is stated after charging:

	1H 2016	1H 2015
	£	£
Wages and salaries	1,857,921	1,056,871
Social security costs	235,907	120,762
Share-based payments	(152,191)	(16,088)
Staff costs charged to profit and loss	1,941,637	1,161,545
(Profit) / loss on disposal of tangible assets	-	-
Impairment of trade receivables	250	-
Depreciation	20,647	12,043

6. Net interest expense

(a) Interest receivable and similar income:

	1H 2016	1H 2015
	£	£
Bank interest received	38	1
Total interest receivable and similar income	38	1

(b) Interest payable and similar charges

	1H 2016	1H 2015
	£	£
Interest expense on bank overdraft	(699)	-
Total interest payable and similar charges	(699)	-

(c) Net interest expense

	1H 2016	1H 2015
	£	£
Interest receivable and similar income	38	1
Interest payable and similar charges	(699)	-
Net interest expense	(661)	1

7. Income tax

In the six months to 31 March 2016 there was a tax expense of £nil (1H 2015: £nil) included in the profit and loss account as The Group was loss making in the period. Unrelieved tax losses in the period are carried forward against suitable future trading profits. See note 10 of the Annual Historical Financial Information in Section B of Part 2 of this prospectus for further details.



8. Tangible Assets

Group	Office equipment	Computer equipment	Total
	£	£	£
Year ended 30 September 2015			
Opening net book amount	57,078	664	57,742
Additions	66,818	-	66,818
Acquisitions	1,078	1,675	
Disposals	-	-	-
Depreciation	(26,773)	(664)	(27,437)
Impairment	-	-	-
Foreign exchange translation adjustment	37	176	
Closing net book amount	98,238	1,851	100,089
At 30 September 2015			
Cost	147,768	56,104	203,872
Accumulated depreciation and impairment	(49,530)	(54,253)	(103,783)
Net book amount	98,238	1,851	100,089
Six months ended 31 March 2016			
Opening net book amount	98,238	1,851	100,089
Additions	42,538	2,551	45,088
Disposals	-	-	-
Depreciation	(20,105)	(541)	(20,647)
Impairment	-	-	-
Foreign exchange translation adjustment	24	103	127
Closing net book amount	120,694	3,963	124,657
At 31 March 2016			
Cost	190,306	58,655	248,960
Accumulated depreciation and impairment	(69,611)	(54,691)	(124,303)
Net book amount	120,694	3,963	124,657

9. Associated undertaking

The carrying value of The Group's investment in an associate was as follows:

Group	1H 2016
	£
At 1 October	-
Additions	50,000
At 31 March	50,000

On 27 January 2016 the Company made a further investment of £50,000 in the share capital of Crowdfunder Limited. This investment was part of a total fundraising amount of £1,319,000, raised via the Crowdcube platform. Following this transaction Crowdcube Limited owned 26.2% of the share capital of Crowdfunder Limited.

10. Debtors

	1H 2016	2015
	£	£
Due after more than one year		
Loans receivable	1,461	1,358
Due within one year		
Trade debtors	163,648	205,383
Other debtors	301,495	286,915
	466,605	493,656

Trade debtors are stated after provisions for impairment of £nil (2015: £7,123).



11. Creditors: amounts falling due within one year

	1H 2016	2015
	£	£
Bank loan and overdrafts	4,047	7,424
Trade creditors	385,193	449,099
Other taxation and social security	138,852	134,946
Other creditors	171,577	205,104
	699,669	796,573

12. Capital and reserves

Share capital

	A Ordinary shares		A Preference shares		B Investment shares		B Preference shares		Total
	Number	£	Number	£	Number	£	Number	£	£
Allotted and fully paid									
At 1 October 2015	10,221,951	102,220	3,576,555	35,766	3,049,237	30,492	2,060,578	20,606	189,083
Settlement of employee share schemes	123,823	1,238	-	-	-	-	-	-	1,238
Share issue	-	-	412,115	4,121	-	-	-	-	4,121
At 31 March 2016	10,345,774	103,458	3,988,670	39,887	3,049,237	30,492	2,060,578	20,606	194,443

Other reserves

Other reserves consists of the following amounts:

	Deferred consideration reserve	Foreign exchange reserve	Share based payment reserve	Total
At 1 October 2015	205,757	(11,217)	414,729	609,269
Share based payments	(205,757)	-	53,882	(151,875)
Transfer on purchase of subsidiary	-	-	-	-
Movement on foreign exchange	-	15,803	-	15,803
At 31 March 2016	-	4,586	468,612	473,198

13. Related party transactions

The company generates revenue through an agreement with its FCA regulated subsidiary, Crowdcube Capital Limited ("CCL"), which recharges its revenue made through the provision of crowdfunding activities at 100% to Crowdcube Limited. During the year CCL recharged £2,027,377 of revenue (1H 2015: £1,108,525) to the company and an amount of £65,009 (2015: £116,449) was due from CCL at the period end on which no interest accrues and which is repayable on demand.

The company generated sales of £70,664 (1H 2015: £nil) from its associate, Crowdfunder Limited, and paid expenses of £17,353 (1H 2015: £nil) to Crowdfunder Limited.

At the period end, D Westlake owed the company £39,098 (2015: £39,098) in connection with drawings and unpaid share capital. This amount is included in other debtors.

At the year end, L Lang owed the company £19,079 (2015: £19,079) in connection with drawings and unpaid share capital. This amount is included within other debtors.

14. Events after the reporting period

On 16 May 2016 the Company issued 197,759 EMI options to purchase A Ordinary shares with a nominal value of £0.01 per share for an exercise price of £0.45 to various employees.

On 11 July 2016 Balderton Capital V, L.P. exercised a warrant to acquire 222,454 A Preference shares for £2.24765 per share.

On 14 July 2016 investors irrevocably committed to subscribe for £1.385 million worth of shares under the Offer.

On 14 July 2016, by shareholder resolution, each A Preference share of £0.01 each, B Preference share of £0.01 each, A Ordinary share of £0.01 each and B Investment share of £0.01 each were subdivided into 10 A Preference shares of £0.001 each, 10 B Preference shares of £0.001 each, 10 A Ordinary shares of £0.001 each and 10 B Investments shares of £0.001 each respectively.



PART 3 GENERAL INFORMATION

1 The Company

- 1.1** The Company was incorporated in England and Wales on 10 September 2009 with registered number 07014587 as a public company limited by shares under the Companies Act. The Company was incorporated with the name Crowdcube plc and then re-registered as a private limited company adopting the name Crowdcube Limited on 14 April 2011. The Company has an indefinite life.
- 1.2** The principal places of business are: The Innovation Centre, University of Exeter, Rennes Drive, Exeter, EX4 4RN and 116-120 Goswell Road, London, EC1V 7DP with telephone number 01392 241319. The registered office of the Company is The Innovation Centre, University of Exeter, Rennes Drive, Exeter, EX4 4RN with telephone number 01392 241 319.
- 1.3** The principal legislation under which the Company operates is the Companies Act. Crowdcube Capital Limited, a wholly owned subsidiary of the Company is regulated by the FCA (No.650205).
- 1.4** The Company's accounting period ends on 30 September each year. The current accounting period will end on 30 September 2016. The financial statements are prepared in Sterling and in accordance with New UK GAAP, including FRS 102 and the Companies Act.
- 1.5** The Company currently has 87 employees spread across the Company's five offices in Exeter, London, Cardiff, Manchester and Barcelona. A breakdown of the team by department is set out below:

Department	Number of Employees
Business Development	11
Investment Analysts	12
Marketing	8
Technology	30
Legal	7
Financial Analysts	4
Completions	4
General & Administrative	11
Total	87

2 The Group

- 2.1** The Company is the holding company of The Group and has the following subsidiaries:

Name	Country of incorporation	Proportion of ownership interest
JP Nominees Limited	England and Wales	100%
Crowdcube Capital Limited	England and Wales	100%
Crowdcube Nominees Limited	England and Wales	100%
Crowdcube Spain, SL	Spain	100%

3 Share capital

- 3.1** The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Act. The Shares are denominated in Sterling.
- 3.2** The Company's share capital: (i) as at the date of this Registration Document and (ii) as it will be immediately following the Offer is as follows:

	Number	% of issued share capital	% of voting rights
(i) As at the date of this Securities note:			
A Preference Shares:	37,990,090	19.33%	22.87%
B Preference Shares:	24,726,930	12.58%	14.89%
A Ordinary Shares:	103,373,350	52.59%	62.24%
B Investment Shares:	30,492,370	15.51%	0.00%
Total	196,582,740	100.00%	100.00%
(ii) Immediately following the completion of the Offer*			
A Preference Shares:	37,990,090	17.78	22.24
B Preference Shares:	24,726,930	11.57	14.47
C Preference Shares	3,422,313	1.60	2.00
A Ordinary Shares:	104,690,941	48.99	61.28
B Investment Shares:	42,864,033	20.06	0.00
Total	213,694,307	100.00	100.00

(*Assuming 3,422,313 C Preference Shares, 1,317,591 A Ordinary Shares and 12,371,663 B Investment Shares are issued pursuant to the Offer)



3.3 The following changes in the share capital of the Company have taken place between 30 September 2013 and the date of this Registration Document:

- (a) on 16 February 2016, 23,530 A ordinary shares were issued at a nominal value of £0.01 each;
- (b) on 4 November 2015, 412,115 B preference shares were issued at a nominal value of £0.01 each;
- (c) on 22 October 2015, 84,795 A ordinary shares were issued pursuant to the vesting of options granted on 6 October 2015;
- (d) on 31 July 2015, 10,302 A ordinary shares were issued pursuant to an offer for subscription at an issue price of £2.4265 per share;
- (e) on 30 July 2015, 94,786 A ordinary shares were re-designated to 94,786 B Preference Shares;
- (f) on 20 February 2015, 6,240 A ordinary shares were issued at a nominal value of £0.01 each;
- (g) on 16 July 2014, 3,676,555 A preference shares were issued for a subscription price of £1.0624;
- (h) on 3 October 2014, 270,123 A ordinary shares were issued for a subscription price of £1.0624 per share;
- (i) on 03 October 2014, 859,232 B investment shares were issued for a subscription price of £1.0624 per share;
- (j) on 26 June 2014, 8438 B investment shares were issued for a subscription price of £1.2657 per share;
- (k) on 28 May 2014, 1 B investment share was issued at a nominal value of £0.01;
- (l) on 28 May 2014 to 9 June 2014 78,763 B investment shares were issued for a nominal value of £0.01;
- (m) on 2 December 2013 24,350 B investment shares were issued for a nominal value of £0.01;
- (n) on 1 July 2013 1,031,453 A ordinary shares were issued for a subscription price of £0.59 per share and 1,488,548 B investment shares were issued for a subscription price of £0.59 per share.
- (o) on 11 July 2016, 222,454 A preference shares were issued for a subscription price of £2.2477 per share; and
- (p) on 14 July 2016, by shareholder resolution, each A preference share, B preference share, A ordinary share and B investment share were subdivided into 10 A Preference Shares, 10 B Preference Shares, 10 A Ordinary Shares and 10 B Investments Shares respectively.

4 Interests of directors and major shareholders

4.1 Other than as set out in the table below, as at 14 July 2016 (being the last practicable date prior to the publication of this Registration Document), the Company was not aware of any person who was directly or indirectly interested in 3 percent. of more of the issued share capital of the Company:

Name	Number of Shares	Percentage of issued share capital	Percentage of voting rights ⁽¹⁾
Darren Westlake ⁽²⁾	45,026,070	22.90%	27.11%
Balderton Capital V, L.P. ⁽³⁾	42,111,240	21.42%	25.35%
Mark Lang ⁽⁴⁾	17,146,220	8.72%	10.32%
Numis Securities Limited ⁽⁵⁾	16,484,630	8.39%	9.93%
Luke Lang ⁽⁶⁾	12,393,070	6.30%	7.46%
Dynamis PLC ⁽⁷⁾	7,156,190	3.64%	3.73%

- (1) The Company has B Preference Shares, A Preference Shares, A Ordinary Shares and B Investment Shares in issue. All Shares save for the B Investment Shares have voting rights.
- (2) Darren Westlake holds 4,502,607 A Ordinary Shares.
- (3) Balderton Capital V, L.P. holds 412,115 B Preference Shares and 3,576,555 A Preferred Shares.
- (4) Mark Lang holds 1,714,622 A Ordinary Shares.
- (5) Numis Securities Limited holds 1,648,462 B Preference Shares.
- (6) Luke Lang holds 1,239,307 A Ordinary Shares and 308,817 Options to acquire A Ordinary Shares.
- (7) Dynamis PLC holds 96,085 B Investment Shares and 619,534 A Ordinary Shares.

4.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 14 July 2016 (being the latest practicable date prior to the publication of this Registration Document), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

4.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 14 July 2016 July 2016 (being the latest practicable date prior to the publication of this Registration Document):

Director	Number of Shares	Percentage of issued share capital (%)	Options
Darren Westlake	45,026,070	22.91%	
Luke Lang	12,393,070	6.31%	Options to acquire 3,088,170 A Ordinary Shares ⁽¹⁾
William Simmons			Options to acquire 2,258,880 A Ordinary Shares ⁽²⁾

- (1) All options have a £0.015 exercise price per A Ordinary Share, vesting on an exit.
- (2) 1,129,440 options have a £0.026 exercise price per A Ordinary Share and vest over a 4 year period on a straight line basis to 30 September 2018. The remaining 1,129,440 options have a £0.046 exercise price per A Ordinary Share and vest over a 4 year period on a straight line basis to 30 September 2020.



- 4.4** Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Previous
Timothy Bunting	IVXS Limited Credit Benchmark Limited Tor (Hook) Limited Nutmeg Saving and Investment Limited Prodigy Investments Limited GoCardless Limited Rentify Limited The Springboard Bursary Foundation Oncimmune Holdings PLC Oncimmune Limited Rainbow Trust Childrens Charity Kobalt Capital Limited Kobalt Music Group Limited Balderton Capital (UK) LLP Interresolve Holdings Limited Top Up TV Europe Limited Top Up TV Holdings Limited First Magazine Limited Paul Hamlyn Foundation Wellington College Academy Trust Livebookings Holdings Limited Top Up TV 2 Ltd	Codemasters Group Holdings Limited Sepura PLC Wellington College Enterprises Limited Wellington College Academy Enterprises Limited Wellington College International Limited Circle Holdings (UK) PLC HIBU PLC
Luke Lang	JP Nominees Limited	
William Simmons	Crowdcube Nominees Limited Half Volley Limited The Wild Beer Co Limited Yield Logic Ltd	Rated People Ltd
Darren Westlake	Crowdfunder Limited Crowdcube Ventures Limited Crowdcube Capital Limited	UK Crowdfunding Association

- 4.5** In the five years before the date of this Registration Document, the Directors:

- 4.5.1** did not have any convictions in relation to fraudulent offences;
- 4.5.2** save as disclosed in this paragraph 4, were not associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 4.5.3** did not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and were not disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

- 4.6** As at the date of this Registration Document, none of the Directors had any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

- 4.7** The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

- 4.8** Holders of A Ordinary Shares, A Preference Shares and B Preference Shares have the same voting rights in respect of the share capital of the Company. None of the Company's major Shareholders have different voting rights to other Shareholders.

- 4.9** Holders of B Investment Shares do not carry any right to vote.

5 Directors' service agreements

5.1 Executive Directors

The following agreements have been entered into between each of the Executive Directors and the Company:

- (a)** Darren Westlake, Chief Executive Officer who was appointed as a Director on 01 May 2013, is employed in the post of Chief Executive Officer. He is engaged under a contract with the Company dated 01 May 2013, on a permanent ongoing basis subject to a notice period of two months by either party and contains restrictive covenants. The agreement provides for an annual salary which is currently £120,000. Darren Westlake is entitled to a discretionary annual bonus of 20% of his annual salary. No benefits are provided upon termination of employment.
- (b)** William Simmons, Chief Financial Officer who was appointed as a Director on 02 September 2014, is employed in the post of Chief Financial Officer. He is engaged under a contract with the Company dated 02 September 2014, on a permanent on-going basis subject to a notice period of two months by either party and contains restrictive covenants. The agreement provides for an annual salary which is currently £132,000. William Simmons is entitled to a discretionary annual bonus of 20% of his salary. No benefits are provided upon termination of employment.



(c) Luke Lang, Chief Marketing Officer who was appointed as a Director on 01 May 2013, is employed in the post of Marketing Director. He is engaged under a contract with the Company dated 01 May 2013, on a permanent on-going basis subject to a notice period of two months by either party and contains restrictive covenants. The annual salary under Luke Lang's service agreement is currently £129,000 with a discretionary annual bonus of 20% of the annual salary. No benefits are provided upon termination of employment

5.2 In addition, each of the Executive Directors is entitled to a pension contribution of up to 4% match contributions.

5.3 Non-Executive Director

(a) Tim Bunting was appointed as a Non-Executive Director of the Company pursuant to a fundraising round in which Balderton Capital V, L.P as an Investor applied for the allotment and issue of 3,576,555 A Preference Shares in the Company for a total subscription price of £3,800,00.27, as described in more detail at paragraph 9.2 (a) below. Tim Bunting is a General Partner of Balderton Capital V, L.P. which holds 21.42% of the share capital in the Company. Tim Bunting was appointed as an Investor Director pursuant to the fundraising round and is appointed to authorise any actual or potential situational conflicts in relation to an Investor Director under the Company's articles of association. No benefits are provided upon termination of employment.

6 Incentive arrangements

6.1. The Directors believe that the success of the Company depends, in part, on the future performance of the Executive Directors and the employees of the Group. The Directors also recognise the importance of ensuring that employees are incentivised and identify closely with the success of the Company. The Directors have established a discretionary share option scheme in the form of an EMI Scheme.

6.2. EMI Share Option Scheme (the "Share Option Scheme")

On 14 March 2013 the Company adopted the EMI share option scheme under which EMI Options have been granted to certain eligible employees. The Company has also granted a number of unapproved options to non-executive directors or consultants outside of, but subject to the terms of, the Share Option Scheme.

The Share Option Scheme is administered and operated by the board of directors of the Company. Directors and employees of the Company and its subsidiaries are eligible, but not entitled, to participate in the Share Option Scheme. The details of the terms of the Share Option Scheme are described below.

Eligibility

(a) All directors and employees of the Company or its subsidiaries whose committed time (within the meaning of paragraph 26 of ITEPA 2003 Schedule 5) amounts to at least 25 hours a week or if less at least 75% of his or her working time.

Grant of Options

(b) The Share Option Scheme provides that options may be granted to eligible employees from time to time as selected by the Board. Each Option Agreement shall constitute an Option to acquire Shares granted by the Company in favour of the eligible employee.

Exercise Price

(c) The price at which an Option Holder may acquire Option Shares on the exercise of an Option at the price determined in the Option Holder's certificate.

Vesting

(d) The Share Option Scheme provides for options to vest and become exercisable within 4 years or on an exit provided that the holder has given notice in writing to the Company confirming that they wish to exercise the Option and specifying the number of Option Shares to be acquired. It is a condition of the exercise of any Option that the Company has received payment of the whole amount of the aggregate Option Price payable in respect of the number of Option Shares then to be acquired.

Lapse

(e) Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health. In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. Options immediately lapse on the tenth anniversary of the date of the grant and in the event of the participants bankruptcy.

Adjustments

(f) The number of shares comprised in an Option and/or the exercise price may be adjusted or varied if any capitalisation of profits or reserves or rights issue, or by way of any subdivision, reduction or consolidation of the Company's share capital occurs, provided the legislative requirements are met.

Amendments

(g) The Board may, at any time, amend the Share Option Scheme provided that the no alteration or addition to any existing individual Option Agreement shall be made without the written agreement of the Option Holder and no alteration or addition to the contravene the provisions of ITEPA 2003 Schedule 5.

Scheme limit

(h) The maximum number of new issue shares that may be put under an option pursuant to the Share Option Scheme to subscribe and are outstanding shall not exceed 10% of the issued share capital of the Company from time to time.



7 Dividend policy

The declaration and payment by the Company of any future dividends on the Ordinary Shares will depend on the results of The Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

8 The articles

The Articles contain provisions, inter alia, to the following effect:

8.1 Objects/purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

8.2 Limitation on Liability

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

8.3 Share Capital

The share capital of the Company comprises A Ordinary Shares, A Preference Shares, B Investment Shares, B Preference Shares and C Preference Shares.

8.4 Rights to capital

- (a) The A Preference Shares, B Preference Shares, C Preference Shares, A Ordinary Shares and B Investment Shares are entitled to the following capital rights:

On a return of assets on liquidation, reduction of capital, a sale (in which the purchaser acquires a controlling interest in the Company) or asset sale or otherwise, the assets of the Company remaining after payment of its liabilities ("**Net Proceeds**") are distributed as follows:

- (i) to the holders of the Preference Shares on a pari passu basis as if the A Preference Shares, B Preference Shares and C Preference Shares constituted a single class of share, in priority to all other Shareholders, an amount equal to the subscription price for their Preference Shares (or in the event of the consolidation, sub-division and/or redesignation of the Preference Shares other than a conversion and redesignation into A Ordinary Shares, the subscription price originally paid for each Preference Share from which the Shares arising on such consolidation, sub-division and/or redesignation derive) plus any arrears or accruals of dividend (if any) on the Preference Shares (as the case may be) due or declared but unpaid down to the date of the return of assets; and (ii) in addition, to all Shareholders the aggregate sum of £100 whereby each Shareholder is to receive a payment equal to the product of £100 multiplied by a fraction the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total outstanding number of Shares on the date of such payment;

provided that if there are insufficient Net Proceeds to pay the amounts referred to in paragraph (i) in full, the Net Proceeds shall be distributed so far as possible on the basis set out above, with the amounts payable being reduced pro rata in the same proportions; and

- (ii) thereafter the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Ordinary Shares and B Investment Shares (including, for the avoidance of doubt, any A Ordinary Shares arising from conversion of Preference Shares) in proportion to the number of A Ordinary Shares and/or B Investment Shares held by them respectively (as if the A Ordinary Shares and B Investment Shares constituted one and the same class), and in addition, to all Shareholders the aggregate sum of £100 whereby each Shareholder is to receive a payment equal to the product of £100 multiplied by a fraction the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total outstanding number of Shares on the date of such payment.

8.5 Voting rights

- (a) Holders of A Ordinary Shares, A Preference Shares, B Preference Shares and C Preference Shares are entitled to attend and vote at all general meetings of the Company, and on a poll, to one vote for each Shares held.
- (b) B Investment Shares carry no right to vote and no right to attend or receive notice of any general meeting or vote on any proposed written resolution of the Company.
- (c) On a show of hands every A Ordinary Shareholder and Preference Shareholder present in person or (if a corporation) present by a representative duly authorised in accordance with the Act who is not also himself a Shareholder entitled to vote, shall have one vote, and on a poll every A Ordinary Shareholder and Preference Shareholder shall have one vote for every A Ordinary and Preference Share of which he is the holder (in the case of holders of Preference Shares, as though the Preference Shares of such holder had been fully converted into A Ordinary Shares).
- (d) No Shareholder shall be entitled to vote at any General Meeting or at any separate meeting of the holders of any class unless all calls or other sums presently payable by him in respect of Shares of the Company have been paid.

8.6 Dividends

- (a) With prior written consent of an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)), the Company may declare dividends to be paid to members according to their respective shareholdings.
- (b) All Shares rank pari passu in respect of dividends and dividends are paid pro rata according to the number of Shares held by each Shareholder respectively.



- (c) All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

8.7 Transfer of shares

- (a) With the prior written consent of an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) and the A Ordinary Shareholder Majority (being the holder or holders together of over 50% of the A Ordinary Shares in issue), any Shareholder may transfer any of its Shares without restriction as to price or otherwise.
- (b) Any holder of Preference Shares shall be entitled to transfer their Preference Shares without restriction except where the transfer of Preference Shares would amount to a Drag- Along Transfer or a Tag along (as described below) or without first offering their Preference Shares to other Preference Shareholders and A Ordinary Shareholders.
- (c) Each Preference Shareholder may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (d) Holders of A Ordinary Shares or B Investment Shares are not entitled to transfer or dispose of their A Ordinary Shares or B Investment Shares without first offering their A Ordinary Shares or B Investment Shares to existing Preference Shareholders and A Ordinary Shareholders.

8.8 Transfer of Managers' Shareholdings

- (a) The Managers, being Darren Westlake and Luke Lang, are not permitted to transfer any of their Shares prior to July 2017 unless the transfer is made with the consent of an Investor Majority, (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) and will then be subject to the pre-emption rights whereby transfers of A Ordinary Shares or B Investment Shares must first be offered to existing Preference Shareholders.

8.9 Co-Sale Rights

- (a) In the circumstance where a Preference Shareholders or A Ordinary Shareholders do not exercise any rights to purchase A Ordinary Shares or B Investment Shares pursuant to the pre-emption rights described above (the "**Non-Participating Investors**"), then the sale shares will be offered to a third party purchaser (so long as the provisions of Tag along do not apply) then the Board are required to be satisfied that the shares are being sold pursuant to a bona fide sale for not less than the transfer price without reduction and if not satisfied may refuse to register the instrument of transfer; and

The selling shareholder must procure before transfer that the third party purchaser has made an offer to each Non-Participating Investor to purchase on the same terms and conditions as have been agreed between the selling shareholder and third party purchaser.

8.10 Pre-emption on the transfer of Preference Shares

- (a) On the transfer of Preference Shares, the Company is required to offer the transfer shares to existing holders of Preference Shares and A Ordinary Shares.

8.11 Pre-emption Rights on issue of new shares

- (a) The issue of new Shares must first be offered to the holders of the Preference Shares and the A Ordinary Shares (and any other person having rights pursuant to any option agreement) in proportion to the number of Shares each holder holds.
- (b) The holders of A Ordinary Shares and B Investment Shares must first offer their Sale Shares to each Preference Shareholder and A Ordinary Shareholder who are entitled to purchase up to their respective Shareholder Proportion.
- (c) If a transfer of Shares will result in the transferee gaining an interest in 5% or more of the Shares in Issue, then an offer to the holders of all other Shareholders to acquire their entire holding of Shares.
- (d) The pre-emption rights on the issue of new Shares can be disapplied by an Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including for any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) and the holders of a majority of the A Ordinary Shares (being 50% of the holders together from time to time of over 50% of the A Ordinary Shares in issue).

8.12 Drag Along Rights

- (a) Where one or more members holding 75% or more of the Shares then in issue (the "**Dragging Shareholders**") wish to transfer all their interest in the Shares to a transferee, the Dragging Shareholders shall have the option to require all the other holders of Shares to sell their Shares to a transferee (provided that an A Preference Investor Majority consents, being the consent of over 50% of the A Preference Shares in issue, including any A Ordinary Shares deriving from a conversion of A Preference Shares).

8.13 Tag along Rights

- (a) Where one or more members holding 50% or more of the Shares then in issue (the "**Tag along Seller(s)**") wish to transfer all of their interest in the Shares to a transferee, the Tag along Seller must procure that the transferee makes a written offer to all Shareholders to purchase all of the Shares then in issue.



8.14 Conversion

- (a) At any time Preference Shareholders (excluding EIS Investors) may request to convert their Preference Shares to be converted and redesignated into A Ordinary Shares at the rate of one A Ordinary Share for every Preference Share.
- (b) The A Ordinary Shares arising on such conversion and redesignation shall rank pari passu with the A Ordinary Shares then in issue and fully paid up and shall entitle the holders of the A Ordinary Shares to all dividends and other distributions declared, made or paid up on the A Ordinary Shares by reference to any record date occurring after the conversion date.
- (c) At any time an (c) A Preference Investor Majority can request all of the A Preference Shares and C Preference Shares which are not EIS Shares then in issue, regardless of whether they are held by the A Preferred Investor Majority or any other A Preference Shareholder or any other C Preference Shareholder not being one of the A Preference Investor Majority, on the date of such request automatically be converted into and redesignated as A Ordinary Shares at the preference conversion rate. For the avoidance of doubt, the conversion of C Preference Shares to A Ordinary Shares shall not require the consent of the holders of the A Ordinary Shares as a class.
- (d) At any time, a B Preference Investor Majority, all of the B Preference Shares which are not EIS Shares then in issue, regardless of whether they are held by the B Preference Investor Majority or any other B Preference Shareholder not being one of the B Preference Investor Majority, on the date of such request automatically be converted into and redesignated as A Ordinary Shares at the preference conversion rate.

8.15 Variation of rights

- (a) Any of the rights for the time being attached to any shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu with or senior to the Shares of that class.
- (b) Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) is required for any variation of any rights, preferences or privileges attaching to Shares or stock in the Company.

8.16 Alteration of share capital

The Company may, from time to time, by Investor Majority (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)):

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;

- (c) subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

8.17 General meetings

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time to time.
- (c) The notice of any general meeting shall include such statements as are required by the Act and shall in any event specify:
 - (i) the place, the day, and the time of the meeting;
 - (ii) the general nature of the business to be transacted at the meeting;
 - (iii) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (iv) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.



- (g)** No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum provided also that (i) one or more persons holding or representing not less than 50 percent of the A Preference Shares; (ii) one or more persons holding or representing not less than 50 percent of the B Preference Shares; and (iii) more than 50 percent of the A Ordinary Shares then in issue shall be present.
- (h)** If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting. Otherwise it shall not be necessary to give any such notice.
- (i)** A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.

8.18 Issue of shares and reorganisation

- (a)** Subject to Investor Majority Consent (being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)), the Company may allot, issue, grant options over any new shares or rights to subscribe for or convert any security into shares.
- (b)** Subject to the provisions of the Act, and to any relevant authority of the Company required by the Act, in respect of all unissued shares the Board may allot, grant options over, or warrants to subscribe or otherwise dispose of them to such persons at such times and on such terms as they think proper
- (c)** All Shares or securities convertible into Shares which the Directors propose to issue from time to time shall first be offered to all of the Preference Shareholders and A Ordinary Shareholders.
- (d)** In the event of any issue or reorganisation, the subscription price of a Preference Share shall be subject to adjustment on such basis as may be agreed by the Company and an A Preference Investor Majority in the case of the subscription price of the A Preference Shares and the C Preference Shares; and a B Preference Investor Majority in the case of the subscription price of the B Preference Shares within 10 business days after any issue or reorganisation.

8.19 Directors' fees

- (a)** The remuneration of a CEO, Chief Financial Officer, managing director or any Director or officer of the Company who may be appointed to any other office in the management, administration or conduct of the business of the Company shall from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the Directors as long as it does not exceed £100,000 or increase by 25% in which case Investor Majority Consent, being the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of A Preference Shares and/or B Preference Shares)) is required.

8.20 Directors' interests and conflicts

- (a)** The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.
- (b)** Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- (c)** Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Act, a Director, notwithstanding his office:
- (i)** shall be entitled to be counted in the quorum and to attend any meeting of the Directors or a committee of the Board at which any matter which is or may be relevant to The Group company interest may be discussed, and to vote on any resolution of the Directors of committee of the Board relating to such matter or take any decision relating to such matter pursuant to the Reserved Matters set out in the Articles and any Board or committee papers relating to such matter shall be provided to the Director in question at the same time as the other Directors;



- (ii) shall not be obliged to account to the Company for any benefit which he derives from a group company interest;
 - (iii) shall not be obliged to disclose to the Company or use for the benefit of the Company, any confidential information received by him by virtue of his group company interest and otherwise by virtue of his position as Director, if to do so would result in a breach of a duty or obligation of confidence owed by him to any other group company or third party.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

8.21 Restrictions on Directors voting

Without prejudice to the obligation of each Director to declare an interest in accordance with sections 177 to 182 of the Act, a Director may vote at a meeting of the board of Directors or of a committee of the board of Directors on any resolution concerning a matter in which he has an interest, whether director or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the Director shall be counted in quorum present which any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

8.22 Number of Directors

Unless and until otherwise determined by the consent of both an Investor Majority (being the holders of over 50% of the Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of Preference Shares)) and a majority of the Board of the Company, the number of Directors (other than alternate Directors) shall be not less than one and not more than eight.

8.23 Directors' appointment, retirement and removal

Appointment

- (a) An A Preference Investor Majority may by notice in writing appoint from time to time one person to be a Director of the Company and each Group Company. An A Preference Investor Director may at any time be removed from office by an A Preference Investor Majority.
- (b) A B Preference Investor Majority may by notice in writing from time to time appoint one person to be a Director of the Company and each other Group Company. A B Preference Investor Director may at any time be removed from office by a B Preference Investor Majority.
- (c) The appointment of any Director, CEO, Chief Financial Officer or other officer of the Company requires Investor Majority Consent (being consent of the holder or holders from time to time of over 50% of the A Preference Shares and B Preference Shares in issue (including any A Ordinary Shares deriving from a conversion of Preference Shares and/or B Preference Shares)).

- (d) No Director shall be required to vacate his office as a Director nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age and the Directors shall not be required to retire by rotation.
- (e) The business of the Company shall be managed by the Directors who, subject to the provisions of the Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

8.24 Removal from Office of an A Preference Investor Director

- (a) If at a general meeting a resolution is proposed for the removal from office of any A Preference Investor Director, and an A Preference Investor Majority shall vote on a poll against such resolution and the total number of votes cast against such resolution would (in the absence of this article (a)) be insufficient to prevent it being passed by the Company in general meeting, then an A Preference Investor Majority shall in relation to that resolution carry such number of votes in respect of its or their holding of A Preference Shares as is equivalent to 51 percent. of the total number of votes cast (including those conferred pursuant to this article (a)).

8.25 Removal from Office of a B Preference Investor Director

- (a) If at a general meeting a resolution is proposed for the removal from office of any B Preference Investor Director, and a B Preference Investor Majority shall vote on a poll against such resolution and the total number of votes cast against such resolution would (in the absence of this article (a)) be insufficient to prevent it being passed by the Company in general meeting, then a B Preference Investor Majority shall in relation to that resolution carry such number of votes in respect of its or their holding of B Preference Shares as is equivalent to 51 percent. of the total number of votes cast (including those conferred pursuant to this article (a)).

8.26 Observer Rights

- (a) The Board can allow observers to be present who will shall be entitled to reasonable notice of all such meetings and shall be entitled to speak but shall not be entitled to vote thereat provided that the appointment of an observer on a standing basis shall require the consent of the Investor Directors, being the A Preference Investor Director and the B Preference Investor Director.



8.27 Indemnity of officers

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

9 Material contracts of The Group

The following are the only contracts, not being contracts entered into in the ordinary course of business, which have been entered into by The Group in the two years immediately preceding the date of this document and which are, or may be, material or which have been entered into at any time by The Group and which contain any provision under which any obligation or entitlement is, or may be, material to The Group at the date of this Registration Document.

9.1 The Offer

The following documents were entered into pursuant to the Offer:

- (a) Subscription Agreements made between the Company and a number of subscribers (including Balderton Capital V, L.P.) dated 14 July 2016 pursuant to which the subscribers have irrevocably agreed, to subscribe for £1.385 million worth of Shares (including £1 million worth of C Preference Shares by Balderton Capital V, L.P.) under the Offer at £0.2922 per Share. If less than £5 million is raised under the Offer, the number of C Preference Shares issued to Balderton Capital V, L.P. will be adjusted to reflect a pre-Offer valuation of £51 million. The Subscription Agreements contains warranties from the subscribers that are standard for agreements of this nature. The Subscription Agreements are governed by the laws of England and Wales.

9.2 2015 Investment Round

The following document was entered into pursuant to an investment round:

- (a) Subscription and Shareholders Agreement made between (1) the Managers (2) the continuing Shareholders (3) Balderton Capital V, L.P. (4) Crowdcube Limited (5) Numis Securities Limited (6) DFJ Esprit EIS III (7) DFJ Esprit EIS IV dated 2015 pursuant to which Balderton Capital V, L.P. subscribed for 317,329 B Preference Shares in the capital of the Company for a total subscription price of £770,000; Numis subscribed for 1,648,463 B Preference Shares in the capital of the Company for a total subscription price of £4,000,000 and DFJ III and DFJ V applied for a total of up to 412,115 B Preference Shares for a total subscription price of £1,000,000. Darren Westlake and Luke Lang agreed to each transfer 47,393 A Ordinary Shares in the capital of the Company to Balderton Capital V, L.P. The Company has given certain warranties under the agreement typical to this type of agreement. The agreement is governed by the laws of England and Wales.

9.3 2014 Investment Round

The following documents were entered into pursuant to an investment round:

- (a) Subscription and Shareholders Agreement relating to the Company made between (1) the Managers (2) the continuing Shareholders (3) Balderton Capital V, L.P. (4) Crowdcube Limited dated 2014 pursuant to which Balderton Capital V, L.P. as the Investor applied for the allotment and issue of 3,576,555 A Preference Shares in the Company for a total subscription price of £3,800,000.27. The Company has given certain warranties under the agreement typical to this type of agreement. The agreement is governed by the laws of England and Wales.
- (b) Warrant Certificate dated 16 July 2014 pursuant to which Balderton Capital V, L.P. was granted warrants over such number of A Preference Shares of £0.01 each in the capital of the Company as is equal to 1 per cent. of the fully diluted share capital of the Company.

9.4 Joint Venture Agreements, Loan Agreements and partnership Agreements

- (a) The Loan Agreement dated 09 February 2015 made between the Company and Crowdcube Spain S.L pursuant to which the Company agreed to lend Crowdcube Spain S.L (a subsidiary of the Company) a facility of £22,442.40. The facility is unsecured and repayable on demand of the Company. The Company as lender is entitled to interest on the loan of LIBOR plus 2.0%. The Loan Agreement is governed by the laws of England and Wales.
- (b) The Loan Agreement dated 24 July 2015 made between the Company and Crowdcube Spain S.L pursuant to which the Company agreed to lend Crowdcube Spain S.L (a subsidiary of the Company) a facility of €34,000. The facility is unsecured and repayable on demand of the Company. The Company as lender is entitled to interest on the loan of LIBOR plus 2.0%. The Loan Agreement is governed by the laws of England and Wales.
- (c) The Share Exchange Agreement dated 27 July 2015 made between the Company and the Sellers pursuant to which the Company agreed to purchase the entire issued share capital of Crowdcube Spain SL. The value of the shares was €700,000 and the consideration was the allotment and issue to the Sellers by the Company of the consideration shares of £0.01 each in the capital of the Company and an amount equal to €23,178.
- (d) The Co-Investment Partnering Agreement relating to the London-Co Investment Fund dated 30 March 2015 and made between the Company, SME Wholesale Finance (London) Limited and LCIF LLP pursuant to which Crowdcube has agreed to work together with SME Wholesale Finance (London) Limited and LCIF LLP with a view to co-investing in Investee Companies in accordance with the agreement. The Company has agreed to arrange that LCIF will become a co-investor with syndicates organised with and/or investments arranged by the Company. SME Wholesale Finance London Limited has undertaken to allocate the initial amount of £5,000,000 from the LCIF programme for co-investment with Investee Companies arranged by the Company for a period of 3 years from 30 March 2015. The Company has agreed that the aggregate amounts it will invest and other co-investors introduced by the Company will invest shall be in the ratio of 2.9 for each £1 invested by the LCIF in any investee company. The Company has given certain warranties under the agreement. The Company has also warranted that it will propose opportunities to co-invest which fall within the LCIF Investment Criteria to SME Wholesale Finance (London) Limited for co-investment in accordance with the terms of the agreement.



10 Property, plant and equipment

10.1 The Company's material tangible fixed assets are as follows:

- (a) The Company was granted a short term Lease on 17 August 2015 of Units on the first and second floors of the building known as Phase II, The Innovation Centre, University of Exeter, Exeter, Devon. The lease is for a term of three years and for a fixed rent of £125,000 for the period of 7 December 2015 to 06 December 2016 and increases to a rent of £137,500 for the period of 7 December 2016 to the 06 December 2017 and £130,000 for the period of 7 December 2017 to the 6 December 2018.
- (b) The Company has entered into a Licence to Occupy the premises known as 116-120 Goswell Road, London, EC1V 7DP for a term of 1 year commencing on 25 January 2016 and for a monthly rent of £18,590. The Company has a notice period of 90 days in which it can terminate the licence.
- (c) The Company was granted a short term lease of Unit 2.04 Creative Quarter, Cardiff. The lease is for a term of three years commencing on 17 August 2015 for an initial rent of £13,000 per annum.

11 Litigation

There are no governmental, legal or arbitration proceedings, (including any such proceedings pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, a significant effect on the Company and/or The Group's financial position or profitability.

12 No significant change

There has been no significant change in the financial or trading position of The Group since 31 March 2016, being the date to which the Company's historical financial information is set out in Section C of Part 2 was drawn up

13 Related party transactions

Save as disclosed in note 24 to the Company's historical financial information set out in section B of Part 2 of this document, there are no 'related party transactions' required to be disclosed under the accounting standards applicable to the Company, to which any member of The Group was a party during the period of the historical financial information and up to the date of this document.

14 General

- 14.1 PricewaterhouseCoopers LLP is the reporting accountant for The Group in relation to the Annual Historical Financial Information. PricewaterhouseCoopers LLP is a UK limited liability partnership registered in England and Wales (with registered number OC303525) and is a member firm of the Institute of Chartered Accountants in England and Wales.
- 14.2 PricewaterhouseCoopers LLP was appointed to replace Nexia Smith and Williamson Limited as statutory auditors in the United Kingdom beginning with the fiscal year ended 30 September 2016 and Nexia Smith and Williamson Limited resigned as statutory auditor on 10 May 2016.

14.3 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.4 The accounting reference date of the Company is 30 September.

14.5 PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion of its Historical Financial Information report included in Section A of Part 2: "Accountant's Report on the Annual Historical Financial Information", in the form and context in which it appears, and has authorised the contents of its report for the purposes of Rule 5.5.3R(2) (f) of the Prospectus Rules. A written consent under the Prospectus Rules is different from a consent filed with the SEC under section 7 of the Securities Act. PricewaterhouseCoopers LLP has not filed and will not be required to file a consent under Section 7 of the Securities Act.

15 Documents available for inspection

15.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this Registration Document, and at the Company's registered office of The Innovation Centre, University of Exeter, Rennes Drive, Exeter, Devon, EX4 4RN and on their website: www.crowdcube.com:

- (a) the memorandum of association of the Company and the Articles;
- (b) the consolidated financial information of The Group for the years ended 30 September 2013, 30 September 2014 and 30 September 2015 together with the related report from PricewaterhouseCoopers LLP, which is set out at Part 2 of this document;
- (c) the unaudited financial statements for period ended 31 March 2016; and
- (d) this Registration Document, the Summary and the Securities Note.



DEFINITIONS

The following definitions apply throughout this Registration Document unless the context requires otherwise:

“A Ordinary Shares”	the A Ordinary Shares of £0.01 each in the share capital of the Company in issue from time to time;
“A Ordinary Shareholder”	any holder of A Ordinary Shares;
“A Ordinary Shareholder Majority”	the holder or holders together from time to time of over 50% of the A Ordinary Shares in issue;
“A Preference Shares”	the A Preference Shares of £0.01 each in the share capital of the Company in issue from time to time;
“A Preferred Investor Majority”	the holder or holders together from time to time of over 50% of the A Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of A Preference Shares pursuant to the Company’s Articles);
“Articles”	the articles of association of the Company;
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“B Investment Shares”	the B Investment Shares of £0.01 each in the share capital of the Company in issue from time to time;
“B Investment Shareholder”	the holder of B Investment Shares;
“B Preference Shares”	the B Preference Shares of £0.01 each in the share capital of the Company in issue from time to time and a holder;
“B Preferred Investor Majority”	the holder or holders together from time to time of over 50% of the B Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of B Preference Shares pursuant to the Articles of the Company);
“Business Day”	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London;
“C Preference Shares”	the C Preference Shares of £0.01 each in the share capital of the Company in issue from time to time;
“C Preference Shareholder”	the holder of C Preference Shares;
“certificated” or “in certificated form”	not in uncertificated form;

“Companies Act” or “Act”	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;
“Company”	Crowdcube Limited;
“CTA 2010”	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
“Directors” or “Board”	the directors of the Company, whose names appear on page 136, or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
“EEA”	the European Economic Area;
“EEA States”	the member states of the European Union and the European Economic Area, each an “EEA State”;
“EU”	the Member States of the European Union;
“Executive Directors”	the executive directors of the Company
“Existing Shares”	A Ordinary Shares, A Preference Shares, B Preference Shares, and B Investment shares of £0.01 each in the capital of the Company;
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
“Group”	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
“HMRC”	Her Majesty’s Revenue and Customs
“Interest in the Company”	includes, without limitation, an interest in a Distribution made or to be made by the Company
“Investor Majority”	the holder or holders together from time to time of over 50% of the A Preference Shares and the B Preference Shares in issue (including for these purposes any A Ordinary Shares deriving from conversion of A Preference Shares or B Preference Shares pursuant to the Articles);
“ISA”	UK individual savings account
“ITA”	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force
“LIBOR”	London Interbank Offered Rate



“London Stock Exchange”	London Stock Exchange plc
“Net Proceeds”	the funds received on closing of the Initial Offer less any expenses paid or payable in connection with the Initial Offer;
“Offer”	the first offer for subscription of Shares pursuant to the Offer (and forming part of the Offer) which is expected to close on or before 18 August 2016;
“Offer Price”	£0.2922 pence per Share;
“Person”	includes a body of persons, corporate or unincorporated, wherever domiciled;
“Prospectus”	the prospectus prepared in accordance with the Prospectus Rules comprising this Securities Note, the Registration Document and the Summary, each dated 15 2016;
“Prospectus Directive”	the EU Prospectus Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
“Prospectus Rules”	the prospectus rules made by the Financial Conduct Authority under Section 73A of FSMA as amended from time to time;
“Register”	the register of members of the Company;
“Registration Document”	this registration document issued by the Company;
“Relevant Member State”	a member state of the European Economic Area which has implemented the Prospectus Directive;
“SDLT”	stamp duty land tax;
“SDRT”	stamp duty reserve tax;
“Securities Note”	the securities note issued by the Company in connection with the Offer and approved by the FCA;
“Shareholder”	any holder for the time being of a Share or Shares in the Company;
“Shares” or “Share”	any share or shares in the capital of the Company;
“Sterling” or “£”	the lawful currency of the United Kingdom;
“Summary”	the summary dated 15 July 2016 issued by the Company in respect of Shares made available pursuant to the Offer;
“Takeover Code”	the UK City Code on Takeovers and Mergers;

“UK Listing Authority” or “UKLA”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“UK Money Laundering Regulations”	the UK Money Laundering Regulations 2007, as amended;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “U.S”	the United States of America;
“VAT”	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.





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