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Liberum Capital Limited
Allocation Policy

April 2023

Allocation Policy

Background

In accordance with the FCA Conduct of Business Sourcebook, Liberum is required to have in place a policy governing the allocation process where we are acting for issuer or seller clients in an offering of equity securities via IPO, primary or secondary placings (each an "**Offering**").

Allocation Policy

Liberum is committed to managing Offerings such that our client and potential investors are treated fairly and to conducting our business with integrity and according to proper standards.

In order to achieve our policy, the pricing and allocation of Offerings should be transparent to the issuer and/or seller(s), and also consistent with our responsibilities to our investment clients.

The basic objective of allocation will normally be to produce an appropriate spread of investors (for example between long term holders and providers of liquidity, between institutional and private holders and between investors in different sectors and geographical areas), with the aim of achieving an orderly aftermarket with sufficient liquidity and reasonable price stability.

The basis of allocation in any individual case will depend on the particular facts and circumstances and will be the result of discussion with the client and the exercise of judgement.

Allocation Principles

The basis of allocation will depend on the particular facts and circumstances and will be the result of discussion and the exercise of judgment.

No one factor will be determinative, but factors which will often be relevant include the following:

- client preference for specific investors;
- valuation/price – to be considered in conjunction with the point below and pricing sensitivities of investors;
- client's aftermarket objectives with regards to investors e.g. select a mix of investors to aid secondary market liquidity;
- concentration (i.e. preferences as to size and number of large holdings, minimum and/or smaller ones);
- where relevant any "free float" or similar requirements of the relevant listing or trading regime;
- the size of an investor's expressed interest (both absolutely and relative to the investor's portfolio or assets under management);
- the extent to which the investor's expressed interest and the size of the allocation requested appears consistent with the investor's investments strategy and objective and purchasing capacity;
- the investor's behaviour in, and following, past issues generally and their interest and past dealings in securities of other issuers in that sector;

- whether the investor is an existing shareholder of the company (directly or indirectly) and (if applicable) its past dealings in the securities;
- any indication or reasonable belief that the investor has exaggerated the true extent of its interest in the expectation of being scaled down;
- the category or description into which the investor falls (e.g. retail fund, pension fund, tracker fund);
- any minimum or maximum allocation amounts and the desirability of avoiding allocations in inconvenient or uneconomic amounts;
- level and timing of investor's engagement in transaction process and size and timing of the investor's request for allocation; and
- other considerations as appropriate.

Prohibited Allocation Practices

The following practices, in relation to allocations, are prohibited by Liberum:

- using allocations to incentivise the payment of disproportionately high fees in respect of unrelated services ('laddering'), such as disproportionately high fees or commissions paid by an investment client, or disproportionately high volumes of business at normal levels of commission provided by the investment client as a compensation for receiving an allocation;
- using allocations as an inducement in consideration of future or past awards of corporate finance business ('spinning');
- accepting allocations, expressly or implicitly, conditional upon the receipt of future orders for investments or the purchase of other services;
- allocations to Liberum employees; and
- allocations made directly to retail clients unless an exemption is available.

Conflicts of Interest

A number of conflicts can arise during underwriting and placing activities. Whilst our client for the purposes of the Offering is the issuer and/or seller(s), the investors to whom we allocate securities may also be clients of Liberum or have other relationships with the firm. Liberum also has in place policies to ensure that allocation or pricing recommendations do not advance our own interests rather than those of our client. To the extent that actual or potential conflicts arise we will endeavour in good faith to prevent or manage such conflicts fairly.

Further details can be found in the Conflicts of Interest Policy which is available on request.

Transparency & Pricing

There will often be a tension between the wish to maximise the proceeds of the Offering, the Company's interest in the future performance of its securities and investor perception of and interest in the future performance of the Company's securities. The objective of our pricing recommendation may therefore be wider than merely maximising price and may include the provision of initial discounts, achieving a desired shareholder base or other factors in order to find the appropriate balance between these sometimes conflicting objectives. It should be noted that valuation and pricing of equity issues are complex processes, which normally involve a strong element of judgment and experience.

As part of the bookbuilding process, Liberum will engage in an ongoing dialogue with the issuer and/or seller(s) in order to better determine the client's objectives, including with regards to the type of investor and pricing. This dialogue typically involves:

- the process of identifying investors to subscribe for or purchase securities as part of an Offering;
- the factors relevant to recommendations on pricing and the process by which such recommendations and decisions will be arrived at (unless the price is agreed at the outset, the issuer and/or seller(s) should be kept informed as to how the final decision is to be reached);
- various discussions with, and communications to, the issuer/seller(s) and the investors regarding the status of the bookbuild, including overall demand and price sensitivity of that demand;
- details of the allocation methodology for the transaction, to which the client will be given the opportunity to raise comments, queries and challenges;
- the reason for any allocation made to Liberum; and
- in the event that investors receive any form of sub-underwriting fee or commission, we will ensure that the issuer and/or seller(s) are informed of this prior to any final allocation decisions being made.

Liberum will have greater discretion in allocating an underwritten issue (or portion that Liberum is underwriting) because Liberum's capital is at risk although such allocation will be based on the allocating principles set out above.

Unless otherwise agreed, the final schedule of allocations will be made in agreement with the client. This version of the final schedule of allocations should be deemed to be final unless there are any material subsequent changes, for example as a result of investors withdrawing or scaling back their orders, in which case such amended or updated schedule of allocations will be recorded as the final schedule.

If you have any questions regarding aspects of the bookbuilding or allocation process, please do not hesitate to contact our investment banking team.