Prospectus

April 2021

PensionBee Group PLC

Admission to the High Growth Segment of the Main Market of the London Stock Exchange is primarily intended for high growth companies, which are likely to have a lower proportion of securities in public hands at admission than companies admitted to the official list of the Financial Conduct Authority (the "Official List"). Securities admitted to trading on the High Growth Segment are not admitted to the Official List. Therefore, PensionBee Group plc has not been required to satisfy the eligibility criteria for admission to the Official List and is not required to comply with the listing rules of the Financial Conduct Authority. The London Stock Exchange has not examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This document constitutes a prospectus (the "**Prospectus**") relating to PensionBee Group plc (the "**Company**") prepared in accordance with the prospectus regulation rules (the "**Prospectus Regulation Rules**") of the Financial Conduct Authority (the "**FCA**") made under section 73A of the Financial Services and Markets Act 2000, as amended ("**FSMA**"). The Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This Prospectus has been approved by the FCA (as competent authority under Regulation (EU) 2017/1129 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the company that is, or the quality of the securities that are, the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application will be made to the London Stock Exchange (the "**London Stock Exchange**") for all of the issued and to be issued ordinary shares in the capital of the Company (the "**Ordinary Shares**") to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange. Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 21 April 2021 solely by investors who participate in the Institutional Offer (as defined below). It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 26 April 2021. **All dealings in the Ordinary Shares before the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place. Such dealings will be at the sole risk of the parties concerned**. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or traded on any other stock exchange.

The Company and the directors of the Company (together, the "**Directors**"), whose names appear in the section of this Prospectus headed "*Directors, Company Secretary, Registered Office and Advisers*", accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Prospective investors should read this Prospectus in its entirety and, in particular, the section of this Prospectus headed "*Risk Factors*", when considering an investment in the Company. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in this Prospectus occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

PENSIONBEE GROUP PLC

(Incorporated under the Companies Act 2006 and registered under the laws of England and Wales with registered number 13172844)

Offers of up to 37,190,896 Ordinary Shares of £0.001 each at an Offer Price expected to be between 155 pence and 175 pence per Ordinary Share and admission to trading on the High Growth Segment of the Main Market of the London Stock Exchange

Key Adviser and Sole Global Co-ordinator

Keefe, Bruyette & Woods

A Stifel Company

Ordinary Share capital immediately following Admission (assuming that the Offer Price is set at the bottom of the Offer Price Range and that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues up to 7,900,000 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before an assumed date for Admission of 4 May 2021.

Nominal Value	Number
£0.001 each	Up to 223,438,270

The Company is offering sufficient new Ordinary Shares (the "**New Shares**") to raise gross proceeds of approximately £55 million to certain institutional and certain other investors described in Part IX (*Details of the Offers*) and the Selling Shareholders (as defined in Part XIII (*Definitions*)) have agreed to sell up to 2,815,896 existing Ordinary Shares in the Institutional Offer (the "**Existing Shares**") as described in Part IX (*Details of the Offers*). The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers. The Company will not receive any of the proceeds from the sale of the Existing Shares (if any), all of which will be received by the Selling Shareholders. The number of Existing Shares to be sold by the Selling Shareholders pursuant to the Offers is indicative only. Although the number of Existing Shares cannot be increased it can decrease, including, in theory, to nil.

The Offer Price Range and Offers Size Range have been set by the Company. It is currently expected that the Offer Price and the Offers Size will be set within the Offer Price Range and the Offers Size Range, respectively. The Offer Price Range is indicative only, it may change during the course of the Offers and the Offer Price may be set within, above or below the Offer Price Range. A number of factors will be considered in determining the Offer Price and basis of allocation, including the level and nature of demand for the Ordinary Shares to be made available in the Offers during the book building process, prevailing market conditions and the objective of establishing an orderly after-market in the Ordinary Shares. If the Offer Price Range or the Offers Size Range does change during the course of the Offers, the Company would not envisage making an announcement until determination of the Offer Price or the Offers Size, unless required to do so by law or regulation. The Company expects to announce the Offer Price and the Offers Size and publish the Pricing Statement on or about 21 April 2021. Further details of how the Offer Price is to be determined are contained in Part IX (*Details of the Offers*).

The Ordinary Shares to be made available pursuant to the Offers will, on Admission, rank *pari passu* in all respects with all other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

The distribution of this Prospectus and the offer and sale of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company or the Sole Global Co-ordinator (as defined below) to permit a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Reliance on this Prospectus

In making any investment decision, each investor must rely on their own examination, analysis and enquiry of PensionBee (as defined in Part XIII (*Definitions*) of this Prospectus) and the terms of the Offers, including the merits and risks associated. Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods) ("**KBW**", the "**Key Adviser**" and the "**Sole Global Co-ordinator**"), or the Directors.

Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to Article 23(1) of the UK Prospectus Regulation, neither the delivery of this Prospectus nor any subscription or purchase of Ordinary Shares made pursuant to it shall, under any circumstances, create any implication that there has been no change in the affairs of PensionBee since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Sole Global Co-ordinator or any of their representatives that any recipient of this Prospectus should subscribe for, or purchase, Ordinary Shares in the Offers. Prior to making any decision as to whether to subscribe for or purchase Ordinary Shares in the Offers, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it.

Investors who subscribe for, or purchase, Ordinary Shares in the Offers will be deemed to have acknowledged that: (i) they have not relied on the Sole Global Co-ordinator or any person affiliated with it or any of its representatives in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning PensionBee or the Ordinary Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, or the Sole Global Co-ordinator.

None of the Company, the Directors, the Sole Global Co-ordinator or any of their respective representatives or affiliates is making any representation to any offeror, subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such offeror, subscriber or purchaser. The contents of this Prospectus are not to be construed as legal, tax, business or financial advice. Each prospective investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects subscribing for or purchasing Ordinary Shares.

Advisers

Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Offers and Admission. The Sole Global Co-ordinator will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offers and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for the giving of advice in relation to the Offers or Admission or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on KBW in its capacity as underwriter and as Key Adviser by FSMA or the regulatory regime established thereunder, neither the Sole Global Co-ordinator nor any of its affiliates accepts any

responsibility whatsoever for the contents of this Prospectus or its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, PensionBee, the Ordinary Shares or the Offers. The Sole Global Co-ordinator and each of its affiliates, each accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such statement. No representation or warranty, express or implied, is made by the Sole Global Co-ordinator or any of its affiliates as to the accuracy, completeness or sufficiency of the information set out in this Prospectus.

In connection with the Offers, the Sole Global Co-ordinator and any of its affiliates acting as an investor for its or their own account(s) may subscribe for, or purchase, Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offers or otherwise. Accordingly, references in this Prospectus to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, the Sole Global Co-ordinator and any of its affiliates acting as an investor for its or their own account(s). The Sole Global Co-ordinator does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Sole Global Co-ordinator and any of its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for the Company for which they would have received customary fees. The Sole Global Co-ordinator and any of its affiliates may provide such services to the Company in the future. In addition, the Sole Global Co-ordinator and any of its affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Sole Global Co-ordinator or any of its affiliates may from time to time acquire, hold or dispose of Ordinary Shares.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offers. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Global Co-ordinator will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

Capitalised terms have the meanings ascribed to them in Part XIII (*Definitions*) of this Prospectus.

This Prospectus is dated 12 April 2021.

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SUMMARY INFORMATION

1. INTRODUCTION AND WARNINGS

1.1 Name and ISIN of the securities

Name: Ordinary shares in the capital of the Company (as defined below) with a nominal value of £0.001 pounds each (the "**Ordinary Shares**") and with ISIN: GB00BNDRLN84.

1.2 Identity and contact details of the issuer

Name: PensionBee Group plc (the "**Company**").

Address: City Place House, 55 Basinghall Street, London EC2V 5DX, United Kingdom.

Telephone: +44 (0) 20 3457 8444

LEI: 2138008663P5FHPGZV74

1.3 Identity and contact details of the competent authority

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London E20 1JN, United Kingdom

Telephone: +44 (0) 20 7066 1000

1.4 Date of approval of the Prospectus

12 April 2021

1.5 Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where 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 the Ordinary Shares.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is incorporated under the laws of England and Wales with its registered office in England and its LEI is 2138008663P5FHPGZV74. The Company was incorporated on 2 February 2021 under the Companies Act 2006 ("**Companies Act**") as a private company limited by shares and under the name PensionBee Group Limited with the registered number 13172844. On 24 March 2021, the Company became the direct holding company of PensionBee Limited ("**PBL**"). On 9 April 2021, the Company re-registered as a public limited company with the name PensionBee Group plc. The principal law and legislation under which the Company operates is the Companies Act.

Principal activities

PensionBee is a leading online pensions provider in the UK, with approximately 119,000 Active Customers and £1.4 billion of AUA, in each case as at 31 December 2020. PensionBee is a direct-to-consumer financial technology company, with a mission to make pensions simple, so that everyone can look forward to a happy retirement. It delivers a leading customer proposition to pension holders in the UK defined contribution pensions market, catering for the many people who have historically struggled to understand, prepare for and manage their retirements confidently.

PensionBee seeks to make its customers 'Pension Confident' by giving them control and clarity over their retirement savings. PensionBee's technology platform allows its customers to combine their pensions and invest in a range of online plans, forecast how much they are expected to have saved by the time they retire, and make withdrawals from their pensions from the age of 55 (57 from 2028). PensionBee elicits reviews

from its customers through Trustpilot, a well-known website which hosts reviews of businesses worldwide. PensionBee's customers rate its service highly, and as at 9 April 2021 it has a Trustpilot score of 4.7 stars out of 5, based on 4,284 reviews.

PensionBee's customer proposition can be summarised as follows:

- **Combine** – The average adult switches jobs approximately 11 times over the course of their career. In doing so, they may accrue a number of disparate pensions with differing providers and cost structures which, as a result of a variety of factors which could include infrequent reporting, limited online functionality, and cumbersome communications processes, can prove difficult to manage effectively. By signing up with PensionBee, either via PensionBee's website or by using PensionBee's app, PensionBee's customers are able to combine and transfer their existing pensions into the PensionBee Personal Pension with ease. Once their pensions have been transferred, customers are able to start managing their new pension online and can monitor their live balance via PensionBee's website or by using PensionBee's app.

- **Contribute** – PensionBee customers can make one-off or regular contributions to their PensionBee pension via bank transfer or direct debit. For customers who make a personal pension contribution and are eligible for tax relief, PensionBee will automatically claim the applicable tax relief from HMRC, which PensionBee claims on their behalf, and adds this to their pension balance. Generally, PensionBee claims the basic rate of tax relief on behalf of its customers. Higher and additional rate taxpayers can claim additional tax relief through their self-assessments as per current tax legislation. Customers can also make use of PensionBee's retirement calculator, which provides an estimate of retirement income based on a number of assumptions including the size of the pension plan, chosen retirement age, and ongoing contributions, to plan ahead for their retirement. Self-employed customers can open a new pension plan without transferring any old pensions.

- **Withdraw** – One option through which customers can access their pension on reaching retirement is through a drawdown plan which is a government-approved means of accessing a percentage of a defined contribution pension plan while allowing the remainder of the pension plan to remain invested. From the age of 55 (57 from 2028), PensionBee's customers can use the PensionBee website to make withdrawals from their pension online in just a few clicks, bypassing a process which can in some cases involve many weeks filling out paperwork and jargon-filled forms, which are often sent only through the post. Customers may choose to take up to 25 per cent. of their pension free of tax, withdrawing their chosen amount either as a lump sum or in portions.

PensionBee complements its digital offering with dedicated customer account managers (known as "**BeeKeepers**"), who offer both online and telephone support to customers. As well as ensuring high levels of customer service and experience, this function also plays a key role in helping PensionBee identify and develop new product features that allow it to respond to customer needs. PensionBee does not offer regulated financial advice in the form of personal recommendations, however it does offer guidance and information for customers to make their own investment decisions.

Major Shareholders

Insofar as it is known to the Company as at the date of this Prospectus, the following persons will, on Admission, be directly or indirectly interested (within the meaning of the Companies Act) in 3 per cent. or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as of Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules) assuming the Offer Price is set at the mid-point of the Offer Price Range:

	Immediately prior to Admission		**Immediately following Admission[1]**	
Name	**Number of Ordinary Shares**	**Percentage of issued Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of issued Ordinary Shares**
Romina Savova	80,000,000	44.43%	80,000,000	36.16%
Jonathan Lister Parsons[2]	12,308,000	6.84%	13,232,800	5.98%
State Street Global Advisors, Inc.	8,757,600	4.86%	8,757,600	3.96%
Joseph Suddaby[3]	5,865,600	3.26%	5,945,600	2.69%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) The number of Ordinary Shares disclosed immediately following Admission for Jonathan Lister Parsons includes the Ordinary Shares to be received on the exercise of his vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(3) As at the date of this Prospectus, Joseph Suddaby's aggregate holding of Ordinary Shares is held both directly by him and indirectly through his self-invested personal pension. The number of Ordinary Shares disclosed immediately following Admission for Joseph Suddaby includes the Ordinary Shares to be received on the exercise of his vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

Key Executive Directors

Romi Savova is the Chief Executive Officer and Jonathan Lister Parsons is the Chief Technology Officer.

Statutory auditors

Deloitte LLP ("**Deloitte**"), whose registered address is at 5 Callaghan Square, Cardiff, CF10 5BT.

2.2 **What is the key financial information regarding the issuer?**

Statement of Comprehensive Income for PBL for the years ended 31 December 2018, 2019 and 2020

	2020	2019	2018
		£ 000	
Revenue	6,268	3,545	1,424
Operating profit/(loss)	(13,472)	(7,005)	(3,408)
Net loss for the year	(13,263)	(6,761)	(3,120)
Year on year revenue growth	77%	149%	301%
Earnings per share (pound per share)			
Basic and diluted	(61.39)	(33.38)	(17.12)
Weighted average no. of shares - basic and diluted	216,058	202,572	182,277

Statements of Financial Position for PBL as at 31 December 2018, 2019 and 2020

	2020	2019	2018
		£ 000	
Total assets	8,555	11,768	10,439
Total equity	6,455	10,333	10,182

Statements of Cash Flows for PBL for the years ended 31 December 2018, 2019 and 2020

	2020	2019	2018
		£ 000	
Net cash flow used in operating activities	(10,441)	(5,159)	(3,458)
Net cash flow used in investing activities	(75)	(236)	(68)
Net cash flow from financing activities	7,061	5,890	8,988

Accountant's report on the Historical Financial Information

There are no qualifications to Deloitte's accountant's report on the financial information of PBL for the years ended 31 December 2018, 2019 and 2020 as set out in Part VIII (*Historical Financial Information*) of this Prospectus (the "**Historical Financial Information**").

Selected pro forma financial information

No pro forma financial information is included within this Prospectus.

2.3 **What are the key risks that are specific to the issuer?**

Macro-economic risks relating to PensionBee's business and the industry in which it operates

PensionBee's business may be adversely affected by fluctuations in the global capital markets that are beyond PensionBee's control. Specifically, these fluctuations may impact the value of pension assets held by PensionBee clients in their PensionBee pension plans.

PensionBee's financial performance and prospects may be adversely affected by the COVID-19 pandemic and associated restrictions, the long-term impacts of which are currently unknown.

Regulatory risks relating to PensionBee's business and the industry in which it operates

PensionBee's business is subject to risks relating to changes in UK Government policy and applicable regulations.

PensionBee is exposed to the risk of changes in taxation legislation and its interpretation and to increases in the rate of corporation and other taxes applicable to financial institutions.

PensionBee is subject to regulation and benefits from regulatory approvals. PensionBee may fail, or be held to have failed, to comply with regulations and such regulations and approvals may change, making compliance more onerous and costly.

Business risks relating to PensionBee

PensionBee may not achieve levels of growth or profitability in line with its expectations and has a limited operating history which makes it difficult to evaluate its future prospects.

PensionBee is dependent on third parties for the provision of investment management services, the termination of which could cause a material disruption to or adverse effect on PensionBee's reputation, business and results of operations.

PensionBee's operations are susceptible to cybercrime and loss or misuse of data which could damage PensionBee's reputation.

PensionBee is exposed to the risk of financial crime and fraud. Growing sophistication in financial crime and fraud techniques could adversely affect PensionBee's ability to identify and prevent financial crime and fraud.

PensionBee is dependent on the ability of other pension providers to transfer the pensions of its customers to the PensionBee Personal Pension.

PensionBee's success and future growth depend significantly on successful, cost effective marketing efforts, increasing its brand awareness, and its ability to attract new customers.

3. **KEY INFORMATION ON THE SECURITIES**

3.1 **What are the main features of the securities?**

Type, class and ISIN of the securities

On Admission, there will be between 219,308,571 and 223,363,870 Ordinary Shares of £0.001 per Ordinary Share in issue, depending on the determination of the Offer Price and assuming Admission occurs on 26 April 2021 and the Company issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before such date. The Offers Size will be set out in the Pricing Statement, which is expected to be published on or about 21 April 2021 and will be available on the Company's website at www.pensionbee.com/investor-relations/ipo-centre.

All Ordinary Shares in issue on Admission will be fully paid.

When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BNDRLN84 and SEDOL number BNDRLN8.

Currency, denomination, par value, number of securities issued and term of the securities

Currency and denomination: Pounds sterling

Par value: £0.001 each

Number of securities: On Admission, there will be between 219,308,571 and 223,363,870 Ordinary Shares of £0.001 per Ordinary Share in issue, depending on the determination of the Offer Price and assuming Admission occurs on 26 April 2021 and the Company issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before such date.

Rights attached to the securities

The Ordinary Shares to be made available pursuant to the Offers will, on Admission, rank equally in all respects with the Ordinary Shares and have the following rights attaching to them:

- The Ordinary Shares rank equally for voting purposes and on a show of hands each Shareholder has one vote and on a poll each Shareholder has one vote per Ordinary Share held;
- Each Ordinary Share ranks equally for any dividend declared and each Ordinary Share ranks equally for any distributions made on a winding up; and
- Each Ordinary Share ranks equally in the right to receive a relative proportion of Ordinary Shares in case of a capitalisation of reserves.

Rank of securities in the issuer's capital structure in the event of insolvency

The Ordinary Shares do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law.

Restrictions on free transferability of the securities

The Ordinary Shares are free from any restriction on transfer, subject to compliance with applicable securities laws.

Dividends and Dividend policy

The Company does not intend to pay any dividends as PensionBee invests in growth. The Company intends to revisit its dividend policy in future years and may revise its dividend policy from time to time.

3.2 **Where will the securities be traded?**

Application will be made for the entire issued and to be issued Ordinary Share capital to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other exchange.

3.3 **What are the key risks that are specific to the securities?**

Following Admission, the Chief Executive Officer and persons considered to be acting in concert with her (including the Company's Chief Technology Officer) may continue to be able to exercise a direct or indirect controlling influence on PensionBee.

The proposed admission to trading of the Ordinary Shares to the High Growth Segment of the Main Market of the London Stock Exchange will afford investors a lower level of regulatory protection than a listing on the premium segment of the Official List of the FCA.

The Company is subject to risks associated with the lower minimum free float requirement for admission to the High Growth Segment.

There is no guarantee that dividends will be paid by the Company.

4. KEY INFORMATION ON THE OFFERS AND ADMISSION

4.1 **Under which conditions and timetable can I invest in this security?**

General terms and conditions

Up to 37,190,896 Ordinary Shares are being made available for subscription or sale in the Offers by way of:

(a) an institutional offer of New Shares and Existing Shares outside the U.S. in offshore transactions in reliance on Regulation S, and in the United States only to persons reasonably believed to be QIBs

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act (the "**Institutional Offer**"); and

(b) a direct customer offer of New Shares to retail investors resident in the U.K which is open to Eligible Customers (the "**Customer Offer**") pursuant to the terms and conditions of the Customer Offer contained in this Prospectus.

Admission is expected to become effective, and dealings in the Ordinary Shares are expected to commence on the High Growth Segment of the Main Market of the London Stock Exchange at 8.00 a.m. on 26 April 2021.

The Offers are subject to the satisfaction of conditions contained in the Underwriting Agreement. These conditions include conditions which are customary for transactions of this type (including Admission becoming effective by no later than 8.00 a.m. on 26 April 2021 (or such later date as may be determined in accordance with such agreement) and the Underwriting Agreement not having been terminated prior to Admission).

The Sole Global Co-ordinator has agreed, on the terms and subject to the conditions of the Underwriting Agreement (as defined below), to procure subscribers and purchasers for the Ordinary Shares to be made available pursuant to the Institutional Offer or, failing which, themselves to subscribe for or purchase such Ordinary Shares at the Offer Price and, to the extent that New Shares to be issued pursuant to the Customer Offer are not subscribed for, to procure subscribers for the New Shares to be issued in the Customer Offer, or failing which, to subscribe for such New Shares at the Offer Price.

Expected Timetable

It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on 26 April 2021.

Details of admission to trading on a regulated market

Application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange. Prior to Admission, conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 21 April 2021 for investors who are allocated Ordinary Shares pursuant to the Institutional Offer. The earliest date for settlement of such dealings will be 26 April 2021. Investors should note that only investors who apply for, and are allocated, Ordinary Shares in the Institutional Offer will be able to deal in the Ordinary Shares on a conditional basis. Investors who purchase Ordinary Shares in the Customer Offer will not be able to deal in such Ordinary Shares on a conditional basis. Therefore, the earliest time at which such investors will be able to deal in the Ordinary Shares is at the start of unconditional dealings on Admission.

Plan for distribution

Pursuant to the Offers, the Company is offering up to 35,483,870 New Shares and the Selling Shareholders are offering up to 2,815,896 Existing Shares, in each case to certain institutional and other investors. The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers. On 12 April 2021, the Company (for itself and for and on behalf of the Selling Shareholders), the Directors and the Sole Global Co-ordinator entered into an underwriting agreement (the "**Underwriting Agreement**") in connection with the Offers.

The Institutional Offer is being made to certain institutional and professional investors in the UK and elsewhere outside the United States in accordance with Regulation S and in the United States only to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Sole Global Co-ordinator has agreed, on the terms and subject to the conditions of the Underwriting Agreement, to procure subscribers for the New Shares to be issued and to procure purchasers for the Existing Shares in the Institutional Offer, or failing which, to subscribe for or purchase such Ordinary Shares at the Offer Price.

The Customer Offer is a direct customer offer by the Company to retail investors resident in the U.K. which is open to Eligible Customers pursuant to the terms and conditions of the Customer Offer contained in this Prospectus. To the extent that New Shares to be issued pursuant to the Customer Offer are not subscribed for, the Sole Global Co-ordinator has agreed, on the terms and subject to the conditions of the Underwriting Agreement, to procure subscribers for the New Shares to be issued in the Customer Offer, or failing which, to subscribe for such New Shares at the Offer Price.

Amount and percentage of immediate dilution resulting from the issue

Pursuant to the Offers, Existing Shareholders will experience between a 14.33 per cent. and 15.89 per cent. dilution of their holdings of Ordinary Shares as a result of the issue of between 31,428,571 and 35,483,870 New Shares (that is, his or her proportionate interest in Ordinary Shares of the Company will decrease by between 14.33 per cent. and 15.89 per cent.), following which they will hold between approximately 84.11 per cent and 85.67 per cent. of the enlarged issued share capital of the Company, depending on the determination of the Offer Price and the Offers Size and excluding the effect of any sale of Existing Shares. Existing Shareholders will also experience a 4.17 per cent. dilution of their holdings of Ordinary Shares as a result of the issue of 7,825,600 Ordinary Shares by the Company to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

Estimate of the total expenses of the issue

The costs and expenses of, and incidental to, Admission and the Offers payable by the Company are estimated to amount to approximately £6 million (including VAT), and include, among others, underwriting commissions (assuming the maximum amount of any discretionary commission is paid), the FCA's fees, costs associated with the administration of the Customer Offer and professional fees. No expenses or taxes will be charged by the Company or the Selling Shareholders to any subscribers or purchasers of Ordinary Shares subscribed for or purchased pursuant to the Offers.

Key Adviser and Sole Global Co-ordinator

Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods) is acting as key adviser, sole global co-ordinator and underwriter for the Offers ("**KBW**").

Over-allotment Option

Not applicable. There is no over-allotment option as part of the Offers.

4.2 **Why is this Prospectus being produced?**

Reasons for the Offers and use of proceeds

The Directors believe that this is an appropriate time to bring PensionBee to the public market. The Directors believe that the Offers will:

- provide investors and customers a timely opportunity to participate in the expected future growth of PensionBee;
- accelerate the expected growth of PensionBee's business and further enhance its profile; and
- enable PensionBee to capitalise on the significant opportunity for growth presented by the vast addressable market within which it operates.

The Company expects to raise a fixed amount of gross proceeds of £55 million from the subscription of New Shares in the Offers before estimated underwriting commissions (assuming the maximum amount of any discretionary commission is paid), fees and expenses incurred in connection with the Offers of approximately £6 million. As a result, the Company expects to receive a fixed amount of net proceeds of approximately £49 million from the Offers. In line with its stated strategy, the Company intends to use the net proceeds from the issue of the New Shares to support future growth, by funding future investment in PensionBee's advertising and marketing initiatives and its technology platform capabilities, and for general corporate purposes. Approximately £34 million from the net proceeds will be used by the Company towards its aggregate advertising and marketing budget of £50 million to £60 million for the three year period ending 31 December 2023 with the aim of increasing the number of its Invested Customers and, in turn, its AUA. The Company will use approximately £10 million to fund future investment in its technology platform, including new features prioritised through its product development process. The remaining approximate £5 million of the net proceeds will be used for other general corporate purposes.

Material conflicts of interest

There are no material conflicts of interest pertaining to the Offers or Admission.

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Prior to investing in the Ordinary Shares, prospective investors should carefully consider the factors and risks associated with any investment in the Ordinary Shares, the business of the Company and the Company's industries as a whole, together with all other information contained in this Prospectus, including in particular the risks described below, and should consult with their professional advisers.

The following is not an exhaustive list or explanation of all risks that investors may face when making an investment in the Ordinary Shares. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that the Directors currently deem to be immaterial, could also, individually or cumulatively, have a material adverse effect on the business, reputation and brand, sales, results of operations, financial condition and/or prospects of the Company and, if any such risks or uncertainties should materialise, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should carefully consider whether an investment in the Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

1. Macro-economic risks relating to PensionBee's business and the industry in which it operates

1.1 *PensionBee's business may be adversely affected by fluctuations in the global capital markets that are beyond PensionBee's control*

PensionBee generates the vast majority of its revenue in the form of fees charged on a recurring daily basis calculated by reference to the value of its AUA. PensionBee's AUA is invested in global equities, which represent the majority of its AUA, fixed income securities and other asset classes. Fluctuations in global capital markets, including in currencies, may adversely affect the value of PensionBee's AUA from which PensionBee derives its revenue.

A dramatic or sustained decline in the capital markets may: (i) reduce the value of PensionBee's AUA; (ii) deter existing or prospective customers from transferring their pensions to PensionBee; (iii) prompt customers to reduce their rates of contribution to their PensionBee pensions; (iv) prompt customers to increase their withdrawals from their PensionBee pensions; or (v) prompt customers to leave PensionBee in favour of other pension providers, each of which could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

As at 31 December 2020, approximately 70 per cent. of PensionBee's AUA was invested in equity markets. PensionBee's revenue is therefore directly exposed to fluctuations in stock markets as its fees are charged as a percentage of AUA. A decline in the equity markets, including as a result of decreased investor confidence in specific markets or globally, could reduce PensionBee's revenue by reducing the value of its AUA. Revenue could also be reduced as a result of current customers withdrawing or transferring away their pension assets in volatile equity markets or reducing their rates of contribution to their PensionBee pensions, further reducing the value of PensionBee's AUA and in turn the revenue it earns on such AUA.

PensionBee is further exposed to currency exchange risk arising from fluctuations in exchange rates of various currencies, in particular fluctuations between the US Dollar against Pound Sterling as a significant proportion of PensionBee's AUA are denominated in US Dollars. The effect of exchange rate fluctuations on these assets could lead to significant fluctuations in the amount of fee income generated by PensionBee.

A general deterioration or instability in the global economy and political environment, including as a result of uncertainty caused by the ongoing global COVID-19 pandemic (see the risk factor headed "*PensionBee's financial performance and prospects may be adversely affected by COVID-19, the long-term impact of which is currently unknown*" below for further information) and/or the UK's exit from the EU (see the risk factor headed "*There is uncertainty associated with the UK's exit from the European Union which could inhibit economic growth in the UK which in turn could materially adversely affect PensionBee's business, results of operations, financial condition or prospects"* below for further information) and a resulting decline in the global capital markets in which its AUA are invested, may have a negative impact on the value of its customers' pensions

and on the overall confidence that current and prospective customers have with respect to transferring their pensions to PensionBee and making new contributions to their PensionBee pensions.

1.2 ***PensionBee's financial performance and prospects may be adversely affected by COVID-19, the long-term impact of which is currently unknown.***

On 11 March 2020, the World Health Organisation announced that the outbreak of COVID-19 (commonly referred to as Coronavirus) had been declared a global pandemic. The long-term economic and social impacts of the outbreak are still not known and continue to evolve rapidly. A widespread health crisis, such as the COVID-19 pandemic, could adversely affect the global economy, resulting in a decline in capital markets over a sustained period of time which could result in a reduction in value of PensionBee's AUA on which it generates its revenue. The value of PensionBee's AUA reduced by 9 per cent. from the end of February 2020 to the end of March 2020 primarily as a result of the impact of the pandemic on global capital markets. Whilst the value of PensionBee's AUA has since increased as capital markets have recovered, there can be no assurance that a prolonged decline or increased volatility in the capital markets will not occur as a result of the ongoing effects of the pandemic, resulting in a long-term reduction in the value of PensionBee's AUA and consequently the amount of revenue it generates (see the risk factor headed "*PensionBee's business may be adversely affected by fluctuations in the global capital markets that are beyond PensionBee's control*" above for further information). Such a reduction could therefore have a material adverse effect on PensionBee's prospects and growth strategy, as well as its business, results of operations and financial condition.

Whilst the extent of the impact of the pandemic will depend on the continued range of the virus, infection rates, the severity and mortality rates of the virus and any mutations of the virus, the efficacy of and timing of regulatory approvals for and the availability of vaccines and/or therapeutics in development, the steps taken nationally and globally to prevent the spread of the virus as well as fiscal and monetary stimuli offered by the UK Government and governments globally, it is difficult to predict the effects these factors may have on PensionBee's business. The future development of the pandemic is highly uncertain and could have an adverse impact, which might be materially worse and/or last longer than anticipated, on PensionBee's business, financial condition and future results. For instance, as employment and other financial support schemes provided by the UK Government (such as the job retention and furlough schemes) in response to the pandemic expire, are withdrawn or are no longer supported, PensionBee may experience lower levels of long-term transfers and contributions as a result of wage compression, job losses, redundancies and long-term unemployment. Data from the Office of National Statistics showed that employee contributions into defined contribution pension schemes reduced by 11 per cent. over the first quarter of 2020.

Furthermore, any changes to the UK's tax regime arising in response to the increased indebtedness of the UK Government as a result of its response to the pandemic, including potentially reduced levels of pension tax relief and higher levels of income taxation, may result in PensionBee's customers having less disposable income and fewer incentives to invest in their pensions, thereby negatively impacting the future growth of PensionBee's AUA. Similarly, higher levels of unemployment in the UK would result in employers having to contribute less to pension plans as a result of having fewer employees. Data from the Office of National Statistics showed that employer contributions into defined contribution pension schemes reduced by 5 per cent. over the first quarter of 2020. To the extent an ongoing reduction in contributions were to occur, this could have a material adverse effect on PensionBee's prospects and growth strategy, as well as its business, results of operations and financial condition.

1.3 ***There is uncertainty associated with the UK's exit from the European Union which could inhibit economic growth in the UK which in turn could materially adversely affect PensionBee's business, results of operations, financial condition or prospects.***

Notwithstanding that a UK-EU trade deal was agreed in December 2020 and came into force on 1 January 2021 following the end of the transition period, the longer-term impact of such a trade deal on both the global and UK economies remains to be ascertained. Accordingly, the full effect of the UK's withdrawal from the EU on the UK and global economy, as well as any consequential impact on the European Union, generally remains unknown.

While PensionBee operates exclusively in the UK, such ongoing uncertainty could impact market confidence overall. The uncertainty and unpredictability concerning the UK's future legal, political, financial and economic relationship with the EU may result in significant currency fluctuations and may otherwise adversely affect market confidence in the UK and its economy for the foreseeable future. Any such loss of market confidence or adverse currency fluctuations may result in a decline in the value of PensionBee's AUA which could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

Furthermore, uncertainty arising as a result of the UK's withdrawal from the EU could result in a decline in the UK's economy potentially leading to a loss of consumer confidence, higher inflation and increased unemployment. Any downturn in the UK economy (or the perception thereof) may result in PensionBee's customers having less confidence to transfer their pensions to PensionBee and less disposable income resulting in them reducing or suspending their contributions to their PensionBee pensions, increasing their withdrawals from their pensions or transferring their pensions away from PensionBee, each of which could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

2. **Regulatory risks relating to PensionBee's business and the industry in which it operates**

2.1 ***PensionBee's business is subject to risks relating to changes in UK Government policy and applicable regulations.***

PensionBee's business is reliant on the transfer of pension benefits to personal pension schemes in accordance with current regulatory requirements. Pursuant to these requirements, a member of a defined contribution pension scheme has a statutory right under the Pension Schemes Act 1993 to take a cash equivalent transfer value to another registered pension scheme. Other than in relation to benefits which include some form of guarantee or promise during the accumulation phase about the rate of secure pension income that a member (or their survivors) will receive or will have an option to receive ("**Safeguarded Benefits**") worth more than £30,000, a member of a defined contribution pension scheme does not currently have to obtain advice prior to making a transfer to another defined contribution pension scheme. In the case of Safeguarded Benefits worth more than £30,000, a member is required to obtain independent advice prior to transferring a Safeguarded Benefit to a defined contribution pension scheme and to provide such advice to the ceding scheme. PensionBee is therefore not currently required to provide such advice to its prospective customers on account of it administering a receiving scheme, but any new requirements requiring advice to be provided on a broader basis than is currently the case by either PensionBee or a third party could have a material adverse impact on PensionBee's business, for example by increasing its compliance costs if it were to provide such advice itself, or by making its customer offering less competitive if it entered into partnerships with third parties for the provision of the required advice, resulting in PensionBee's customers being charged higher fees. In addition, any other changes to existing requirements governing the transfer of pension benefits to personal pension schemes which restrict or impede such transfers could materially affect PensionBee's business.

More broadly, the UK pensions market is sensitive to changes in the policy of the UK Government and UK regulators, such as the FCA and HMRC. For example, certain policies have been implemented to: (i) control transfers of pension benefits between pension schemes; (ii) require employers to automatically enrol their eligible workers into a qualifying pension scheme and to make contributions to such a scheme and control the charges that may be applied in respect of such schemes; and (iii) to provide individuals with greater flexibility in accessing their pensions. Even where these requirements do not directly apply to a scheme such as the defined contribution personal pension scheme into which PensionBee's customers save for retirement and through which all of the PensionBee Plans operate (the "**PensionBee Personal Pension**"), PensionBee may need to comply due to competitive pressures. The FCA has been increasing its focus on the UK's retail investment market, including in pensions. In 2019, the FCA directly intervened in the defined benefit pensions market to address mis-selling issues arising from inappropriate advice given to consumers to transfer out of their defined benefit pension schemes. In the same year, the FCA published its feedback statement entitled *Effective competition in non-workplace pensions* following a consultation exercise which it carried out in 2018. In the feedback statement, the FCA highlighted a lack of consumer engagement, combined with complex and confusing products and charges, which has led to a lack of competitive pressure in the non-workplace pensions market. More recently, in September 2020, the FCA published a call for input requesting feedback on its

concerns relating to the operation of the consumer investment market which it said would shape its work over the next three years. No assurances can be given that the FCA's increasing focus will not result in regulatory changes that could affect PensionBee's business in a material way, for instance through the implementation of capped fee arrangements.

Any new governmental policies or UK regulatory requirements which affect the UK pensions market, whether or not as a result of the FCA's recent consultations, tax restrictions, or the introduction of any additional regulation or changes to existing regulation in relation to aspects of PensionBee's business which are already regulated (or, indeed, the introduction of any new regulation in relation to aspects of PensionBee's business which are not currently regulated), may, whether inadvertently or by design, have the effect of making PensionBee's customer offering either more or less attractive and, potentially: (i) increase or decrease the amount or value of pension assets being transferred onto its technology platform by existing customers and prospective customers; (ii) increase or decrease the amount of contributions being made by existing and prospective customers to their PensionBee pensions; (iii) increase or decrease the amount of withdrawals by existing and prospective customers into their PensionBee pensions; (iv) increase or decrease the proportion of customers transferring their pensions away; (v) increase or decrease the fees PensionBee charges its customers or (vi) increase or decrease PensionBee's compliance costs. Any legal or regulatory changes which are negative or perceived to be negative for PensionBee's business or which increase its compliance costs, could therefore have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects and growth strategy.

2.2 ***PensionBee is exposed to the risk of changes in taxation legislation and its interpretation and to increases in the rate of corporation and other taxes applicable to financial institutions.***

Changes in taxation legislation can affect investment behaviour, making investment generally (and specific kinds of investment products and tax advantages) either more or less appealing. PensionBee cannot predict the impact of future changes made to UK taxation legislation on its business, nor can it predict the impact of future changes made to tax law on the attractiveness of the relevant tax advantages for pension saving that it currently makes available. Amendments to existing legislation (such as the withdrawal of tax reliefs on pension contributions and lump sum withdrawals, increases in tax rates or the introduction of new taxes) or the introduction of new rules may impact upon the way in which individuals manage, and contribute to, their pensions. Changes from time to time in the interpretation of existing tax laws, regulation, guidance and practice, amendments to existing tax rates, or the introduction of new tax legislation, regulation, guidance and practice could have a material adverse effect on PensionBee's business, financial condition or prospects.

In addition, the tax advantages available for the PensionBee Personal Pension are based upon, and subject to, current tax law, which is influenced and set by the UK Government. There can be no assurance that tax law and associated government policy will stay the same in the future and material changes in such laws and policies could have an impact on the levels and growth of AUA held in pensions. For instance, any changes to the UK's tax regime arising in response to the increased indebtedness of the UK Government as a result of its response to the COVID-19 pandemic, including potentially reduced levels of pension tax relief and higher levels of income taxation, may result in PensionBee's customers having less disposable income and fewer incentives to invest in their pensions, thereby negatively impacting the future growth of PensionBee's AUA (see the risk factor headed "*PensionBee's financial performance and prospects may be adversely affected by COVID-19, the long-term impact of which is currently unknown*", for further information on the potential impact of COVID-19 on PensionBee' business). This, in turn, could have a material adverse effect on PensionBee's business, financial condition or prospects.

Furthermore, PensionBee's activities are conducted within the UK and it is therefore subject to a range of UK business taxes, including corporation tax and value added tax, at various rates. Future actions by the UK Government to increase business tax rates or to impose new or additional taxes, would reduce PensionBee's profitability. Revisions to tax legislation, or to its interpretation, might also affect PensionBee's financial condition in the future.

2.3 ***PensionBee is subject to regulation and benefits from regulatory approvals. PensionBee may fail, or be held to have failed, to comply with regulations and such regulations and approvals may change, making compliance more onerous and costly.***

PensionBee's operations are subject to authorisation and supervision from the FCA, and supervision from bodies such as HMRC and the Information Commissioner's Office. Changes in the laws and regulations to which PensionBee is subject could have a material adverse effect on PensionBee's business. PensionBee's activities are already subject to supervision by the FCA but any changes in regulatory requirements relating to such supervision may increase PensionBee's compliance costs and lead to an adverse impact on the financial performance of PensionBee.

The FCA, or other regulators, could, in the future, conclude that PensionBee, or its employees, have breached applicable regulations or regulatory principles, treated customers unfairly or have not undertaken corrective action as required, and commence regulatory proceedings which could result in a public reprimand, fines, customer redress and compensation or other regulatory sanctions being imposed upon the Company or any of the Directors or certain of PensionBee's employees. PensionBee has not historically been subject to material regulatory proceedings, investigations nor had material fines or sanctions imposed upon it. However, if any such regulatory proceedings were to be brought, it could result in adverse publicity or negative perceptions regarding PensionBee, restrictions being imposed on business activities or key personnel of PensionBee and fines and other penalties, any of which could result in a loss or decline in growth of PensionBee's revenue, as well as diverting the attention of the Directors and the Senior Managers from the day-to-day management of PensionBee.

2.4 ***Increases in the amounts that PensionBee is required to contribute to compensation schemes in the UK in respect of authorised financial services firms that are unable to meet their obligations to clients could adversely affect its business.***

In the UK, the FSCS can pay compensation to clients if a PRA or FCA-authorised firm is unable, or likely to be unable, to pay claims against it (for instance, an authorised bank is unable to pay claims by depositors). The FSCS is funded by levies on firms authorised by the PRA or FCA.

PensionBee pays levies to the FSCS based on its revenue to enable it to meet claims under such schemes.

There can be no assurance that changes will not be made to the current levies made on PensionBee, nor that new or additional levies will not be introduced. Were this to occur, it could lead to periods of uncertainty until the new arrangements and levies were finalised, and it may involve PensionBee incurring additional costs and liabilities which could adversely affect PensionBee's operating results, financial condition and prospects.

2.5 ***Following Admission, the Company will be subject to new obligations as a result of having its Ordinary Shares admitted to trading on the High Growth Segment and will incur additional legal, accounting and other expenses which it did not incur as a private company.***

Following Admission, the Company will be subject to new obligations as a result of having its Ordinary Shares admitted to trading on the High Growth Segment. The Directors and the Senior Managers will therefore need to devote time to ensure that the Company complies with the new reporting obligations and corporate governance practices to which it will be subject. Such compliance will also result in the Company incurring legal, accounting and other expenses which PBL did not incur as a private company. There is a risk that the requirements of being a public limited company with shares admitted to trading on the High Growth Segment will impose unexpected challenges for the Company. Moreover, any material breach of the regulatory obligations referred to above following Admission could give rise to sanctions or censure, financial penalties and, potentially, have a material adverse impact on PensionBee's reputation, which, in turn, could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3. **Business risks relating to PensionBee**

3.1 ***PensionBee may not achieve levels of growth or profitability in line with its expectations and has a limited operating history which makes it difficult to evaluate its future prospects.***

There is no guarantee that PensionBee will be able to achieve levels of growth in line with its expectations or that it will be able to maintain its financial performance at historical levels. There is also no guarantee that PensionBee will be able to achieve anticipated profitability with timing consistent with the Directors' expectations or indeed at all.

There is no guarantee that PensionBee will be able to implement its strategy for growth successfully. PensionBee may also incur significant costs or delays in attempting to implement its growth strategies and initiatives and the focus and attention of the Directors and the Senior Managers could be diverted away from existing business functions in attempts to implement these strategies and initiatives. This could lead to PensionBee suffering reputational damage and could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

In addition, PensionBee was only founded in 2014 and therefore has a limited operating history. Due to its limited operating history and the rapid growth it has experienced since it began operations, PensionBee's historical results may not be indicative of, or comparable to, its future results.

3.2 ***PensionBee's business could be harmed if PensionBee fails to manage its growth effectively***.

PensionBee's growth in AUA, Invested Customers and Registered Customers has placed, and will likely continue to place, increasing requirements on PensionBee's managerial, administrative, operational, compliance, financial and other resources. PensionBee has grown from 34 average employees in the year ended 31 December 2018 to 110 average employees in the year ended 31 December 2020. PensionBee intends to further expand its overall business, including its AUA, customers and headcount. As PensionBee expands, it will be required to continue to expand its operational and financial controls and reporting procedures and PensionBee's current and planned personnel, systems, procedures and controls may not be adequate to support and effectively manage its future operations.

In addition, the Directors believe that an important contributor to PensionBee's success has been its culture, which the Directors believe fosters innovation, teamwork, excellent customer service and high technology literacy. As PensionBee continues to grow, it must effectively integrate, develop and motivate a growing number of new employees. As a result, PensionBee may find it difficult to maintain its culture, which could limit its ability to innovate and operate effectively and maintain its past high levels of customer service. Furthermore, the Company's ability, as a public company, to maintain, following Admission, PensionBee's culture, with the attendant changes in policies, practices, corporate governance and management requirements, may also be challenging. Any failure to preserve or adequately evolve PensionBee's culture, including as the number of its employees increases as the business expands, could also negatively affect PensionBee's ability to retain and recruit personnel, continue to perform at current levels or execute its business strategy, or result in additional supervisory and regulatory costs to ensure that PensionBee does not breach its regulatory obligations.

As a result of these risks, any failure by PensionBee to manage its growth effectively could have a material adverse effect on its reputation, business, results of operations, financial condition or prospects.

3.3 ***PensionBee has been incurring net losses and may not achieve or maintain profitability in the future and may require additional capital in the longer term. Such additional capital may not be available or may only be available on unfavourable terms.***

Since its inception, PensionBee has incurred net losses. In 2019 and 2020, PensionBee reported operating losses of £7 million and £13 million, respectively. These operating losses have resulted from PensionBee's investments in, and expenditures relating to, the expansion of its customer base and the development of its technology platform and have been funded primarily by successive

equity investments. Whilst the Directors expect PensionBee to achieve a monthly breakeven point on an Adjusted EBITDA basis by the end of 2023, PensionBee may not be able to achieve profitability in the timeframe it anticipates, or even in the longer term. In this event, PensionBee may, in the longer term, need to incur further indebtedness or raise equity funding or reduce its expenses, for example by reducing its marketing spend which could have an adverse impact on the future growth of the business. There can be no assurance that such debt or equity financing would be available if and when required on commercially acceptable terms, or at all, and any inability to raise financing in the longer term could have a material adverse effect on PensionBee's business, results of operations, financial condition and prospects.

3.4 ***PensionBee is dependent on third parties for the provision of investment management services.***

PensionBee is dependent on third-party financial services companies for the provision of investment management services. PensionBee's investment plans are managed externally by some of the world's largest money managers including BlackRock, HSBC, Legal & General and State Street Global Advisors. Each of these providers manages and holds a material proportion of PensionBee's AUA. PensionBee is therefore reliant on the continued solvency, compliance, security and reputational and operational integrity of each such service provider for the appropriate management, investment and safekeeping of its customers' assets, including ensuring that such assets are invested in accordance with the relevant investment plan's terms.

Any actual or perceived mismanagement or any default by any third-party financial service company on which PensionBee is dependent, or any other third-party money manager that PensionBee engages with in the future, or any index or other product providers used by any such persons, could have a material adverse effect on its reputation, business and results of operations.

The contractual arrangements between PensionBee and its third-party money managers are evergreen and are capable of being terminated at any time by either party with notice, including as a result of a proposed fee increase. If the contractual arrangements with any of PensionBee's third-party money managers were to be terminated, it may not be able to find an alternative provider on a timely basis, on equivalent terms, without significant expense, or at all which, in each case, could also cause a material disruption to or adverse effect on PensionBee's reputation, business and results of operations.

3.5 ***PensionBee's operations are susceptible to cybercrime and loss or misuse of data which could damage PensionBee's reputation.***

PensionBee, in common with other financial services providers, has in the past been, and could in the future be, the target of cybercrime and other fraudulent activity, by cybercriminals and other actors (including state-sponsored groups). Failure or circumvention of PensionBee's data and cyber security measures could result in loss, including as a result of any of the following: denial-of-service or other interruptions to PensionBee's business operations; unauthorised access to PensionBee's systems or data; unauthorised access to, and loss, damage or compromise of, data (including confidential or proprietary information about PensionBee, third parties with whom PensionBee does business and customers that use PensionBee's technology platform); or viruses, worms, spyware or other malware being placed in PensionBee's systems. Techniques used to obtain unauthorised access to, or sabotage, systems and data change frequently, are becoming ever more sophisticated and may not be known until launched against PensionBee or its third-party service providers; therefore PensionBee may be unable to anticipate these incidents, or otherwise not have in place adequate preventative measures (including those which would enable it to recover from such an incident).

Any actual or perceived incident could significantly disrupt PensionBee's operations; damage PensionBee's reputation; expose it to a risk of loss (including loss of customers), fine, sanction or litigation and possible exposure to the liability and loss suffered by customers; require PensionBee to incur significant expenditure and divert the attention of the Directors and the Senior Managers from the day-to-day management of PensionBee in order to seek to resolve problems caused by such incidents; and have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.6 ***PensionBee is exposed to the risk of financial crime and fraud. Growing sophistication in financial crime and fraud techniques could adversely affect PensionBee's ability to identify and prevent financial crime and fraud.***

PensionBee, in common with other financial services providers, has in the past been, and could in the future be, the target for financial crime and fraud arising from the actions of third parties, customers and staff. There is no guarantee that PensionBee's proactive measures will be successful in the prevention or detection of financial crime and fraud and any failure to combat these matters effectively could adversely affect PensionBee's business, results of operations, financial condition or prospects.

Employees, customers or third parties may attempt to use PensionBee's technology platform to facilitate financial crimes such as money laundering and tax evasion and may fabricate or misrepresent material facts to PensionBee or fail to provide full disclosure in respect of an application or instruction. Some staff have access to the company bank accounts, including the clearing account through which customer funds pass, and may attempt to misappropriate funds.

If PensionBee does not provide effective training to its employees, does not continue to develop counter-financial crime and fraud measures or otherwise fails to implement or maintain effective counter-financial crime and fraud procedures, practices and strategies, the ability of PensionBee to combat financial crime and fraud could be adversely affected.

Further, where PensionBee's costs increase as a result of financial crime or fraudulent activity, PensionBee may be required to increase its charges which could result in its pricing becoming uncompetitive, which could also have a material adverse effect on its business, results of operations, financial condition or prospects.

3.7 ***PensionBee is dependent on other pension providers' ability to transfer the pensions of its customers to the PensionBee Personal Pension.***

PensionBee is dependent on other pension providers' ability to transfer PensionBee's prospective customers' pensions to the PensionBee Personal Pension. PensionBee is therefore reliant on the systems and processes of third parties over which it has no control in order for assets to be transferred to the PensionBee Personal Pension. The systems and processes used by other pension providers to effect pension transfers may be outdated, administratively burdensome to use and susceptible to failure. If pension providers are unable to carry out the pension transfers that PensionBee requests on behalf of its customers, or if they are unable to do so in a timely manner, whether or not as a result of disruptions or changes to their operations or otherwise, any such inaction or delay could have a material adverse effect on PensionBee's reputation, business, results of operations or prospects.

3.8 ***PensionBee's success and future growth depend significantly on successful, cost effective marketing efforts, increasing its brand awareness, and its ability to attract new customers.***

PensionBee attracts new customers via its omni-channel diversified marketing activities. PensionBee's success and future growth therefore depend significantly on its marketing efforts and its ability to attract new customers to transfer their pensions to the PensionBee Personal Pension. PensionBee has in the past dedicated, and intends to continue to dedicate, significant resources to its marketing efforts. PensionBee's marketing activities include press, paid search, social media, display, online advertising, search engine optimisation, search engine marketing, partnerships, radio and television advertising, targeted email campaigns, traditional direct mail and outdoor advertising.

There is an increasing regulatory focus in the UK on the promotion of financial services and products to retail customers. Any future changes to the regulation which governs the contents and distribution of PensionBee's marketing efforts, which make it harder or more expensive for PensionBee to advertise its services, would negatively impact its ability to increase its brand awareness and its customer base.

If any of PensionBee's current or future marketing activities are ineffective, or if it is unable to continue to efficiently and effectively perform any of these activities, whether or not as a result of

a change in regulation, it may be unable to attract new customers in a cost-effective manner, which could materially adversely affect its business, results of operations and financial condition or prospects.

3.9 ***Any significant disruption in service on PensionBee's technology platform, in PensionBee's computer systems or software or in the systems operated by third parties that PensionBee utilises could damage PensionBee's reputation and result in a loss of customers, which could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.***

The successful operation of PensionBee's business depends upon maintaining the integrity of PensionBee's communication and information technology systems. These systems and operations depend upon the reliable performance of PensionBee's or its third-party suppliers' cloud based infrastructure, physical infrastructure and network infrastructure. Like many technology-based businesses, PensionBee and its third-party suppliers have experienced in the past, and may experience in the future, service interruptions that impact its technology platform. Any disruptions, outages or delays in systems used by PensionBee, including as a result of security breaches (including as a result of cyber-attacks by computer hackers or viruses and other types of security incidents); improper or negligent operation of PensionBee's systems by employees or service providers, fire, flood, power loss, telecommunications failure, physical or electronic break-ins, earthquakes, acts of war or terrorism or other events or disruptions, could affect the availability of PensionBee's technology platform and prevent or inhibit the ability of customers to access its technology platform, which, in turn, could materially adversely affect its business and reputation.

Modifications or upgrades to any information technology systems, including those provided by third parties, could result in an interruption to PensionBee's business. The continued growth of PensionBee and one-off events causing a spike in demand for PensionBee's services could result in a failure of PensionBee's systems to cope with the capacity pressures placed on them.

While PensionBee has capacity planning, ongoing monitoring, security measures and business continuity and disaster recovery plans designed to mitigate the effects of any such events, should they occur, there can be no guarantee that such measures or plans will protect PensionBee from all potential damage, breakdown or interruption arising from any of the events described above.

The occurrence of any such damage, breakdown or interruption could cause material disruption to the operations of PensionBee and harm its business, reputation, operating results, financial condition, or prospects.

3.10 ***PensionBee's business is conducted in a competitive environment and, if PensionBee is not successful in anticipating and responding to competitive change or customer preferences in a timely and cost-effective manner, its business, financial condition, results of operations or prospects could be materially adversely affected.***

The pensions market in the UK is competitive, and the Directors expect such competition to intensify in response to market behaviour, consumer preferences, technological changes, the impact of consolidation within the market, regulatory actions, government initiatives and other factors. PensionBee therefore faces the risk that customers do not prefer its offering to those of competitors and there is therefore no guarantee that PensionBee will be able to achieve growth levels in line with its expectations or that it will be able to maintain its financial performance either at historical or anticipated future levels.

PensionBee's competitors include a variety of financial services firms, including insurance companies, investment platforms, asset and fund management firms, financial technology start-ups as well as specialist SIPP and SSAS providers. PensionBee's market is characterised by ongoing technological progression, including relating to the underlying infrastructure and customer experience. In addition, the pension market remains cost-sensitive and competitors could materially undercut PensionBee's fees, thereby generating pressure on PensionBee's revenues. This is particularly the case for those of PensionBee's competitors that are substantially larger and have at their disposal significantly greater financial resources than PensionBee. Any failure of PensionBee to maintain its competitive position could therefore lead to a reduction in its revenue as well as lower future growth.

The factors affecting PensionBee's ability to sell its offering and achieve profitability include investment management performance, customer pricing offered, customer and industry ratings, range of investment plans and product and service quality, choice of distribution method, customer perception of the PensionBee consumer offering, brand strength, financial strength, levels of innovation compared to its competitors, ability to appeal to demographic and other relevant trends and customer appetite for self-directed execution-only pension products.

Furthermore, PensionBee is not currently authorised to provide advice to its customers on investment decisions relating to their pension. PensionBee's customers must therefore make their own decisions in relation to the pension plan in which they choose to invest their pension. If, as a result of future regulatory change or changing customer preferences, there is greater consumer demand for advice-led services, PensionBee would face the risk that its self-directed execution-only proposition would be less appealing to potential customers. Consequently, PensionBee may be required to provide financial advice, which could lead it to incur higher costs or customers may transfer their pensions from the PensionBee Personal Pension in favour of advice-led offerings.

If PensionBee is not successful in anticipating and responding to competitive or regulatory change, government initiatives or customer preferences in a timely and cost-effective manner, its business, financial condition, results of operations and prospects could be materially adversely affected.

3.11 ***PensionBee will experience natural outflows to its AUA as a result of its customers withdrawing their pension assets which could negatively impact its business if not replaced.***

As is commonplace for pension providers, many of PensionBee's customers with larger pension plans are in their fifties or older, since older customers tend to have a more significant amount of assets invested for their retirement. PensionBee will therefore naturally lose AUA when such customers start to withdraw assets for their retirement from the age of 55 (increasing to 57 from 2028), or due to their ill health or passing away. There will therefore be a continued need for PensionBee to attract new customers in the future to compensate for this natural loss of AUA or customers. PensionBee will also be required to develop, on an ongoing basis, its products in order to keep pace with any changes in the prevailing demographic trends, such as the type of investment plans it sources from investment managers and better products for withdrawals, in order to keep pace with customer appetite. If PensionBee is unable to attract new customers in the future, or if younger generations of customers do not generate wealth at a rate similar to historical periods, PensionBee could experience a reduction in revenue as well as lower future growth which could have a material adverse effect on its business, results of operations, financial condition or prospects.

3.12 ***PensionBee's operations are subject to strict data protection and privacy laws, breach of which could lead to substantial regulatory fines or data subject claims (including class actions).***

PensionBee is subject to a number of laws relating to privacy and data protection, including the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 No. 419 ("**UK GDPR**"), and the United Kingdom's Data Protection Act 2018. Such laws govern PensionBee's ability to collect, use and transfer personal data including relating to actual and potential customers, the use of that information for marketing purposes, as well as any such data relating to its employees and others. PensionBee relies on third-party service providers and its own employees to collect and process personal data and to maintain its databases. Therefore, PensionBee is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws. Any perceived or actual failure by PensionBee, or a third-party service provider acting on its behalf, to protect confidential data or any material non-compliance with privacy or data protection laws may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in litigation or other actions being brought against it and the imposition of significant fines and, as a result, could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.13 ***PensionBee may be materially adversely affected by mistakes and/or misconduct by its personnel, including non-compliance with regulatory procedures or by any errors or omissions in any work undertaken previously by such personnel.***

PensionBee's reputation is one of its most important assets. Its relationship with its customers is very important to its business, and it operates in an industry where integrity, trust and confidence of customers are paramount. In addition, PensionBee operates in a heavily regulated sector.

PensionBee's personnel may make errors or omissions during the course of providing PensionBee's services, make misrepresentations, breach applicable laws or regulations in the course of their duties or engage in other improper acts. While PensionBee maintains and regularly reviews internal controls over financial reporting, risk elevation and corporate compliance, these internal controls have inherent limitations. In particular, certain of PensionBee's internal controls over financial reporting, risk elevation and corporate compliance involve manual input and human diligence and compliance, which increases the potential for misconduct or errors, and could in turn negatively impact PensionBee's ability to assess and manage risk. Errors and omissions by PensionBee's personnel could lead to losses for customers, litigation, reputational damage, regulatory action or financial costs where such costs are not covered by insurance or to other regulatory censures or restrictions both of PensionBee and the relevant individual employee concerned, including the suspension or withdrawal of any authorisations that the employee may require in order to perform his or her duties. Similar risks may arise in connection with work undertaken historically by such personnel. Errors or omissions may not come to light for some time after they occur.

Any current or historical errors, omissions, breaches or misconduct by PensionBee or its personnel in connection with the provision of its services, could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.14 ***PensionBee may be subject to complaints and claims from third parties and customers.***

PensionBee may be subject to complaints or claims from customers and third parties in the ordinary course of business. The majority of complaints made by customers against PensionBee relate to customer service levels or delays to the transfer of their pensions to the PensionBee Personal Pension. The majority of PensionBee's customers currently do not have to take financial or other advice before transferring their existing pension assets to the PensionBee Personal Pension and under the current UK regulatory framework PensionBee is not required to provide any such advice to its customers. There is therefore a risk that such customers suffer financial losses or impaired performance as compared with the pension schemes they originally left which could result in allegations of mis-selling or other allegations being made against PensionBee, adverse publicity or claims for compensation. PensionBee may be unable to resolve the complaints and claims brought against in a satisfactory manner. If a large number of complaints, including any involving substantial customer or third-party losses, were upheld against PensionBee because it was found not to have discharged its duties properly, this could have a material adverse effect on PensionBee's reputation, business, financial condition, results of operations or prospects.

3.15 ***Some of the technology underpinning PensionBee's technology platform is provided by third parties and is licensed to PensionBee.***

PensionBee is dependent on the use of third-party IT software and hosting service providers for the provision of material IT services. For instance, PensionBee uses Salesforce to build its pension administration system and enterprise resource planning system and off-the-shelf account and business ledgers.

These generic information technology systems which underpin PensionBee's technology platform use software designed, written and operated by third-party cloud service providers who license that technology to PensionBee and other third parties and also provide PensionBee with routine support and maintenance services. PensionBee relies on these systems as a technical foundation for operating its technology platform. As such, PensionBee is reliant upon these third parties for the maintenance and repair of such systems and also their development, upgrading and scalability in a way which keeps pace with the market generally and accommodates the growth of PensionBee.

Any interruption in the services provided by these third parties, failure due to lack of system capacity or deterioration in their performance could impair the availability and quality of PensionBee's services to its customers. Furthermore, if the contracts with any of these third-party providers were terminated, PensionBee may not find alternative service providers on a timely basis or on as favourable terms or may suffer disruption as a result of the transition to the new service provider. While PensionBee has business continuity arrangements designed to accommodate the failure of service providers, there can be no guarantee that such plans will protect PensionBee from all potential disruption arising from such interruptions. The occurrence of any of these events could therefore have a material adverse effect on PensionBee's business, reputation and brand, results of operations, financial condition or prospects.

3.16 ***PensionBee is dependent upon the continued services of its Directors and other Senior Managers and other key employees for the growth and success of the business.***

PensionBee's operations are dependent upon the experience, skills and knowledge of its Directors, Senior Managers and other key employees who are the architects and implementers of PensionBee's strategy, culture, technology platform and information technology systems and are important to its ability to attract and retain its customers, business and staff.

The departure or loss of a significant number of Directors, Senior Managers and/or other key employees, or the inability to recruit suitably experienced, qualified and trained staff, as needed, may cause significant disruption to PensionBee's business, which could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects. PensionBee may also incur significant additional costs in recruiting and retaining suitable replacements.

3.17 ***PensionBee is reliant on its ability to attract and retain staff of sufficient skill levels to run and operate its business***

PensionBee's continued success depends on its ability to attract and retain employees with sufficient skill levels. The Directors believe that a critical component of PensionBee's business is its strong culture and working environment which enables it to attract and retain staff who passionately believe in its customer offering. Any failure by PensionBee to maintain its culture and values, including due to growth, could adversely affect its ability to attract and retain employees. If PensionBee is unable to attract and retain staff, this could result in a decline in the service levels provided to its customers and associated negative market perception. This perception could in turn lead to a failure to attract new customers, to PensionBee's technology platform and to retain existing customers, which could cause a reduction in AUA and revenue and impact growth.

The loss of a material number of staff and/or the failure to recruit sufficiently skilled staff could therefore have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.18 ***PensionBee's operations are dependent on the wider financial services industry, power providers and telecommunications operators and any material failure in these financial services systems and PensionBee's network infrastructure could materially adversely affect PensionBee's ability to conduct its business.***

PensionBee is dependent on a number of major financial service providers (Barclays plc, Silicon Valley Bank, Pay.UK Ltd) to provide banking and payment services necessary for the operation of its business. PensionBee is also reliant on Origo Services Limited's Options Transfers service for transferring the majority of its customers' pensions to the PensionBee Personal Pension from other pension providers. There can be no guarantee that any of these providers will be able to meet PensionBee's needs or to continue to provide these services in an efficient, cost-effective manner, or at all. In the event that such providers fail to provide the services or fulfil their contractual obligations, as a result of events outside their control or otherwise, PensionBee's financial and business operations will be impaired, which could have a material adverse impact on its own service provision and, in turn, a material adverse effect on its business, results of operations, financial condition or prospects.

PensionBee also depends on the capacity and reliability of its physical infrastructure, which is, to a certain extent, provided by a range of third-party suppliers such as power providers and

telecommunications operators that transmit PensionBee's or its third-party suppliers' 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 PensionBee or the third-party with whom they are contracted, and PensionBee or the relevant third-party 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 PensionBee to deliver, its own services. In addition, the networks of public telecommunications operators may experience capacity constraints causing customers that use PensionBee's technology platform difficulty in accessing it. Any material or prolonged access constraints could consequently have a material adverse effect on PensionBee's reputation, and, in turn, a material adverse effect on its business, results of operations, financial condition or prospects.

3.19 ***Provisions of the RCF Agreement may restrict PensionBee's ability to pursue its business strategies.***

PBL entered into the RCF Agreement on 22 March 2021 in respect of a £10 million revolving credit facility. The terms of the RCF Agreement require, and any further financing arrangements PensionBee may enter into in the future may require, that it comply with various covenants that limit PensionBee's ability to, amongst other things:

- dispose of assets;
- complete mergers or acquisitions;
- incur indebtedness;
- encumber assets;
- pay dividends or make other distributions to shareholders or redeem, repurchase, defease, retire or repay any of its share capital (including a restriction on any such payments by PBL to the Company);
- change certain key management personnel (either Romi Savova or Jonathan Lister Parsons); and
- engage in any business other than the businesses PensionBee currently engages in.

Although the Company does not anticipate a default in the short term, if PBL defaults under the terms of the RCF Agreement in the medium or long term, and such event of default is not waived, the RCF lender could terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately. Such a demand for repayment could in turn result in cross-defaults under PensionBee's other financing arrangements which PensionBee may enter into in the future. PensionBee's assets and cash flow may not be sufficient to fully repay borrowings under all of PensionBee's outstanding debt instruments if some or all of these instruments are accelerated upon a default. The RCF Agreement also sets out a number of events that, if they were to occur, would allow the RCF lender to refuse a drawdown or a rollover loan under the revolving credit facility.

PensionBee may also incur additional indebtedness in the future. The terms governing such indebtedness could contain provisions that are as, or more, restrictive than the terms of the RCF Agreement. If PensionBee is unable to repay, refinance or restructure its indebtedness when payment is due, the lenders, including the lender under the RCF Agreement could proceed against the collateral granted to them to secure such indebtedness, as applicable, or force PensionBee into insolvency or liquidation.

3.20 ***Any failure to protect PensionBee's trade secrets or intellectual property rights, or any actual or alleged infringement by PensionBee of third parties' intellectual property rights, could harm PensionBee's business and reputation.***

PensionBee's success and ability to compete depends in part on protecting its intellectual property. PensionBee relies on a combination of copyright, trade secret, trademark and other rights, as well

as contractual provisions to protect its brand, proprietary technology, processes and other intellectual property. However, the steps that PensionBee takes to protect its intellectual property rights may be inadequate or it may be unsuccessful in obtaining the desired registrations or protections. Third parties may seek to challenge, invalidate or circumvent PensionBee's copyright, trade secret, trademark and other rights or applications for any of the foregoing.

PensionBee relies on a combination of trade secrets and other unpatented proprietary technology systems and processes in order to maintain its competitive position. PensionBee has developed several proprietary automated processes that allows its business to deliver its products and services on a cost-effective basis. For instance, PensionBee has invested in custom hardware/software combinations to provide innovative solutions to processing paperwork in connection with pension transfers that arrives through the mail and for using autopen technology to apply digital signatures using wet ink. PensionBee's management and certain key personnel have entered into employment contracts with PensionBee containing confidentiality and non-compete obligations as well as provisions acknowledging that all intellectual property, trade secrets, products and other processes that are developed by them during the course of their employment are the property of PensionBee.

There can be no assurance that the contractual arrangements which PensionBee uses to protect its trade secrets and proprietary technology will not be breached, or that PensionBee would have any remedy adequate to offset losses from such a breach. Any unauthorised disclosure of PensionBee's trade secrets or other unpatented proprietary technology could negatively affect its business. Furthermore, it is generally more difficult to enforce rights in trade secrets and unpatented proprietary know-how in practice owing, among other things, to the difficulty in identifying what is confidential about the trade secrets and know-how in question, as well as the difficulty in proving appropriation of trade secrets.

In the event PensionBee decides to enforce its intellectual property rights, via litigation or otherwise, such enforcement could require substantial costs and may divert the attention and resources of PensionBee's Directors and senior management away from their responsibilities in the day-to-day operation of the business. In addition, if the ownership of this intellectual property is disputed, there can be no assurance that such dispute would be resolved in PensionBee's favour. Existing or potential competitors may also independently develop similar technology or obtain other proprietary rights, which could impose restrictions on PensionBee's activities and/or provide them with a competitive advantage.

PensionBee may also be sued by third parties for alleged infringement of their proprietary rights. Although PensionBee is not aware of any claims to its proprietary intellectual property, it may be that PensionBee's competitors, as well as a number of other entities and individuals, may claim to own intellectual property relating to PensionBee's industry. From time to time, third parties may claim that PensionBee is infringing on their intellectual property rights, and PensionBee may be found to be infringing on such rights. In the future, others may claim that PensionBee's applications and underlying technology infringe or violate their intellectual property rights. PensionBee may, however, be unaware of the intellectual property rights that others may claim cover some or all of its technology or services. Any claims or litigation could cause PensionBee to incur significant expenses and, if successfully asserted against PensionBee, could require that PensionBee pay substantial damages or ongoing royalty payments, prevent it from operating its technology platform or require that PensionBee comply with other unfavourable terms. Even if PensionBee were to prevail in such a dispute, any litigation regarding its intellectual property could be costly and time-consuming and divert the attention of PensionBee's management from its business operations.

Any of these events could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.21 ***PensionBee may suffer losses which its insurance arrangements may not be adequate enough to cover.***

PensionBee's operational infrastructure is susceptible to damage, breakdown or interruption from a variety of events. Although PensionBee maintains insurance cover that includes property damage and business interruption, full recovery under insurance policies may not be possible in every case, and the loss resulting from damage, breakdown or interruption to operations may exceed policy

limits. A loss of business continuity could have a material adverse effect on PensionBee's business, results of operations and financial condition.

In addition, PensionBee's business gives rise to the risk of liability related to litigation by customers or third parties and actions taken by regulatory authorities. There can be no assurance that a claim or claims will be covered by insurance or, even if covered, that they will not exceed the limits of available insurance coverage, or that any insurer will remain solvent and will meet its obligations to provide PensionBee with coverage or that insurance coverage will continue to be available with sufficient limits at a reasonable cost. Renewals of insurance policies may expose PensionBee to additional costs through higher premiums or the assumption of higher deductibles or claims thresholds. The future costs of maintaining insurance cover or meeting liabilities not covered by insurance could have a material adverse effect on PensionBee's business, results of operations, financial condition or prospects.

3.22 ***PensionBee's entry into new business areas and its launch of new products may not be successful.***

PensionBee may choose to expand its operations by offering different services to existing and new customers, promoting new or complementary products or sales formats, expanding the breadth of products offered or expanding its market presence through relationships with third parties.

PensionBee may not be able to do this in a cost-effective or timely manner. Furthermore, any new business or product launched by PensionBee that is not favourably received by consumers could damage PensionBee's reputation or brand.

Such expansion of PensionBee's operations would also be likely to require significant additional investment, together with operations and resources, which would strain PensionBee's management, financial and operational resources. The lack of market acceptance of such efforts or PensionBee's inability to generate satisfactory revenues from such expanded services or products to offset their costs could have an adverse effect on PensionBee's business, results of operations, financial condition or prospects.

4. **Risks relating to the Offers and the Ordinary Shares**

4.1 ***Following Admission, the Chief Executive Officer and persons considered to be acting in concert with her (including the Company's Chief Technology Officer) may continue to be able to exercise a direct or indirect controlling influence on PensionBee***

The Company anticipates that its Chief Executive Officer, Romi Savova, will own between approximately 35.82 per cent. and 36.48 per cent. of its issued share capital immediately following Admission (depending on the determination of the Offer Price and assuming the Company, in addition to the New Shares, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021) and together with persons considered to be acting in concert with her (which includes the Chief Technology Officer of the Company, Jonathan Lister Parsons) will own, in aggregate, between approximately 42.23 per cent. and 43.01 per cent. of its issued share capital immediately following Admission (depending on the determination of the Offer Price and assuming the Company, in addition to the New Shares, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021). As a result, the Chief Executive Officer, acting alone or with those persons considered to be acting with her, may have significant influence over the Company's management and operations, including over matters that require approval by Shareholders, such as the election of Directors and approval of significant corporate transactions. Together with those acting in concert with her, she may be able to cause the Company to take corporate action even if other Shareholders oppose it. The interests of the Chief Executive Officer and those acting in concert with her may not be aligned with those of other Shareholders, which may have a material adverse effect on the trading price of the Ordinary Shares. This concentration of ownership might

also have the effect of delaying or preventing a change of control of the Company despite such change of control being acceptable to other Shareholders.

4.2 ***The proposed admission to trading of the Ordinary Shares to the High Growth Segment of the Main Market of the London Stock Exchange will afford investors a lower level of regulatory protection than a listing on the premium segment of the Official List of the FCA***

Application will be made for the Ordinary Shares to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange. High Growth Segment securities are not admitted to the Official List of the FCA and, therefore, the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the FCA's Listing Rules. Admission to trading on the High Growth Segment will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company that is listed on the premium segment of the Official List, which is subject to additional obligations under the Listing Rules. Moreover, a High Growth Segment listing will not permit the Company to gain FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

4.3 ***The Company is subject to risks associated with the lower minimum free float requirement for admission to the High Growth Segment***

Admission to trading on the High Growth Segment of the Main Market of the London Stock Exchange is primarily intended for companies which are likely to have a lower proportion of securities in public hands at admission than companies admitted to the Official List. In order to be eligible for admission, at least 10 per cent. of the number of securities to be admitted (having a value of at least £30 million) must be in public hands, compared to the 25 per cent. minimum free float required for a listing on the premium segment of the Official List of the FCA. The lower minimum free float requirement for companies listing on the High Growth Segment may affect the liquidity of the Ordinary Shares and the Company cannot assure Shareholders that the market price of the Ordinary Shares will not decline below the Offer Price. With reduced liquidity of the Ordinary Shares, investors may have difficulty selling their Ordinary Shares or may not be able to sell their Ordinary Shares at or above the Offer Price.

4.4 ***There is no guarantee that dividends will be paid by the Company***

There can be no assurance as to the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends. The Company intends to retain any earnings to accelerate the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future.

4.5 ***Future sales or issues of Ordinary Shares, or the possibility or perception of such future sales or issues may affect the market price of the Ordinary Shares and, in the case of future issues, may dilute the holdings of Shareholders***

Following Admission, the issuance of new Ordinary Shares by the Company or material sales of Ordinary Shares by Shareholders may affect the market price of the Ordinary Shares.

Other than the proposed issue of Ordinary Shares pursuant to the Offers or pursuant to the terms of its employee share schemes, the Company has no current plans to issue new Ordinary Shares, and will be unable to do so for a period of 180 days following Admission without the prior written consent of KBW pursuant to the terms of the Underwriting Agreement (subject to certain limited exceptions). Whilst it has no current intention to do so, following the expiry of this 180 day period, the Company will not be restricted from issuing new Ordinary Shares, either to raise capital or for other purposes. Subject to any applicable statutory pre-emption rights, any future issues of Ordinary Shares may have a dilutive effect on the holdings of Shareholders and may affect the market price of Ordinary Shares.

Current and former employees of PensionBee, may, in the future, be entitled to receive new Ordinary Shares, representing between approximately 1.95 per cent. and approximately 1.99 per cent. of the Ordinary Shares in issue at Admission (depending on the determination of the Offer Price, the number of Existing Shares sold in the Institutional Offer, and assuming the Company, in

addition to the New Shares, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021), if they choose to exercise the vested options they hold under the Historic Employee Share Option Plans. As these issues of new Ordinary Shares would be under an employee share plan, statutory pre-emption rights would not apply and Shareholders (other than the relevant current and former employees of PensionBee to whom the Ordinary Shares would be issued) would be diluted as a result of the issuance, meaning that the percentage their shareholdings represent to the overall issued share capital of the Company would be reduced and the market price of the Ordinary Shares may also be adversely affected.

Subject to certain exceptions and to waiver by the Company and KBW, the Directors, Existing Shareholders and Optionholders holding in aggregate between approximately 83.27 per cent. and 85.67 per cent. of the Company's issued share capital immediately following Admission (depending on the determination of the Offer Price, the number of Existing Shares sold in the Institutional Offer, and assuming the Company, in addition to the New Shares, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021) have agreed not to sell their Ordinary Shares for varying periods of time. In particular:

- the Executive Directors have agreed not to sell any of their Ordinary Shares until the date falling 720 days from Admission;
- the Independent Non-Executive Directors, the Senior Managers and major Existing Shareholders have agreed not to sell any of their Ordinary Shares until the date falling 90 days following the date of publication of the Company's trading update announcement for the three month period ending 30 September 2022; and
- certain other Existing Shareholders and Optionholders have agreed not to sell any of their Ordinary Shares until the date falling 90 days following the date of publication of the Company's trading update announcement for the three month period ending 31 March 2022.

On the expiry of these periods, the Directors, relevant Existing Shareholders and Optionholders will be free (subject to applicable law) to sell the Ordinary Shares held by them. Furthermore, during these periods, the Independent Non-Executive Directors, Senior Managers and Existing Shareholders and Optionholders may, with the prior written consent of the Company and KBW, be offered opportunities to sell, in aggregate, up to 100 per cent. of the Ordinary Shares they hold at Admission (following the sale of any Existing Shares by any Selling Shareholders) together with any Ordinary Shares received by them following Admission and for the duration of their relevant period as a result of the exercise of any vested options granted to them by the Company before Admission under the Historic Employee Share Option Plans. The Directors believe that the number of Ordinary Shares that may be sold, including as a result of the exercise of any options, represents between approximately 41.63 per cent. and 41.87 per cent. of the Company's issued share capital immediately following Admission (depending on the determination of the Offer Price, the number of Existing Shares sold in the Institutional Offer, and assuming the Company, in addition to the New Shares, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021). These opportunities, if consented to by the Company and KBW, would arise following the publication of the Company's:

- trading update announcement for the three month period ending 30 September 2021;
- full year financial statements for the year ending 31 December 2021;
- trading update announcement for the three month period ending 31 March 2022; and
- trading update announcement for the three month period ending 30 September 2022.

The potentially increased supply of Ordinary Shares on the market or the perception of sales by the Independent Non-Executive Directors, Senior Managers, Existing Shareholders or

Optionholders taking place, may affect the market price of the Ordinary Shares at or around the time of publication of the Company's financial statements or trading updates.

Similarly, the actual sale of Ordinary Shares by the Directors, Senior Managers, Existing Shareholders or Optionholders or the issuance of new Ordinary Shares by the Company, whenever they occur, may affect the market price of the Ordinary Shares.

4.6 ***An active or liquid market for the Ordinary Shares may not develop***

Prior to the Offers, there has been no public trading market for the Ordinary Shares. The Offer Price will be agreed between KBW and the Company and may not be indicative of the market price for the Ordinary Shares following Admission. Although the Company will apply for admission to trading on the High Growth Segment of the London Stock Exchange's Main Market, there can be no assurance that an active trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The failure to develop an active trading market may affect the liquidity of the Ordinary Shares and the Company cannot assure Shareholders that the market price of the Ordinary Shares will not decline below the Offer Price. Consequently, investors may have difficulty selling their Ordinary Shares or may not be able to sell their Ordinary Shares at or above the Offer Price.

4.7 ***The market price of the Ordinary Shares may be volatile, which could cause the value of an investment in the Ordinary Shares to decline***

Following Admission, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as stock market fluctuations and general economic conditions that may materially adversely affect the market price of the Ordinary Shares. Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including:

- variations in operating results in the Company's reporting periods;
- any shortfall in revenue or profitability or any increase in losses from the levels expected by market analysts or Shareholders;
- increases in capital expenditure compared to expectations;
- failure to make efficiency improvements;
- changes in financial estimates by securities analysts;
- changes in market valuations of similar companies;
- announcements by the Company of significant contract gains or losses, acquisitions, strategic alliances, joint ventures or new initiatives;
- regulatory matters;
- additions or departures of key personnel; and
- future issues or sales of Ordinary Shares.

Any or all of these events or others could result in material fluctuations in the price of the Ordinary Shares and investors may lose part or all of their investment in the Ordinary Shares.

The Offer Price might not be indicative of prices that will prevail in the trading market and investors may not be able to resell the Ordinary Shares at or above the price paid.

A public perception that the Company is an Internet, e-commerce or technology company may result in the price of the Ordinary Shares moving in line with other shares in companies of this

nature. Traditionally, the share prices of Internet, e-commerce and technology companies have tended to be more volatile than share prices of companies operating in other industries.

4.8 ***An investment in Ordinary Shares by an investor whose principal currency is not pound sterling may be affected by exchange rate fluctuations***

The Ordinary Shares are, and any dividends to be paid in respect of them, will be denominated in sterling. An investment in Ordinary Shares by an investor whose principal currency is not sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

4.9 ***The rights, including the pre-emptive rights, of non-UK holders of Ordinary Shares may be limited or not capable of exercise, which could have a material adverse effect on PensionBee's business as well as on the liquidity and price of the Ordinary Shares and may dilute the holdings of Shareholders***

The Company could undertake future equity issues that could have a material adverse effect on the market price of the Ordinary Shares and may reduce the percentage ownership and voting interests of Shareholders. Moreover, the Company may issue new shares that have rights, preferences or privileges senior to those of the Ordinary Shares.

In the case of certain increases in the Company's share capital, the existing holders of the Ordinary Shares generally would be entitled to pre-emption rights pursuant to the Companies Act 2006 unless such rights have been waived by a special resolution of the Shareholders at a general meeting or, in certain circumstances, pursuant to the Articles of Association. Holders of Ordinary Shares outside the United Kingdom may not be able to exercise their pre-emption rights in respect of Ordinary Shares unless exemptions from any overseas securities law requirements are available and the Company decides to comply with local law and regulations. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable non-UK holders to exercise such pre-emption rights or, if available, that it will utilise any such exemption.

IMPORTANT INFORMATION

General

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offers, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, PBL, the Directors or the Sole Global Co-ordinator. No representation or warranty, expressed or implied, is made by the Sole Global Co-ordinator or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or will be relied upon as, a promise or representation by the Sole Global Co-ordinator or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, neither the delivery of this Prospectus nor any subscription or sale of Ordinary Shares pursuant to the Offers will, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or PBL since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company will update information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Offers occurs prior to Admission or if this Prospectus contains a material mistake or inaccuracy. This Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Ordinary Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (if any) (which shall not be shorter than two clear Business Days after publication of the supplement).

The validity of this Prospectus will expire on 12 April 2022.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its, his or her own lawyer, financial adviser, tax adviser or other advisers for legal, financial, business or other related advice. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of PensionBee and the terms of the Offers, including the merits and risks involved.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors or the Sole Global Co-ordinator or any of their respective representatives or affiliates that any recipient of this Prospectus should subscribe for or purchase the Ordinary Shares made available pursuant to the Offers. Prior to making any decision as to whether to subscribe for or purchase such Ordinary Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of PensionBee and the terms of this Prospectus, including the risks involved.

Investors who subscribe for or purchase Ordinary Shares in the Offers will be deemed to have acknowledged that: (i) they have not relied on the Sole Global Co-ordinator or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning PensionBee or the Ordinary Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by PensionBee, the Directors or the Sole Global Co-ordinator.

None of the Company, the Directors or the Sole Global Co-ordinator or any of their respective representatives or affiliates is making any representation to any offeror, subscriber or purchaser of the Ordinary Shares in the Offers regarding the legality of an investment by such offeror, subscriber or purchaser.

In connection with the Offers, the Sole Global Co-ordinator and any of its representatives or affiliates, acting as investors for their own accounts, may subscribe for and/or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of PensionBee or related investments in connection with the Offers or otherwise. Accordingly, references in this Prospectus to the Ordinary Shares made available pursuant to the Offers being issued, offered, subscribed for, acquired, purchased, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Sole Global Co-ordinator and any of its representatives of affiliates acting as investors for their own accounts. The Sole Global Co-ordinator does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so. In addition, the Sole Global Co-ordinator or its representatives or affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Sole Global Co-ordinator (or its representatives or affiliates) may from time to time acquire, hold or dispose of Ordinary Shares.

The Sole Global Co-ordinator is acting exclusively for the Company and no one else in connection with the Offers and Admission. The Sole Global Co-ordinator will not regard any other person (whether or not a recipient of this Prospectus) as their respective customers in relation to the Offers and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for giving advice in relation to the Offers or Admission or any transaction, matter or arrangement referred to herein.

Forward-looking statements

Certain statements contained in this Prospectus constitute "forward-looking statements". These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances which may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Actual results, performance or achievements of the Group, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Key risks, uncertainties and other factors that could cause actual results to differ from those expected are set out more fully in the section of this Prospectus headed "*Risk Factors*". Potential investors should specifically and carefully consider these factors, which could cause actual results to differ, before making an investment decision.

Each forward-looking statement speaks only as of the date of the particular statement and is not intended to provide any representation, assurance or guarantee as to future events or results. To the extent required by the UK Prospectus Regulation, the Market Abuse Regulation (Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK MAR**" or "**UK Market Abuse Regulation**")), the Disclosure Guidance and Transparency Rules, the High Growth Segment Rulebook and other applicable regulation, the Company will update or revise the information in this Prospectus. Otherwise, the Company undertakes no obligation to update or revise any forward-looking statements or other information, and will not publicly release any revisions it may make to any forward-looking statements or other information that may result from events or circumstances arising after the date of this Prospectus.

All subsequent written and oral forward-looking statements attributable to the Group are expressly qualified in their entirety by reference to these cautionary statements. Investors should note that the contents of these

paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

Presentation of Financial Information

PBL's audited historical financial information included in Part VIII (*Historical Financial Information*) of this Prospectus has been prepared in accordance with the requirements of the UK Prospectus Regulation and in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and IFRS Interpretations Committee ("**IFRS IC**") interpretations as adopted by the United Kingdom. The basis of preparation and significant accounting policies are set out within Note 2 of PBL's historical financial information in Part VIII (*Historical Financial Information*).

The historical financial information for PBL included in Section B of Part VIII (*Historical Financial Information*) is covered by the accountants' report included in Section A, which was prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom.

Unless otherwise stated, all financial information relating to PBL in this Prospectus has been prepared in accordance with the International Financial Reporting Standards as adopted for use by the European Union ("**IFRS**") and, as regards PBL's historic financial information and should be read in conjunction with the reporting accountants' report thereon set out in Section A of Part VIII (*Historical Financial Information*).

The financial information relating to PBL contained in this Prospectus does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act.

Alternative Performance Measures

PBL used and the Group will use a range of alternative performance measures ("**APMs**") to assess its performance and this Prospectus contains certain financial measures that are not defined or recognised under IFRS, including AUA, Adjusted EBITDA and Adjusted EBITDA margin. The Board of Directors of the Company (the "**Board**") believes that these APMs provide valuable information to readers of the historical financial information because it enables the reader to, inter alia, understand how the Board manages the Group's business, develops budgets and evaluates the performance of the Group against those budgets. For definitions and a reconciliation of the APMs to the IFRS measures included in the Historical Financial Information, see the paragraph entitled "Alternative Performance Measures" in Part VI (*Selected Financial Information*) and the paragraph entitled "*Key performance indicators*" in Part VII (*Operating and Financial Review*). Apart from Revenue and Adjusted EBITDA, the APMs are not part of PBL's audited historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

The APMs used in this Prospectus should not be considered superior to, nor a substitute for, measures calculated in accordance with IFRS. Readers should not consider these APMs in isolation, but in conjunction with measures calculated in accordance with IFRS. APMs used by PBL, and which will be used by the Group, may not be comparable to similarly titled measures reported by other companies as those companies may define and calculated such measures differently from the Group.

Market, Economic and Industry Data

This Prospectus contains historical market data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rates and other industry data pertaining to PensionBee and its business contained in this Prospectus consists of estimates based on data compiled by professional organisations and on data from other external sources, including the Office for National Statistics, the Department for Work and Pensions and the FCA.

Industry publications and market research generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

The Company does not intend, and does not assume any obligation, to update industry or market data set forth in this Prospectus. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this Prospectus and estimates

based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations.

Certain market and industry data contained in this Prospectus has been extracted from "February 2021 Data on UK D2C Investment Market" provided by Boring Money Limited ("**Boring Money**"), a third-party consumer financial services website. Management of PBL purchased this data on the UK Direct to Consumer Investment Market. The report content is not confidential and is available for purchase by third parties and Boring Money is not limited in its distribution. PensionBee works with Boring Money on an ad-hoc basis, sponsoring content on its website. PBL was awarded a Boring Money's Best Buy Award in 2020 and 2021 (after which PensionBee elected to pay Boring Money a fee in order to have the right to disclose such awards on its website and use the relevant award's logo).

Boring Money has a broad range of affiliate relationships with financial service providers, including with PensionBee. Boring Money intends to promote PensionBee to its readers via its independently curated comparison tables, in return for paid commission for any readers who then go on to open an account with PensionBee. For this reason, PensionBee has appointed Boring Money as an introducer appointed representative. An introducer appointed representative is a third-party who, pursuant to a contract with an FCA authorised firm, such as PBL, is permitted to effect introductions and distribute promotion materials in relation to such FCA authorised firm.

The Company confirms that all the information contained in this Prospectus which has been extracted from third-party sources has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this Prospectus, the source of such information has been identified.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "**pounds**", "**pounds sterling**", "**£**", "**pence**" or "**p**" are to the lawful currency of the United Kingdom.

Rounding

Certain figures contained in this Prospectus or incorporated into this Prospectus by reference, including financial and numerical information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Prospectus or incorporated into this Prospectus by reference may not conform exactly to the total figure given for that column or row.

EXPECTED TIMETABLE FOR THE OFFERS

Each of the following times and dates in the table below is indicative only and subject to change without further notice. All references to times in this Prospectus are to London times unless otherwise stated.

Commencement of the application period for the Customer Offer	12 April 2021
Latest date and time for online receipt of completed Customer Offer application forms	11.59 p.m. on 20 April 2021
Latest date for receipt of indications of interest in the Institutional Offer	20 April 2021
Announcement of the Offer Price, publication of Pricing Statement and notification of allocation of Ordinary Shares under the Customer Offer and the Institutional Offer	7.00 a.m. on 21 April 2021
Commencement of conditional dealings in Ordinary Shares on the London Stock Exchange[(1)]	21 April 2021
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	8.00 a.m. on 26 April 2021
CREST accounts credited with uncertificated Ordinary Shares	As soon as practicable after 8.00 a.m. on 26 April 2021
Despatch of definitive share certificates, where applicable, for Ordinary Shares in certificated form	by 4 May 2021
PensionBee Nominee Service statements made available online	by 4 May 2021

(1) If Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Investors should note that only investors who apply for, and are allocated, Ordinary Shares in the Institutional Offer will be able to deal in the Ordinary Shares on a conditional basis. Investors who purchase Ordinary Shares in the Customer Offer will not be able to deal in such Ordinary Shares on a conditional basis. Therefore, the earliest time at which such investors will be able to deal in the Ordinary Shares is at the start of unconditional dealings on Admission.

OFFER STATISTICS

The Offers statistics in this Prospectus are subject to change at the determination of the Company and the Sole Global Co-ordinator.

Offer Price Range (per Offer Share)[1]	155 pence to 175 pence
Maximum number of Ordinary Shares to be made available pursuant to the Offers[2]	37,190,896
Minimum number of New Shares[3]	31,428,571
Maximum number of New Shares[4]	35,483,870
Number of Existing Shares to be sold in the Institutional Offer[5]	up to 2,815,896
Number of Ordinary Shares in issue following the Offers at Admission[6] [7]	221,213,333
Percentage of issued ordinary share capital being offered in the Offers[6] [7]	16.34%
Indicative market capitalisation of the Company immediately following Admission at the Offer Price[6][7][8]	£365 million
Estimated net proceeds of the Offers receivable by the Company[9]	£49 million
Estimated net proceeds of the Offers receivable by the Selling Shareholders[10]	£4.4 million

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(1) It is currently expected that the Offer Price will be set within the Offer Price Range. It is expected that the Pricing Statement containing the Offer Price will be published on or around 21 April 2021 and will be available (subject to certain restrictions) on the Company's website at www.pensionbee.com/investor-relations/ipo-centre. If the Offer Price is set above the Offer Price Range or the Offer Price Range is revised higher, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Ordinary Shares pursuant to Article 23(2) of the UK Prospectus Regulation.

(2) It is currently expected that the Offers Size will be set within the Offer Size Range. It is expected that the Pricing Statement containing the Offers Size will be published on or around 21 April 2021 and will be available (subject to certain restrictions) on the Company's website at www.pensionbee.com/investor-relations/ipo-centre. If the Offers Size is set above or below the Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to Article 23(2) of the UK Prospectus Regulation.

(3) Calculated on the basis that the Offer Price is set at the top of the Offer Price Range and that the Company issues sufficient New Shares pursuant to the Offers to raise gross proceeds of £55 million.

(4) Calculated on the basis that the Offer Price is set at the bottom of the Offer Price Range and that the Company issues sufficient New Shares pursuant to the Offers to raise gross proceeds of £55 million.

(5) The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers.

(6) Assuming that the Offer Price is set at the mid-point of the Offer Price Range and that the Company issues sufficient New Shares pursuant to the Offers to raise gross proceeds of £55 million.

(7) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021. If Admission occurs after 26 April 2021 but on or before 4 May 2021, up to an additional 74,400 Ordinary Shares will be issued by the Company as result of additional options becoming exercisable. Disclosures in the Prospectus which relate to the issued share capital of the Company as at the date of Admission have been prepared on the basis that Admission occurs on 26 April 2021. However, a headroom of 74,400 Ordinary Shares has been included in the up to number of Ordinary Shares representing the Company's issued share capital covered by this Prospectus in case the date of Admission occurs after 26 April but on or before 4 May. The final number of Ordinary Shares representing the Company's issued share capital as at Admission will be confirmed in the Pricing Statement.

(8) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will be equal to or exceed the Offer Price.

(9) The estimated net proceeds receivable by the Company are stated after deduction of the estimated underwriting commissions (assuming the maximum amount of any discretionary commission is paid) and other fees and expenses of the Offers (including VAT) payable by the Company, which are currently expected to be approximately £6 million.

(10) The estimated net proceeds receivable by the Selling Shareholders assume that the Offer Price is set at the mid-point of the Offer Price Range and are stated after deduction of the estimated underwriting commissions (assuming the maximum amount of any discretionary commission is paid), other fees and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Institutional Offer, which are currently expected to be approximately £209,000.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

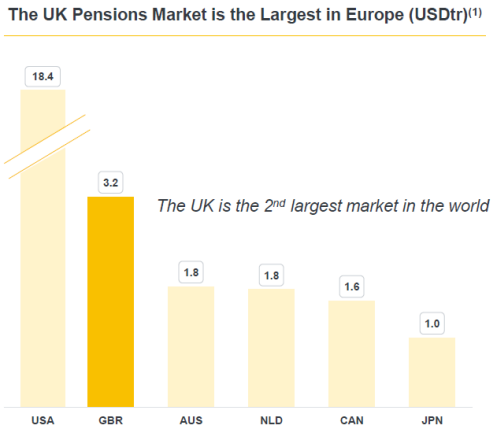
Directors	Mark Wood CBE, Independent Non-Executive Chairman Romi Savova, Chief Executive Officer Jonathan Lister Parsons, Chief Technology Officer Mary Francis CBE, Senior Independent Non-Executive Director Michelle Cracknell CBE, Independent Non-Executive Director
Company Secretary	Prism Cosec Limited Elder House, St Georges Business Park Weybridge Surrey KT13 0TS United Kingdom
Registered Office	City Place House 55 Basinghall Street London, EC2V 5DX United Kingdom
Key Adviser and Sole Global Co-ordinator	Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods) 150 Cheapside London, EC2V 6ET United Kingdom
Legal Adviser to the Company as to English law	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom
Legal Adviser to the Key Adviser and Sole Global Co-ordinator as to English law	Herbert Smith Freehills LLP Exchange House Primrose Street London, EC2A 2EG United Kingdom
Auditor	Deloitte LLP 5 Callaghan Square Cardiff CF10 5BT
Reporting Accountant	Deloitte LLP 1 New Street Square EC4A 3HQ United Kingdom
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex, BN99 6DA United Kingdom

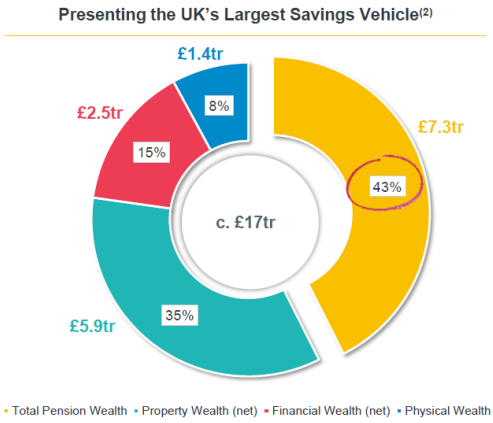
PART I
INDUSTRY

Market Overview

UK Pensions & Retirement

A pension is typically a tax-efficient way to save money for later in life, providing an income for retirement. Whilst individuals in the UK may rely on a number of sources from which to draw income during retirement, pensions are the largest component of wealth in the UK, representing approximately 43 per cent. of total UK wealth[1] (with other types including property, financial and other physical wealth). The UK pensions market is the largest in Europe and the second largest in the world after the United States as at 31 December 2019.[2] Total UK wealth was estimated by the ONS in 2016-2018 to be approximately £14.6 trillion[3] and PensionBee estimates this to have risen to approximately £17 trillion[4] today, as reflected in the following chart:





(Source: OECD, ONS and PensionBee estimates)

(1) Pension funds' assets are defined as assets bought with the contributions to a pension plan for the exclusive purpose of financing pension plan benefits. The pension fund is a pool of assets forming an independent legal entity.

(2) PensionBee estimate based on: ONS: Total Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £17 trillion for 2018-2020 is calculated by applying to each component of total wealth as set out in ONS: Total Wealth in Great Britain: April 2016 to March 2018 (being "*property wealth (net)*", "*financial wealth (net)*", "*physical wealth*" and "*private pension wealth*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

Pension plans (also referred to as schemes) are often categorised either as defined benefit ("**DB**") or defined contribution ("**DC**") schemes. Historically, the majority of the assets in DB and DC pension schemes were converted into a guaranteed annuity income at retirement, safeguarding a level of income to be paid for the rest of an individual's life. Recent changes in pension regulations have greatly improved the retirement options available, removing the compulsory requirement to take an annuity at retirement, enhancing the flexibility around the timing of taking lump sums and enabling pensions to remain invested for longer under the drawdown rules. These changes have helped maintain the pension plan as the largest form of savings vehicle in the UK.

In addition, further changes to workplace pension regulations in 2012 (specifically, the automatic enrolment provisions) mean that employers are now obliged to offer most employees a DC pension. As a result, there

1 ONS: Pension Wealth: Wealth in Great Britain, April 2016 to March 2018

2 OECD (2021), Pension funds' assets indicator

3 ONS: Pension Wealth: Wealth in Great Britain, April 2016 to March 2018

4 PensionBee estimate based on: ONS: Total Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £17 trillion for 2018-2020 for total wealth in the UK is calculated by applying to each component of total wealth as set out in ONS: Total Wealth in Great Britain: April 2016 to March 2018 (being "*property wealth (net)*", "*financial wealth (net)*", "*physical wealth*" and "*private pension wealth*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

has been a significant increase in the number of DC pensions created in recent years (as explained further below).

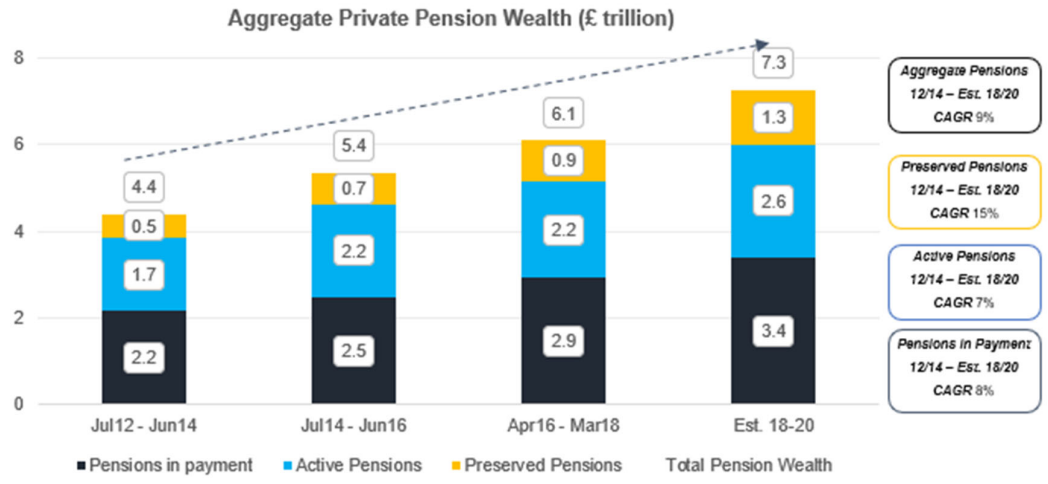
The need for individuals in the UK to make personal provision for their retirement is somewhat mitigated by the entitlement to receive a basic state pension, which will vary depending on the individual's age and the number of qualifying years paying National Insurance contributions. However, given the UK Government's desire to reduce the burden on state finances, it has increased the age at which the state pension can be drawn (as life expectancy continues to increase), and is increasingly promoting private pension provision as a necessary means for individuals to supplement their state pensions.

UK Private Pensions Market

The UK private pensions market is vast. The Office for National Statistics ("**ONS**") estimated the UK's total private pension wealth to be approximately £6.1 trillion[5] in 2018 and PensionBee estimates that this has grown to approximately £7.3 trillion[6] today, which can be sub-categorised as follows:

- **Pensions in Payment** - approximately £3.4 trillion of wealth held in pensions from which individuals are receiving an income from their pension or that of their spouse;
- **Active Pensions** - approximately £2.6 trillion of wealth held in pensions into which individuals or companies are regularly or actively contributing, usually accumulated during working life;
- **Preserved Pensions -** approximately £1.3 trillion of wealth held in pensions to which contributions are no longer being made, but which are not yet in payment, and which have accrued rights that will come into payment at some point in the future.

The Preserved Pensions segment has seen the highest rates of growth in recent years, as set out in the chart below. This has been driven by increased membership of, and contributions to, DC pensions, changes in regulation, increased job switching and labour market fragmentation:



(Source: ONS and PensionBee estimates)

[5] ONS: Pension Wealth: Wealth in Great Britain, April 2016 to March 2018

[6] PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £7.3 trillion for 2018-2020 for total pension wealth in the UK is calculated by applying to each component of total pension wealth as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*active members of occupational defined benefit pension schemes*", "*active members of current occupational defined contribution pension schemes*", "*active members of personal pension schemes*", "*active members of additional voluntary contribution pension schemes*", "*preserved pension entitlements in defined benefit pensions*", "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*", "*preserved pension expected from former spouse/partner*" and "*pensions in payment*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

The Active Pensions and Preserved Pensions segments of pension wealth, totalling approximately £3.9 trillion, can be split across DB pensions (approximately £2.8 trillion) and DC pensions (approximately £1.1 trillion)[7].

These two types of scheme are described in more detail below. PensionBee's product proposition is focused on DC schemes and customers, but trends in the DB market are important to understand in that they create further demand for DC products and services.

Defined Benefit Schemes

DB schemes are generally funded by employers and provide individuals with a pre-determined monthly income at retirement based on factors such as earnings history, tenure and age. DB schemes are also referred to as final salary pensions.

Under a typical DB scheme, retirement income is payable by the trustee of the pension scheme to an individual during retirement years and, on death, many continue being paid to a spouse. The employer and trustee are responsible for ensuring there is enough funding to make payments. At retirement there is often an option for the individuals to take a tax-free lump sum, which will mean giving up some of the retirement income.

Historically the majority of corporate pension assets resided in DB schemes. The early 1970s saw the beginning of a steady decline to the point where the number of schemes and members have fallen, with the last decade having seen a fall from 7,400 to 5,450 schemes, according to the Pensions Policy Institute. This trend has continued in recent years, with many DB schemes now closed to new members and increasingly also closed to new accruals of pension savings. Only 654 private sector DB schemes were open to accrual and new members in 2018 compared to 2,294 schemes in 2008 – a drop of 71.5 per cent. in a decade[8].

The decline in DB schemes is a result of a number of factors which have made the operation of such schemes increasingly costly and unattractive for employers, with deficits in the schemes themselves growing as a result. These include: DB scheme members living longer, increasing scheme liabilities without a balancing increase in contributions; mark-to-market accounting increasing the scheme liabilities; sustained periods of adverse market conditions which have led to increased DB funding gaps; and increasing regulatory scrutiny of DB schemes. A report by the Pension Protection Fund in December 2020 noted that the aggregate deficit of UK DB schemes had increased from £160 billion in 2019 to £229 billion in March 2020, indicating that approximately 63 per cent. of DB schemes were in deficit[9].

In the private sector, the rate of closure to new members and closure to existing members of DB schemes has accelerated in recent years to such an extent that, at the end of 2019, only 13 per cent. of DB schemes remained open to new members and the number of active memberships decreased from approximately 2.42 million individuals in 2010 to approximately 1.06 million[10] in 2019. For an increasing proportion of the population, DC pension schemes have replaced corporate DB schemes.

For two reasons, PensionBee's product proposition is not focused on the DB market, or towards customers currently holding DB schemes. First, as indicated, DB scheme membership is in long-term decline and therefore does not represent an attractive strategic growth opportunity for the business. Second, any customer seeking to exit a DB scheme will need to weigh up a complex series of product attributes, future costs and benefits. This will likely require input from a financial advisor, and indeed is currently mandatory for a DB pension worth over £30,000. While PensionBee can accept DB transfers, PensionBee does not

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[7] PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of approximately £1.1 trillion for 2018-2020 for Active Pensions and Preserved Pensions segments of total pension wealth in the UK is calculated by applying to each DC active members component (being "*active members of current occupational defined contribution pension schemes*", "*active members of personal pension schemes*", "*active members of additional voluntary contribution pension schemes*") and each DC preserved pension component (being "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*" and "*preserved pension expected from former spouse/partner*") as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018, its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components. The spilt between the active members components and preserved pension components is calculated by reference to the DC active members components and DC preserved pension components set out above.

[8] Pensions Policy Institute 2019

[9] Pensions Protection Fund – The Purple Book 2020 – number of schemes in deficit / the total number of schemes (calculated on a s179 basis)

[10] The Pensions Regulator – Defined benefit pension 2019

focus on acquiring these DB pension holders as customers and does not provide financial advice around the transfer of DB schemes.

Defined Contribution Schemes

DC schemes are a form of tax efficient retirement savings scheme, under which regular contributions (usually specified, but often flexible) are made into a pension fund and invested for the individual's benefit. Contributions are usually made by the individual or their employer, and usually a combination of both. The assets in these schemes, whether funded by employer or employee contributions, belong to the individual customer. There is no obligation on the employer to meet a predetermined retirement income level, and there are mandatory minimum contribution levels for automatically enrolled employees.

Most UK employers now tend to offer their employees participation in DC (rather than DB) schemes. This removes funding requirements associated with DB schemes, and helps to shift the onus of saving and investment planning from employers to individual employees.

Following certain tax changes that came into force in 2015, often referred to as the "pension freedoms" (discussed further below), individuals now have greater access to their pension plan from the age of 55 (this is set to increase to 57 by 2028). Individuals now have a greater level of freedom to invest their pension savings in line with their own retirement plans, along with increased flexibility over how they draw benefits to meet their specific needs in later life. One of the key changes was the ability to withdraw savings directly from the pension plan without the individual having to buy an annuity. The value of the assets in a DC pension can fluctuate and therefore there is no guaranteed level of income, unless an individual chooses to purchase an annuity with their pension plan.

The ONS estimated the UK's DC wealth at approximately £0.8 trillion[11] across the average of the 2016-2018 period and PensionBee estimates that this total pension wealth today has grown to approximately £1.1 trillion. The number of individuals in the DC market is also vast. In December 2020, the FCA estimated that there were 26.7 million individuals in contract-based workplace and non-workplace DC schemes[12] within its regulatory perimeter. The DC market can be further segmented into approximately £0.5 trillion of Active Pensions and £0.6 trillion[13] of Preserved Pensions.

- **Active Pensions** - approximately £0.5 trillion of wealth held in pensions into which individuals or employers are regularly or actively contributing, usually during working life; and
- **Preserved Pensions** - approximately £0.6 trillion of wealth held in personal and workplace pensions into which contributions are no longer being made, but which are not yet in payment, having accrued rights that will come into payment in the future.

PensionBee's core target market is the UK defined contribution Preserved Pensions market. UK defined contribution Preserved Pension wealth has grown significantly from the average across 2012-2014 to the estimated £0.6 trillion today (average across the 2018-2020 period) with a CAGR of approximately 23 per cent.[14]

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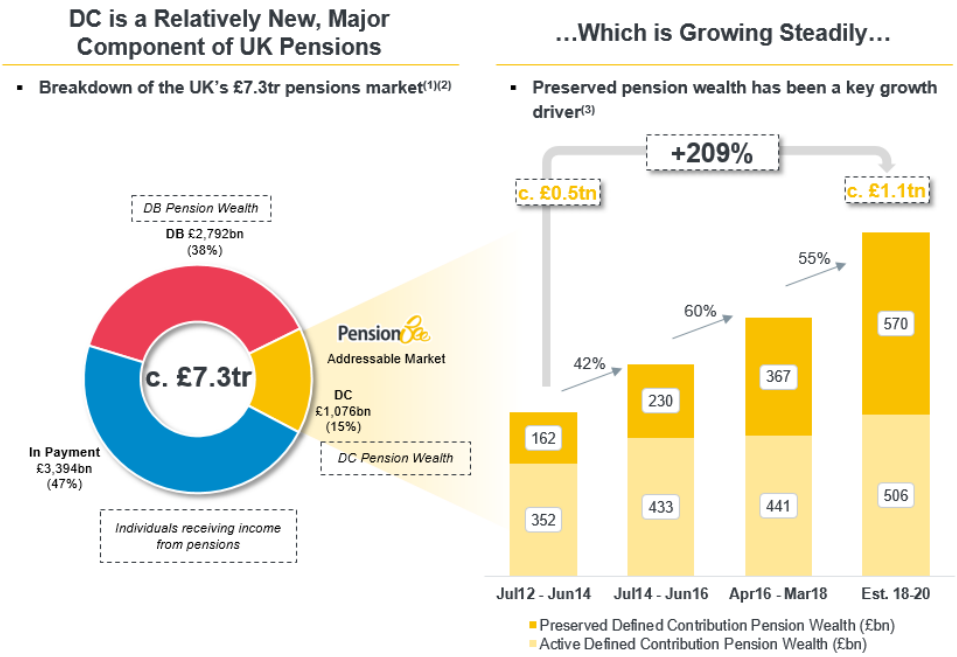
[11] ONS: Pension Wealth: Wealth in Great Britain: April 2016 to March 2018

[12] FCA - Evaluation of the impact of the Retail Distribution Review and the Financial Advice Market Review – December 2020

[13] PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of approximately £1.1 trillion for 2018-2020 for total DC pension wealth in the UK is calculated by applying to each DC active members component as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*active members of current occupational defined contribution pension schemes*", "*active members of personal pension schemes*", "*active members of additional voluntary contribution pension schemes*") and each DC preserved pension component (being "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*" and "*preserved pension expected from former spouse/partner*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components. The spilt between Active Pensions and Preserved Pensions is calculated by reference to the DC active members components and DC preserved pension components set out above.

[14] PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £0.6 trillion for 2018-2020 for the Preserved Pensions segment of the DC pensions market in the UK is calculated by applying to each DC preserved pension component as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*" and "*preserved pension expected from former spouse/partner*") , its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.



(Source: ONS and PensionBee estimates)

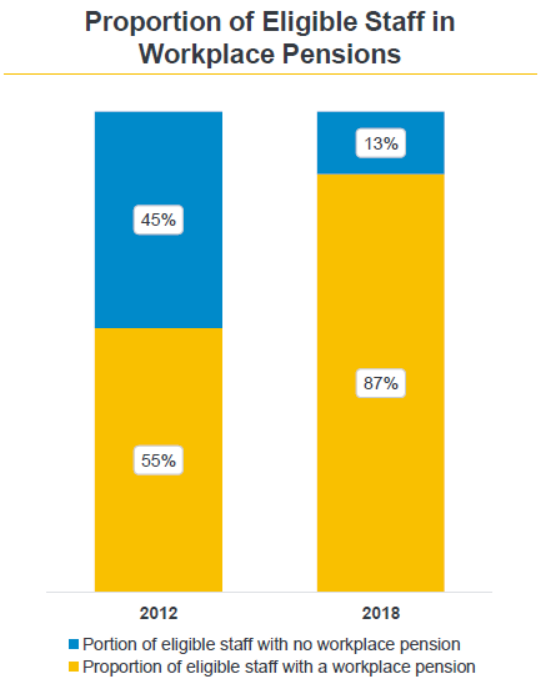
(1) PensionBee estimate based on: Office for National Statistics: Pension Wealth in Great Britain: April 2016 to March 2018

(2) PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £7.3 trillion for 2018-2020 for total pension wealth in the UK is calculated by applying to each component of total pension wealth as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*active members of occupational defined benefit pension schemes*", "*active members of current occupational defined contribution pension schemes*", "*active members of personal pension schemes*", "*active members of additional voluntary contribution pension schemes*", "*preserved pension entitlements in defined benefit pensions*", "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*", "*preserved pension expected from former spouse/partner*" and "*pensions in payment*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

(3) PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of approximately £1.1 trillion for 2018-2020 for total DC pension wealth in the UK is calculated by applying to each DC active members component as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*active members of current occupational defined contribution pension schemes*", "*active members of personal pension schemes*", "*active members of additional voluntary contribution pension schemes*") and each DC preserved pension component (being "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*" and "*preserved pension expected from former spouse/partner*"), its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

The growth in the UK Preserved Pensions market has been driven by a number of supportive trends such as: increased working life, individuals being more likely to move jobs more frequently (the average adult switches jobs approximately 11 times[15]), further job market fragmentation and the advent of auto-enrolment (as described below).

[15] Meeting future workplace pension challenges: Improving transfers and dealing with small pension pots', DWP, December 2011



(Source: The Pensions Regulator – Automatic Enrolment: Commentary and Analysis April 2018 – March 2019)

The total number of individuals automatically enrolled in workplace pensions grew from approximately one million in 2013 to 10 million in 2019, with 87 per cent. of UK employees now saving into a workplace pension scheme[16]. According to the ONS Occupational Pension Scheme Survey, there were 17.5 million DC workplace pension accounts in the UK in 2018. Applying historical average growth rates and using other ONS data regarding non-occupational schemes, PensionBee estimates there could be 28.1 million dormant workplace pension accounts today in addition to the 12.7 million non-workplace accounts, totalling 40.8 million addressable DC accounts.[17] PensionBee management data suggests that every DC saver has an average of two pension accounts[18], suggesting an estimated 20.4 million individuals within its core target market[19].

Market Trends

Government and Regulatory

For at least the last two decades, successive UK Governments have focused on ensuring that individuals in the UK are saving appropriately for retirement, with a series of major regulatory and policy initiatives during this period. There is now broad consensus across the political spectrum that the state pension alone will not provide sufficient retirement income and there is a growing awareness of a related issue, the 'savings gap', whereby individuals are not saving enough to provide for the retirement they expect. Whilst these issues are in part related to changes to life expectancy, they also relate to the dramatic reduction in

[16] The Pensions Regulator – Automatic Enrolment: Commentary and Analysis April 2018 – March 2019

[17] 40.8m DC pensions is an estimated aggregate figure based on the following sources: (A) Occupational DC preserved schemes (15.8m) which is a PensionBee estimate based on the ONS Occupational Pension Scheme Survey 2018, calculated by applying the average of annual growth rates for 2016, 2017 and 2018 to estimate 2019. Then averaging growth rates across 2017, 2018 and the 2019 estimate for a 3 year average growth rate and rolling forward to 2020. (B) FCA-regulated workplace DC preserved pensions (12.3m) which is calculated by reference to the percentage of employees in FCA-regulated (group personal and group stakeholder) pensions to occupational DC schemes in 2019 (approximately 78 per cent.) as per the ONS Annual Survey of Hours and Earnings, multiplied by A above, as PensionBee believes that the demographic drivers for FCA-regulated DC preserved pensions are broadly equivalent to those for occupational DC preserved schemes). (C) (12.7m) DC (non-workplace) Pension Accounts https://www.fca.org.uk/publication/feedback/fs19-05.pdf.

[18] PensionBee estimate based on number of PensionBee consolidated pots / number of its Invested Customers.

[19] 40.8m / 2x = 20.4m PensionBee estimate of number of individuals.

DB pension schemes and the financial security that they afford. Furthermore, today's low interest rate environment appears to encourage borrowing and spending today over saving for tomorrow.

The introduction of auto-enrolment under the Pensions Act 2008 (the "**Act**") was a major change to the UK pensions landscape. The Act created an obligation on all employers to enrol eligible employees into a DC pension savings plan and to contribute to it, unless the employees actively request non-participation (referred to as 'opting out'). The legislation came into effect in 2012 and has been a significant driver in the growth of DC pensions. In every year since the introduction of the Act, for example, the number of individuals enrolled in pension schemes has continued to increase. In April 2019, the minimum contributions were raised from 5 per cent. to 8 per cent. of qualifying earnings (an increase in employee contribution from 3 per cent. to 5 per cent. and employer contributions from 2 per cent. to 3 per cent.), and this change is expected to further increase the level of asset growth in the DC market overall.

The Directors expect further extensions of the auto-enrolment principles going forwards. Future changes could include a broadening of eligibility criteria for automatic enrolment (to include younger and lower earners), as well as further increases in minimum percentage workplace pension contributions for all employees.

In March 2014, the UK Government announced a series of further pension reforms known as the "pension freedoms" reforms. Effective April 2015, the changes aimed to give individuals reaching retirement age greater ease of access to their pension savings. These changes enabled customers to make multiple withdrawals from their pension plans and to receive up to 25 per cent. in a tax-free lump sum from the age of 55 (depending on the specific fund).

As a result of the "pension freedoms" reforms, individuals now have a greater level of freedom to invest their pension savings in line with their own retirement plans, along with increased flexibility over how they draw benefits to meet their specific needs in later life. Individuals are incentivised to contribute to private pensions by tax relief. Tax relief falls away beyond set lifetime and annual contribution levels, which have been reduced in recent years. The annual contribution allowance tapers down in proportion to an individual's income above certain thresholds.

As part of the "pension freedoms" reforms, the UK Government also introduced the money purchase annual allowance ("**MPAA**") which limits the amount of money an individual can contribute to all of their DC schemes once they have already started drawing taxable income from any of their DC schemes. Further changes were made in 2020, when the UK Government confirmed that the pension freedom age requirement would increase from 55 to 57 in 2028.

In addition, the UK Government has also announced that it intends to introduce legislation to compel pension providers to share pension information so that consumers can be reunited with their old and lost pension plans, which are estimated to be worth close to £20 billion. This initiative, known as the 'Pensions Dashboard' is being developed by the Money and Pensions Service, an arm's-length body sponsored by the Department for Work and Pensions, and comprising three respected financial guidance bodies: the Money Advice Service, The Pensions Advisory Service and Pension Wise. The earliest point of availability is expected to be 2023, subject to technological development and ongoing supporting legislation. Romi Savova, PensionBee's Chief Executive Officer, has joined the Pensions Dashboard Industry Delivery Group to help drive the project forward for the benefit of consumers.

Digital Adoption of Financial Services

The development of technology has changed the financial services landscape significantly over recent years. The ability of financial technology focused firms to develop direct, low-cost means of accessing consumers has allowed non-traditional firms to enter all areas of the financial services sector, competing with or working alongside more traditional financial services businesses. By harnessing the power of nascent technological developments in areas such as cloud computing and Big Data, many such firms have experienced significant growth in a short span of time.

The success of many of these firms can be attributed to adoption of digital (and in particular mobile phone) technology across all age groups. Whilst younger generational cohorts are increasingly managing their personal finances online, this behaviour is not exclusive to the young, and digital adoption rates are also increasing amongst older generations. Smart phones, in particular, have revolutionised the way in which individuals access and manage their money across banking, investing and borrowing. A larger proportion

of individuals now have very broad access to financial information via online platforms in their own home and this has removed the need for certain aspects of the financial services 'value chain', including physical infrastructure, the requirement for face-to-face interactions and the need for a paper-based confirmation process.

Since the onset of the COVID-19 pandemic and the associated restrictions on movement, digital adoption has taken a further leap forward, with many interactions which would previously have taken place face-to-face being no longer viable. This has forced both consumers and companies alike to adapt even faster to new technologies.

Developments in technology could impact the pensions sector in a number of ways. With easier access to more information and the ability to control their pensions from their smartphones, the ability of customers to see accurate information in real time should empower strategic decision-making. The reduction in infrastructure requirements should also result in improved cost management through the value chain, and ultimately lead to an enhanced consumer experience. These changes could make some traditional face-to-face roles redundant, as automation and digitisation replace manual processes.

The increase in popular adoption of online pension management has, in part, been facilitated by the emergence of comparison websites such as Boring Money and Money.co.uk. Such websites typically provide more granular information on online pension providers than some of the broader financial services comparison websites (which traditionally focus on sectors such as insurance and utilities) and are also designed to drive consumer decision-making.

Technological developments have been further supported by key enabling legislation. The EU's revised Payment Services Directive ("**PSD 2**"), introduced in 2015, was designed to facilitate the development of online and mobile payments. In the UK, the Directive was implemented through the development of the Open Banking Standard and was overseen by the UK's Competition and Markets Authority. This has forced the UK's largest banks to adopt the Open Banking standard, essentially an obligation to release data in a secure, standardised form so that it can be shared more easily between authorised organisations online, in an effort to improve competition in financial services.

This legislation supports third parties providing services through Open Banking, combining the use of Application Programming Interfaces ("**APIs**") and open data standards, allowing financial services companies to act as technology platforms. This enables differentiated customer relationships other than those held by the incumbent banks, who typically restrict the availability of relevant customer data to their own technology platforms. The introduction of this standard has led to an increase in the number of 'financial aggregators' – online platforms which allow individuals to manage their personal finances through a single application, as well as series of technological developments in new and incumbent banks and insurers.

PensionBee is at the forefront of these technological developments within the pension industry, and has benefited from them, having been integrated into financial aggregators and online banking providers such as Starling Bank, Yolt, Emma and other technology platforms for a number of years. With its focus on automation and innovation, PensionBee's scalable technology platform is designed to allow the mass-market the ability to manage their pensions through their smartphone and to support them in achieving their retirement goals through individual empowerment as opposed to financial advice. For further information on PensionBee's technological strengths, see Part III "*Business – Strengths*".

Employment Trends

In addition to living longer, embracing technology and taking greater ownership of financial decisions, individuals are increasingly moving jobs more frequently. The average person now moves jobs 11 times[20] in their career and therefore stands to be auto-enrolled in a large number of pension plans, requiring a consolidation solution. On average, approximately nine per cent. of people changed jobs each year between 2000 and 2018. This ranged from a low of approximately 5.7 per cent. in 2010 to a high of around approximately 10.9 per cent. in both 2017 and 2018[21].

[20] 'Meeting future workplace pension challenges: Improving transfers and dealing with small pension pots', DWP, December 2011

[21] ONS: Analysis of job changers and stayers: 29 April 2019; ONS: Trends in self-employment in the UK: 7 February 2018

In addition to growth in the number of employed individuals, there has been strong growth in the number of self-employed individuals from 3.3 million people (12.0 per cent. of the labour force) in 2001 to 4.8 million (15.1 per cent. of the labour force) in 2017[22]. In response, PensionBee has recently launched a dedicated self-employed pension product in January 2021 to support those individuals in saving for their retirement.

Throughout the COVID-19 pandemic, the Pensions Regulator has continued to closely monitor compliance with auto-enrolment and employee opt-out rates. This is to ensure employers do not fall short of their obligations given potential financial pressure both employers and employees could be under due to the impact of the pandemic and its associated economic impact. Recent research by Nest Insight (which the Directors believe is an accurate barometer of the state of auto-enrolment in the UK since one in three employees have a pension with Nest) found that the DC contribution levels were consistent between April 2020 and September 2020 with mean pension pots increasing from £1,106 as at 31 March 2020 to £1,475 as at 30 September 2020. In the first wave of the pandemic, the UK Government paid minimum pension contributions of 3 per cent. for furloughed employees whilst from August onwards, auto-enrolment pension contributions were paid for by the employers of furloughed staff.[23] In the medium to long-term, the restrictions in movement associated with the pandemic are expected to accelerate growth in the UK Preserved DC pensions market, given an increased level of job market dislocation and the associated proliferation of pension plans that may be suited to a consolidation solution.

Market Outlook

The Directors believe that the UK pensions market will continue to be driven by regulatory and policy changes, the acceleration of the transition to digital technology, trends in the employment market and conditions in the underlying economy.

The growth in the UK defined contribution pension market, both in terms of number of individual savers and the aggregate wealth managed within schemes, is expected to continue. The broad shift from DB to DC pensions and the simultaneous increase in DC contributions supported by UK Government regulation through auto-enrolment, is expected to continue to support an increase in the number of active schemes, the number of individuals saving for retirement in this market and the total DC pension wealth.

New opportunities and developments in technology are expected to continue to accelerate change in the pensions industry in ways that will ultimately benefit all consumers. PensionBee has built a technology platform to capture this 'mass-market' opportunity, allowing individuals to manage all their pensions in one place, through an efficient and scalable technology platform.

[22] ONS: Trends in self-employment in the UK: 7 February 2018
[23] Nest Insight – 'Retirement saving in the UK 2020', February 2021

PART II
REGULATORY OVERVIEW

Regulatory Environment

FCA regimes

The Company carries on its business through its wholly owned subsidiary, PBL. PBL is authorised and regulated in the UK by the FCA. The Company is not authorised or regulated by the FCA as it does not carry on any regulated activity itself in the UK. PBL is authorised to conduct certain regulated activities including arranging (bringing about) deals in certain investments, making arrangements with a view to transacting in certain investments, dealing in certain investments as principal and establishing, operating and winding up a personal pension scheme.

The FCA is responsible for the conduct of business regulation and prudential regulation of PBL. As a result, PBL is subject to certain of the FCA's rules as set-out in the FCA Handbook.

The FCA's strategic objective is to ensure that the relevant markets function well. When discharging its general functions of rule-making, preparing and issuing codes under FSMA, giving general guidance or determining general policy and principles, the FCA must, in so far as is reasonably possible, act in a way which is compatible with its strategic objective. The FCA must also, in so far as is reasonably possible, act in a way that advances one or more of its three operational objectives, which are:

- the consumer protection objective: to secure an appropriate degree of protection for consumers;
- the integrity objective: to protect and enhance the integrity of the UK financial system; and
- the competition objective: to promote effective competition in the interests of consumers.

UK threshold conditions set out in FSMA

Firms conducting regulated activities must at all times meet specified "threshold conditions" set out in FSMA, which relate to matters including the adequacy of the firm's financial and other resources and whether a firm is a fit and proper person to conduct its regulated activities, having regard to all the circumstances (including whether the firm's affairs are conducted soundly and prudently).

The FCA's principles for businesses

The principles for business sourcebook of the FCA Handbook sets out the high-level principles for business applicable to all FCA-authorised firms (the "**Principles**"). The Principles are a general statement of the fundamental obligations of FCA-authorised firms under the regulatory system. The Principles form the foundation of authorised firms' responsibilities to their clients and reflect the FCA's statutory objectives. The Principles are binding rules and firms can be disciplined for breaching a Principle even if they have not breached any of the FCA's other rules.

The Principles require authorised firms to set high standards but allow them flexibility as to how they achieve those standards. The measures taken and the resources required by firms to achieve those standards will depend on the nature and risks of the relevant firm's business but the Principles acknowledge that the measures taken should be proportionate to those risks.

If a breach of the Principles occurs, the FCA has the power to take a wide range of disciplinary actions against regulated firms and individuals carrying out functions within firms including public censure, the imposition of fines or the variation, suspension or termination of the firm's permissions.

Senior Management Arrangements, Systems and Controls

The Senior Management Arrangements, Systems and Controls sourcebook of the FCA Handbook ("**SYSC**") sets out the rules on the responsibilities of directors and senior management to ensure the firm has appropriate control, oversight and risk management arrangements in place and that responsibility and accountability has been allocated to the appropriate individuals. The SYSC rules cover business continuity planning, governance arrangements, record keeping, conflicts of interest, whistleblowing, IT security, remuneration, outsourcing, oversight and assurance, knowledge and competence.

Money laundering and other financial crime

All FCA authorised and regulated firms are required under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692 (the "**Money Laundering Regulations**") to observe and apply certain administrative procedures and checks that are designed to prevent money laundering and financial crime.

The SYSC rules require firms establish, implement and maintain adequate policies and procedures sufficient to ensure compliance of the firm including its managers, employees and appointed representatives (or where applicable, tied agents) with its obligations under the regulatory system and for countering the risk that the firm might be used to further financial crime. For these purposes, financial crime includes any offence involving fraud or dishonesty, misconduct in, or misuse of information relating to, a financial market, handling the proceeds of crime or the financing of terrorism, as well as bribery and corruption offences.

Failure to maintain the necessary procedures in relation to money laundering is also a criminal offence under the Money Laundering Regulations. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Counter-Terrorism Act 2008 also contain a number of offences in relation to money laundering.

Conduct of business rules

The conduct of business sourcebook of the FCA Handbook ("**COBS**") sets out the FCA's rules for the conduct of business by authorised firms. The COBS rules apply to every authorised firm carrying on relevant regulated activities and regulate the day-to-day conduct of business standards to be observed by authorised firms in carrying on regulated activities.

The scope and range of obligations imposed on an authorised firm under the COBS rules vary according to the scope of the firm's business and the nature of its clients. Generally speaking, however, the obligations imposed on an authorised firm by the COBS rules will include:

- providing retail clients with information about the firm;
- meeting certain standards of disclosure about the firm's products and the services;
- ensuring that promotional materials which it produces are clear, fair and not misleading;
- managing conflicts of interest; and
- reporting appropriately to its clients.

Specific conduct of business requirements apply to providers of personal pension schemes such as the PensionBee Personal Pension. These include particular disclosure requirements to members prior to joining the scheme, throughout their membership and before drawing benefits, requirements as regards any advice to members in connection with transfers to and from the scheme (PensionBee does not provide such advice), and in some circumstances limits on the forms and amounts of charges applied to members and governance requirements designed to ensure that members' interests are independently considered.

Regulatory capital and financial resources

It is an ongoing requirement for authorised firms carrying on regulated activities to comply with the prudential standards imposed by the FCA. It is a fundamental requirement of the FCA's prudential rules that firms maintain adequate financial resources. Rules relating to the calculation of capital resources applicable to regulated entities are currently contained in various provisions within the FCA Handbook.

Regulatory capital requirements form an integral part of the FCA's prudential supervision of UK authorised firms. The regulatory capital rules oblige firms to hold a certain amount of capital at all times (taking into account the particular risks to which the firm may be exposed given its business activities), thereby helping to ensure that firms can meet their liabilities as they fall due and safeguarding their (and their counterparties') financial stability. The regulator also expects firms to take a proactive approach to monitoring and managing risks, consistent with their high-level requirement for firms to have adequate financial resources.

Pursuant to the FCA's Interim Prudential Sourcebook for Investment Business (the "**IPRU (INV)**"), PBL is a "Category B" Personal Investment Firm, with regulatory permissions to establish, operate or wind up personal pension schemes. As a result, PBL has to comply with certain minimum regulatory capital requirements. For example, PBL is required to maintain liquid capital resources which must at all times be in excess of its minimum liquid capital requirement.

PBL's liquid capital requirement is calculated as the sum of its initial capital requirement ("**ICR**") and its capital surcharge ("**CS**").

The ICR is calculated by using the following formula:

$$\text{ICR} = (\sqrt{AUA}) \text{ x } K1$$

where:

"**AUA**" is defined in IPRU (INV) 5.9 as the sum of the most recent annual valuations over the preceding 12 months of the personal pension schemes administered by the firm, and adjusted to include any revaluation of assets that may occur between the date of the most recent annual valuation and the reporting date; and

"**K1**" is set at 20 (in line with IPRU (INV) 5.9) given that PensionBee's AUAs exceed £200 million.

The CS is calculated by using the following formula:

$$\text{CS} = (\sqrt{P}) \text{ x } K2 \text{ x } ICR$$

where:

"**P**" is the fraction of personal pension schemes administered by the firm which contain one or more asset types which do not appear in the list of Standard Assets (as defined in IPRU (INV) 5.9 and set out below) at the most recent quarter end;

"**K2**" is 2.5; and

"**Standard Assets**" means cash, cash funds, deposits, exchange-traded commodities, government and local authority bonds and other fixed interest stocks, investment notes (structured products), shares in investment trusts, managed pension funds, national savings and investment products, permanent interest bearing shares (PIBs), physical gold bullion, real estate investment trusts, securities admitted to trading on a regulated venue and UK commercial property units in regulated collective investment schemes. In addition, a standard asset must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required.

For further information on PBL's capital requirements, see "*Operating and Financial Review – Liquidity and Capital Resources*".

The senior managers and certification regime

The senior managers and certification regime ("**SM&CR**") applies to PBL. The SM&CR consists of three key parts:

- **senior managers regime**: this focuses on the most senior people in the relevant firm. All senior managers must be approved by the FCA, with each application for approval accompanied by a statement of responsibilities that states what a senior manager is responsible and accountable for;

- **certification regime**: this regime covers other employees who are not senior managers, but whose jobs mean they can have a big impact on customers, markets or the firm. Firms must certify that such employees are fit and proper to perform their role on at least an annual basis; and

- **conduct rules**: these are new rules setting minimum standards of individual behaviour in financial and applying broadly to almost every person who works in the financial services industry.

Any senior manager holding a senior management function ("**SMF**") must be approved by the FCA before they can start their role. The SMFs are set out in SYSC, with different SMFs relevant to different types of firm.

The change of control regime for authorised firms

Under the FSMA change of control regime, a person who has decided to acquire or increase control over a UK firm authorised and regulated under FSMA is required to seek consent from the FCA before doing so. A FSMA-authorised and regulated firm must also notify the FCA when the transaction which results in that acquisition takes place. Any acquisition of control over the Company would be subject to this regime.

A proposed controller for the purposes of the controller regime is any natural or legal person (or such persons "acting in concert") who decides to acquire, directly or indirectly, control over a UK-authorised firm. Control is acquired if the acquirer:

- holds 10 per cent. or more of the shares or voting power in a firm or in its parent undertaking; or
- is able to exercise significant influence over the management of the firm by virtue of the acquirer's shares or voting power in the company or its parent undertaking.

The FCA has up to 60 working days from the date of submission of a notification of proposed change in control to approve any such acquisition. However, the FCA may interrupt the 60 working day assessment period if it requires further information, increasing the assessment period to a maximum of 80 working days. The FCA is also permitted to serve a notice of objection to the acquisition of control and, if it does serve such a notice, is required to specify in the notice its reasons for the objections.

A person who ceases to be a 10 per cent. controller or who reduces control by certain steps is required only to provide written notice to the FCA. In other words, FCA approval is not required for cessation or reduction of control.

Breach of the notification and approval regime imposed by FSMA on controllers is a criminal offence.

Client money

PBL does not have permission to hold client money, however, it does have permission to "control" client money. This means that, where PBL has a mandate to control client money in relation to its pension activities, certain of the rules in the client assets sourcebook of the FCA Handbook ("**CASS**") will apply. The applicable CASS rules require PBL to maintain adequate records and internal controls in respect of its use of the mandates, maintain an up to date list of its mandates and to retain all records required by the CASS rules for a prescribed minimum period.

Regulatory Change

PensionBee's business is reliant on the transfer of pension benefits to personal pension schemes, as permitted under current requirements. Pursuant to these requirements, a member of an occupational pension scheme with more than 12 months to go before attaining the scheme's normal pension age, or a member of a personal pension scheme, has a statutory right under the Pension Schemes Act 1993 to take a cash equivalent transfer value to another registered pension scheme. A member of a defined contribution pension scheme does not currently have to obtain advice prior to making a transfer to another defined contribution pension scheme.

The UK pensions market is sensitive to changes in the policy of the UK Government and UK regulators, such as the FCA and HMRC. For example, certain policies have been implemented to: (i) control transfers of pension benefits between pension schemes; (ii) require employers to automatically enrol their eligible workers into a qualifying pension scheme and to make contributions to such a scheme and control the charges that may be applied in respect of such schemes; and (iii) to provide individuals with greater flexibility in accessing their pensions. Even where these requirements do not directly apply to a scheme such as the PensionBee Personal Pension, PensionBee may need to comply due to competitive pressures. The FCA has been increasing its focus on the UK's retail investment market, including in pensions. In 2019, the FCA directly intervened in the defined benefit pensions market to address mis-selling issues arising from inappropriate advice given to consumers to transfer out of their defined benefit pension schemes. In the same year, the FCA published its feedback statement entitled Effective competition in non-workplace

pensions following a consultation exercise which it carried out in 2018. In the feedback statement, the FCA highlighted a lack of consumer engagement, combined with complex and confusing products and charges, which has led to a lack of competitive pressure in the non-workplace pensions market. More recently, in September 2020, the FCA published a call for input requesting feedback on its concerns relating to the operation of the consumer investment market which it said would shape its work over the next three years.

HMRC Registration Requirements

The PensionBee Personal Pension is a registered pension scheme for the purposes of the Finance Act 2004. This provides various tax advantages (including that, subject to certain limits, contributions can normally be made out of gross income, investments are not generally subject to income tax, capital gains tax or corporation tax, and a proportion of benefits may be taken free from income tax), but also imposes various additional regulatory requirements on PBL as administrator of the scheme. These include requirements to provide information and returns to HMRC (and in some circumstances information to other pension providers) and disclosure requirements to members. Tax charges may also apply where requirements are not complied with.

Data protection and the General Data Protection Regulation

Until 1 January 2021, UK data protection law was governed by the Data Protection Act 2018 (the "**DPA**") which implemented the EU General Data Protection Regulation 2016/679 ("**EU GDPR**"). From 1 January 2021, the end of the transition period, EU GDPR ceased to have legal effect in the UK. In its stead, the UK passed the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 No. 419, which incorporates a materially identical version of the EU GDPR into UK law (the "**UK GDPR**").

As with the EU GDPR, the UK GDPR implements stringent requirements in relation to companies' use of personal data relating to individuals ("**data subjects**"). Under the UK GDPR, for example, the definition of personal data includes information such as name, identification number, email address, location data, online identifiers such as Internet protocol addresses and cookie identifiers, or any other type of information that can identify a living individual. The UK GDPR imposes a number of requirements for the processing of personal data, which include: a valid ground for processing each instance of personal data; high standards for organisations to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities; providing information about how data subjects' personal data is or will be used; carrying out data protection impact assessments for operations which present specific risks to individuals due to the nature or scope of the processing operation; an obligation to appoint data protection officers in certain circumstances; new rights for individuals to be "forgotten" and rights to data portability, as well as enhanced current rights; the principle of accountability and demonstrating compliance through policies, procedures, training, and audit; profiling restrictions; and a new mandatory data breach reporting regime. Sanctions for non-compliance with the UK GDPR are significant and supervisory authorities have the ability to impose fines of up to £17.5 million or 4 per cent. of the total annual worldwide turnover of a company in the preceding financial year, whichever is higher, for a breach of any of the data protection principles, or a breach of any rights an individual may have under the UK GDPR.

Under the EU-UK Trade and Cooperation Agreement, the UK's data protection regime is deemed to be temporarily equivalent to that of the EU for four months (extendable by a further two months) from 1 January 2021, provided the UK makes no material changes to its data law as it stood on 31 December 2020 and makes no new adequacy decisions for third countries. Therefore, it is very likely that there will be no changes to the UK data protection regime before 31 June 2021. Following the end of this period, the European Commission could issue an adequacy decision for the UK under Article 45 EU GDPR, which would allow for international data transfers to continue to take place between the UK and EU without the need for additional safeguards (such as Standard Contractual Clauses) required under Chapter V of the EU GDPR.

PensionBee routinely transmits, receives and processes personal, confidential and proprietary information by email and other electronic means within the UK. PensionBee takes its obligations as a data controller under the UK GDPR seriously and has put in place appropriate measures to ensure compliance in respect of its processing activities (including with respect to responding to requests from data subjects to exercise their rights under the UK GDPR).

PART III
BUSINESS

The following information should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus, including Part VII "Operating and Financial Review" and Part VIII "Historical Financial Information". The financial information included in this Part III: "Business" has been extracted without material adjustment from Part VIII "Historical Financial Information", or has been extracted without material adjustment from PBL's accounting records, which formed the underlying basis of the financial information in Part VIII: "Historical Financial Information". It should be noted that any financial information that has not been extracted without material adjustment from the Historical Financial Information has not been audited.

Overview

PensionBee is a leading online pensions provider in the UK, with approximately 119,000 Active Customers[24] and £1.4 billion of AUA, in each case as at 31 December 2020. PensionBee is a direct-to-consumer financial technology company, with a mission to make pensions simple, so that everyone can look forward to a happy retirement. It delivers a leading customer proposition to pension holders in the UK defined contribution pensions market, catering for the many people who have historically struggled to understand, prepare for and manage their retirements confidently.

PensionBee seeks to make its customers 'Pension Confident' by giving them control and clarity over their retirement savings. PensionBee's technology platform allows its customers to combine their pensions and invest in a range of online plans, forecast how much they are expected to have saved by the time they retire, and make withdrawals from their pensions from the age of 55 (57 from 2028). PensionBee elicits reviews from its customers through Trustpilot, a well-known website which hosts reviews of businesses worldwide. PensionBee's customers rate its service highly, and as at 9 April 2021 it has a Trustpilot score of 4.7 stars out of 5, based on 4,284 reviews.

For the year ended 31 December 2020, PensionBee's Revenue was £6.3 million, compared to £1.4 million for the year ended 31 December 2018, representing a 110 per cent. CAGR from 2018 to 2020.

The PensionBee Vision

PensionBee strives to help its customers achieve a happy retirement in the form of financial freedom, good health and social inclusion. PensionBee's vision acts as a blueprint for all its business activities, from outstanding customer service and intuitive product design, to investment solutions with some of the world's largest money managers and impactful corporate and social responsibility initiatives. As a pensions company with a long-term horizon for its customers, PensionBee seeks to look beyond short-term gains to help its customers achieve a sustainable retirement income.

Financial Freedom

PensionBee's customers have a large variety of retirement goals and ambitions, whether purchasing homes close to their children, travelling around the world or simply living without any financial worries. Each customer is unique, but to achieve their ideal retirement, they all need sufficient income to cover their living expenses for the rest of their lives. This, at its core, is the concept of financial freedom.

For too long consumers have struggled to manage their retirement savings. Pensions are often complicated and, combined with the added intricacies that can result from the accrual of multiple pension plans from different employers over the course of a career, present a significant obstacle for consumers wanting to take control of their savings. PensionBee's technology platform is designed to make it easy for customers to both understand and consolidate their pensions, invest in a range of diversified plans and, from the age of 55 (57 from 2028), make on-demand and appropriate withdrawals. Through its access to pension calculators and retirement forecasting tools, PensionBee seeks to help its customers understand how much they need to save in order to achieve their desired income in retirement.

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[24] Active Customer – means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers. Invested Customers means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

As part of its broader efforts to help consumers navigate the pension ecosystem, PensionBee fights against pension scams (see *Corporate, Social and Environmental Responsibility - Pension Scams* below for further information) and is campaigning for an industry-wide commitment to expedite the amount of time taken for consumers to switch their pensions.

Good Health

The Directors believe that good physical and mental health can be a major determinant of happiness in later life. Whilst quality nutrition and safe living conditions are important contributors to good health, the Directors also believe that financial wellbeing can have a significant role to play.

PensionBee's technology platform has been designed in a user-friendly way so as to limit the stresses of engaging with one's pension and to help customers exercise greater control over their financial futures.

Similarly, PensionBee also wants to give its customers greater peace of mind by offering more ethically and environmentally conscious investment alternatives. Not only is there quantitative evidence from industry experts suggesting that sustainable investments yield greater returns, but there are significant financial risks associated with investing in pollutants such as oil and tobacco producers. These financial risks can be aggravated by government action (whether through outright bans or taxes), civil lawsuits, and adverse media coverage. In facilitating sustainable investments, PensionBee seeks to enhance its customers' long-term pension wealth as well as their mental wellbeing.

Social Inclusion

The Directors believe that the Company's product must be built to help people from all backgrounds to save for retirement. The UK's statutory secondary school national curriculum contains little formal financial education, and over the course of their lives, individuals do not all have the same exposure to financial concepts. As a result, many struggle to navigate the pensions system as adults. By designing and building its product in recognition of these realities, PensionBee seeks to help its customers overcome these educational barriers.

In addition, PensionBee is an advocate for greater gender equality in UK companies. There is a large body of research suggesting that women have been held back by a lack of equal opportunities and systemic inequalities that prevent career progression. Research conducted by PensionBee suggests that these inequalities are perpetuated in later life with men having significantly larger pensions than women after the age of 45, despite having a shorter life expectancy. In recognition of these inequalities, PensionBee's first Charter pledge taken in 2019 was to maintain at least 50 per cent. gender diversity in its senior management team through to 2021. By 31 December 2020, PensionBee had achieved more than 50 per cent. female representation across the employee base and 57 per cent. across its senior management team, meaning it is on track to maintain this target going forwards. PensionBee's female representation on its Board is currently 60 per cent.

PensionBee is also committed to encouraging other forms of equality in UK companies. Efforts to include, nurture and progress employees from all backgrounds, and especially people of colour, can translate into higher engagement and lower attrition rates. The Directors therefore believe that there is a strong moral and economic case for increased diversity in UK companies. Greater equality can translate into improved Company performance, which in turn supports the pension growth of PensionBee's customers.

Key Developments in PensionBee's History

PensionBee was co-founded in 2014 by Romi Savova, its current Chief Executive Officer and Jonathan Lister Parsons, its current Chief Technology Officer, to simplify pension savings in the UK, following a difficult pension transfer experience for Romi Savova using traditional platforms.

Between 2015 and 2016, PensionBee launched the trial version of the technology platform and entered into agreements with two of the world's largest investment managers, State Street Global Advisors ("**State Street Global Advisors**") and BlackRock ("**BlackRock**"), to manage the first PensionBee Plans. During the same period, regulatory permissions were granted and the first pension transfer through the PensionBee technology platform was effected.

PensionBee's customer proposition was subsequently developed and in 2017, new functionality to facilitate contributions and withdrawals was added, enabling customers to make one-off or regular contributions to

their PensionBee pensions and, from the age of 55 (57 from 2028), withdraw their pension online through the technology platform.

In 2017, PensionBee became one of the first pension providers in the UK to offer a widely accessible, responsible investment option in partnership with Legal & General. In the same year PensionBee's AUA exceeded £100 million and the Company welcomed a new institutional investor with State Street Global Advisors becoming a minority shareholder in PensionBee.

In 2018, PensionBee became the first pension provider to utilise Open Finance technology to enable its customers to see their pension balances within other personal finance 'aggregation' applications, including Starling Bank and Yolt. 2018 also saw the launch of PensionBee's own direct mobile app, giving customers instant clarity on consolidation, contributions, automatic HMRC tax relief and withdrawal activities.

In 2019, PensionBee expanded its offering of investment plans to include more options for the growing segment of pre-retirement customers, and also further developed its product range with the introduction of a Shariah-compliant plan. In the same year, PensionBee became the first UK pension provider to voluntarily adopt the UK Government endorsed two-page 'simpler annual benefit statement', designed to help consumers understand and compare their pension plans with different providers more easily.

In 2020, PensionBee became the first UK pension provider to offer its customers on-demand pension withdrawals through a digital bank account and virtual Mastercard®[25], functionality the Company continues to develop for further commercialisation. In the same year and in response to considerable demand from its customer base, PensionBee announced the launch of one of the UK's first mainstream fossil fuel free investment pension plans, which prohibits investment in companies with proven or probable reserves in oil, gas or coal, tobacco companies, manufacturers of controversial weapons, nuclear weapons and persistent violators of the UN Global Compact. During the course of the year, PensionBee's AUA increased from £745 million to £1.4 billion.

Strengths

The Directors believe that the Company benefits from the following key strengths:

Innovative Customer Centric Proposition for Everyone

Pensions are often complicated and difficult to understand, presenting an obstacle for consumers to engage with their savings. This point was illustrated in the FCA's January 2019 sector review which found that 48 per cent. of consumers do not read their annual pension statement, 82 per cent. of consumers have not reviewed their pension investments since joining and 71 per cent. of consumers do not know how much they are paying in pension fees[26]. Against this backdrop, PensionBee has developed a simple and easy to use mass-market proposition that provides a solution to the consumer problem of saving for and managing their income throughout retirement.

The customer centric technology platform enables easy and free onboarding of customers, capitalising on digitisation trends in wealth management as a broad range of consumers increasingly look to online solutions. PensionBee's mass market brand identity is demonstrated by the wide age distribution among its Invested Customers, wide geographic mix which covers vast areas across the UK and ample pot size distribution from less than £10 to £2.5 million.

PensionBee is continuously innovating, driving change in response to consumer needs (such as the recent introduction of the fossil fuel free plan and the current development of "on-demand" withdrawals through PensionBee Access). The continued focus on automation and innovation allows for efficient modular growth and new product releases. The product development strategy is to optimise for development under conditions of uncertainty, a philosophy highly suited to innovative companies and those supported by flexible technology. The Company's product development function is organised into multi-disciplinary teams, which deliver value incrementally, remaining responsive to market needs.

The product experience is designed as an "all-digital" customer experience, ensuring that complete business processes can be continuously monitored and optimised, with the aspiration that a customer is never required to use a non-digital process and has the ability to "self-serve". The Company digitises paperwork

[25] Mastercard® is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated
[26] FCA Sector Review: January 2019

where possible and reduces its exposure to manual, inefficient and error-prone processes by continuously seeking further opportunities for automation. The Company's focus on automation facilitates serving the consumer pension market in a way that would not have been possible before the technological advances of recent years.

As consumers expect a seamless service using multiple devices, the Company has followed a cross-device approach since inception. In a typical month, PensionBee's internal analytics show that approximately 60 per cent. of its web traffic originates from mobile or tablet browsers. The mobile app is delivered in both the Apple App and Google Play stores, and makes use of device capabilities where appropriate e.g. mobile native security features for two-factor authentication and transaction security.

The Company is focused on delivering exceptional customer service. The technology platform is supported by easily accessible human interaction with "BeeKeepers"[27], providing customers with a dedicated account manager from the moment they accept PensionBee's terms of business, assisting them through the on-boarding process and helping them understand the technology platform. As part of its customer offering, PensionBee prides itself on its responsiveness to customer queries. In January 2021, the average live chat waiting time was 19 seconds[28], the average phone line waiting time was 88 seconds[29] and 83 per cent. of customer requests over email were dealt with within 72 hours[30].

PensionBee's focus on customer service has been demonstrated by its growth to date and its excellent customer reviews as evidenced by its most recent Trustpilot score of 4.7 stars out of 5, with 93 per cent. of customers rating the services "great or excellent"[31] and its number 1 ranking Net Promoter Score ("**NPS**") with a score of 76.1 compared to a peer group average score of 7.6 as reflected in the following table.

The Highest Net Promoter Score(1)

#	Company	NPS
1	PensionBee	76.1
2	The Share Centre	42.2
3	Charles Stanley Direct	30.7
4	Nutmeg	26.2
5	Hargreaves Lansdown	14.8
6	Interactive Investor	13.0
7	AJ Bell Youinvest	12.1
8	Fidelity	-8.1
9	Barclays Smart Investor	-70.3

(Source: Boring Money, February 2021 Data on UK D2C Investment Market, excluding companies with fewer than 100 reviews)

PensionBee has also achieved the following number 1 ratings in the categories set out below based on feedback provided by its customers according to research conducted by Boring Money:

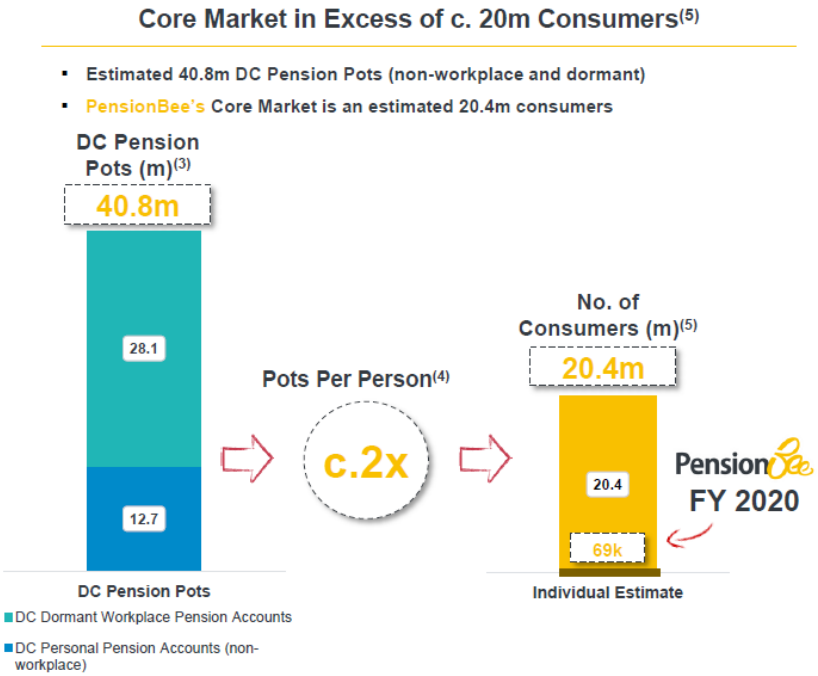
Category(1)	Rating out of 5/ percentage	Peer group average
Value for money	4.5	3.6
Customer service	4.6	3.7
Quality of website	4.6	3.6
"You say"(2)	4.6	3.6
Percentage of users who would recommend the service provider	92%	70%
NPS	76.1	7.6

(1) Boring Money, February 2021 Data on UK D2C Investment Market. The peer group is defined as companies with more than 100 reviews, comprising: The Share Centre, Nutmeg, Charles Stanley Direct, Interactive Investor, AJ Bell Youinvest, Fidelity, Hargreaves Lansdown and Barclays Smart Investor
(2) "You say" indicates the average rating for value, website and service scores out of 5

27 PensionBee does not provide any financial advice through the BeeKeepers
28 As calculated across 3,016 live chats
29 As calculated across 3,591 calls
30 As calculated across 9,978 emails
31 Trustpilot.com 9 April 2021, based on 4,284 reviews

Ideally Positioned to Capture the Significant Market Opportunity

The UK pensions market presents a vast and growing opportunity for the Company. PensionBee's core target market is the estimated 40.8 million non-workplace and dormant workplace pension pots. PensionBee estimates each consumer has approximately 2 pots, therefore there could be approximately 20.4 million individuals within its core target market. The UK defined contribution Preserved Pensions market has demonstrated a strong historical growth with a CAGR of 23 per cent. since 2012/14 and PensionBee estimates the size of the UK defined contribution Preserved Pensions market to be approximately £0.6 trillion[32].



(3) 40.8m DC pensions is an estimated aggregate figure based on the following sources: (A) Occupational DC preserved schemes (15.8m) which is a PensionBee estimate based on the ONS Occupational Pension Scheme Survey 2018, calculated by applying the average of annual growth rates for 2016, 2017 and 2018 to estimate 2019. Then averaging growth rates across 2017, 2018 and the 2019 estimate for a 3 year average growth rate and rolling forward to 2020. (B) FCA-regulated workplace DC preserved pensions (12.3m) which is calculated by reference to the percentage of employees in FCA-regulated (group personal and group stakeholder) pensions to occupational DC schemes in 2019 (approximately 78 per cent.) as per the ONS Annual Survey of Hours and Earnings, multiplied by A above, as PensionBee believes that the demographic drivers for FCA-regulated DC preserved pensions are broadly equivalent to those for occupational DC preserved schemes). (C) (12.7m) DC (non-workplace)-Pension Accounts https://www.fca.org.uk/publication/feedback/fs19-05.pdf.

(4) PensionBee estimate -based on number of PensionBee consolidated pots / number of Invested Customers.

(5) 40.8m / 2x = 20.4m PensionBee estimate of number of consumers.

The number of individuals in the DC market illustrates the breadth of the mass market opportunity for PensionBee. In December 2020, the FCA estimated that there were 26.7 million individuals in contract-based workplace and non-workplace DC schemes[33].

UK defined contribution Preserved Pension wealth has experienced high levels of growth over a number of years, driven by supportive trends that are expected to continue to drive its development, such as regulatory and policy changes (e.g. the introduction of auto-enrolment) the acceleration of the transition to

[32] PensionBee estimate based on: ONS: Pension Wealth in Great Britain: April 2016 to March 2018. PensionBee estimate of £0.6 trillion for 2018-2020 for the Preserved Pensions segment of the DC pensions market in the UK is calculated by applying to each DC preserved pension component as set out in ONS: Pension Wealth in Great Britain: April 2016 to March 2018 (being "*preserved pension entitlements in defined contribution pensions*", "*preserved pension entitlements in pensions for drawdown*" and "*preserved pension expected from former spouse/partner*") , its historical CAGR from the period "July 2012 – June 2014" to the end of the period "April 2016 – March 2018" for a further two year period, and then aggregating such increased components.

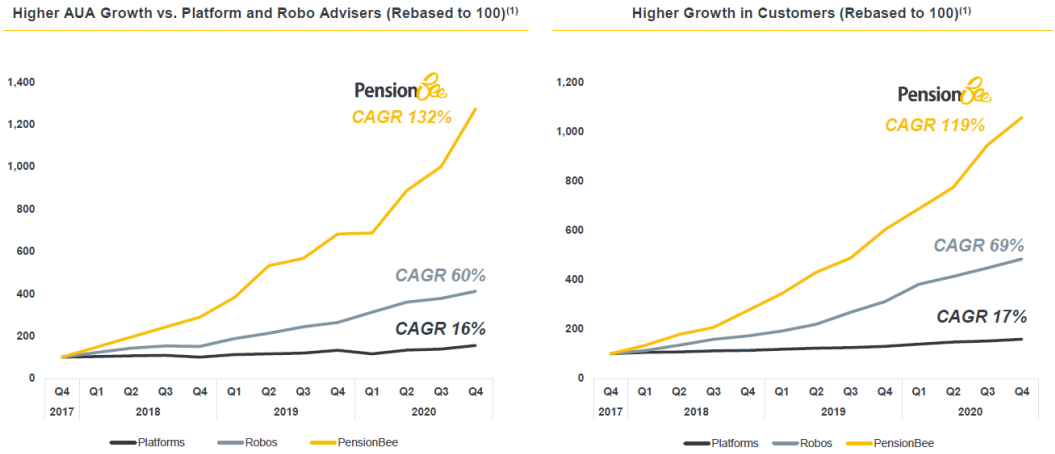
[33] FCA - Evaluation of the impact of the Retail Distribution Review and the Financial Advice Market Review – December 2020

digital, trends in the employment market (such as longer working life and increased job switching) and by conditions in the underlying economy.

Accordingly, the Directors believe that the Company is well-positioned to capitalise on this opportunity, offering an innovative solution that addresses the needs of customers, which continues to drive the growth of its customer base and revenue. For further information regarding structural trends impacting the Company's markets, see Part I "*Industry – Market Trends*".

The Directors believe that the Company's strong position in the pensions market also offers strategic flexibility to respond to and capitalise on changes within the market and further leverage its strong brand.

PensionBee has demonstrated its high levels of growth in AUA and customers over the previous three financial years.



(Source: Boring Money, February 2021 Data on UK D2C Investment Market – "Platforms" – (Hargreaves Lansdown, Interactive Investor, AJ Bell Youinvest,Vanguard). "Robos" - (Nutmeg, Moneybox, Moneyfarm, Scalable Capital, Wealthify, Wealthsimple, Others))

Successful and Scalable Customer Acquisition Model

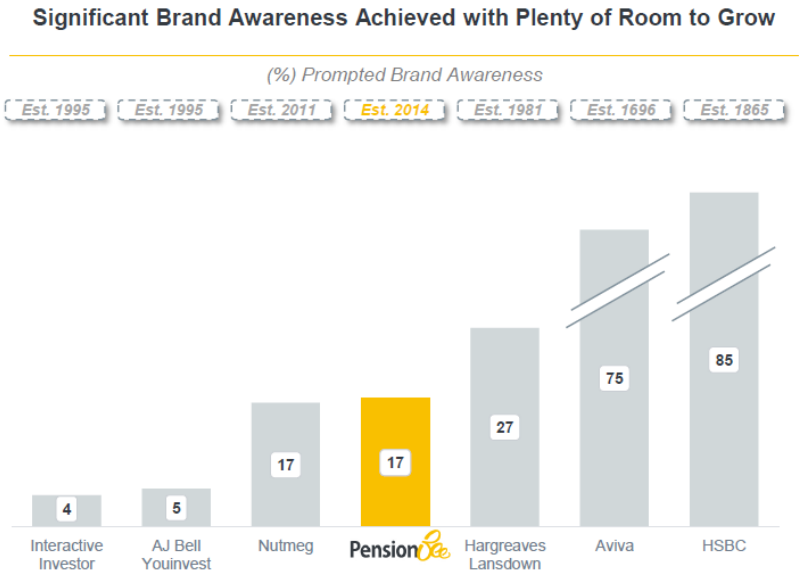
PensionBee employs a successful, data-driven, omni-channel customer acquisition model and is focused on achieving mass brand recognition. PensionBee has built a single customer view for its customer acquisition process by tracking user behaviour across its technology estate (including web app and mobile app), tying visits to a single user where possible. This has allowed PensionBee to move away from a "last-click" model to a more insightful multi-touch approach which is all located in one place and not dispersed on multiple marketing tracking platforms. The four drivers of this strategic advantage are: (1) broad customer appeal; (2) mass market brand identity; (3) large, mass market advertising channels; and (4) big data advantage.

1) **Broad customer appeal** - As a true mass-market financial services company, PensionBee appeals to a broad customer base across a range of socio-demographic characteristics, including age, geography and wealth. The scalable technology platform allows PensionBee to deliver its services to a broad customer base with attractive unit economics.

2) **Mass market brand identity -** PensionBee has focused on developing a visually engaging brand, using simple, straightforward language and an emphasis on consumer championship. The brand's universal appeal enables mass-market reach.

   PensionBee has demonstrated strong progress in becoming a household financial services brand as shown in the below chart from a February 2021 Boring Money industry survey. The survey was conducted on a sample of 6,698 nationally representative UK adults. The results below show the percentage of all UK adults who were aware of the following brands. As can be seen from the chart,

there remains considerable room for growth when comparing PensionBee to its more established, broader product offering peer group.



(Source: Boring Money, February 2021)

3) **Large, mass market advertising channels** - As the Company has grown it has diversified and expanded the breadth of its marketing channels utilising multiple routes to reach the mass market rapidly and cost-effectively. These channels can be categorised as follows:

- **Performance Channels**: PensionBee's performance channels consist of campaigns run through paid search, social media and affiliate or partnership platforms ("**Performance Channels**"). PensionBee's online advertising programs are delivered across Internet-enabled devices, including desktop computers, tablet computers and smartphones.

- **Brand Marketing Channels**: PensionBee's brand marketing channels consist of branded advertisements that are run on television, radio and out-of-home campaigns ("**Brand Marketing Channels**"). Its brand marketing is supplemented by public relations, organic search and refer-a-friend activities. This provides access to an audience not reached on digital performance channels.

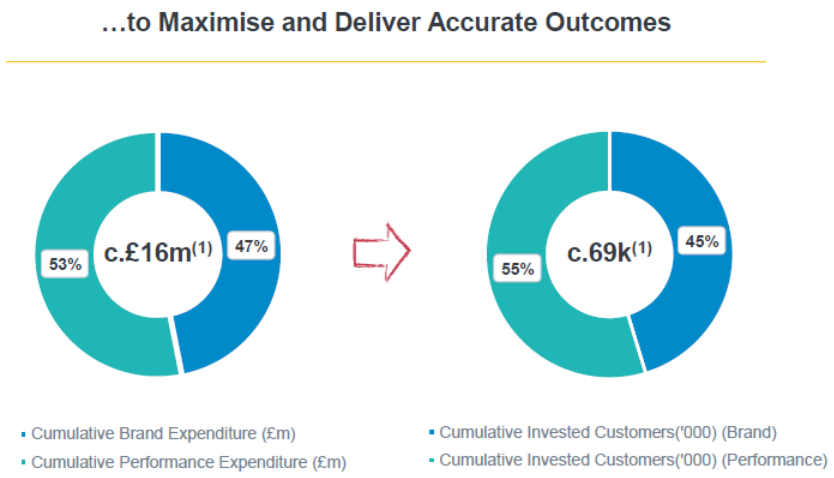
PensionBee has significant experience optimizing its cost of acquiring new customers and applies its analytical approach to broader brand development in order to drive increasing awareness of its offering. One of the key data points which PensionBee uses to optimise its channel mix is average pot size as well as other metrics such as customer age and number of pensions added for transfer. This approach allows PensionBee to respond flexibly to changing consumer preferences (such as the ongoing shift from desktop/web usage to mobile adoption) while reducing exposure to any channels that may be experiencing unexpected negative shifts in pricing. For instance, during 2020, in light of the initial Covid-19 lockdown which began in March 2020, PensionBee was able to switch its investment from out-of-home to TV and app campaigns but also re-tuned its channel mix in August, September and October to include out-of-home once outdoor footfall returned. PensionBee was also able to benefit from reduced TV advertising rates at certain times during 2020 as a result of the impact of the Covid-19 pandemic on demand for TV advertising slots.

PensionBee has grown the number of Registered Customers to approximately 403,000 as at 31 December 2020. A Registered Customer has commenced the sign-up process and has submitted at least a name and an email address. Following customer registration, the Company maintains multiple touchpoints with its customers, increasing the likelihood of conversion to an Invested Customer. An

Invested Customer is a customer who has transferred pension assets or made contributions into one of PensionBee's investment plans. At this stage, the Company starts to earn revenue on their pension balance. As at 31 December 2020, PensionBee had approximately 69,000 Invested Customers.

The customer acquisition model ensures end-to-end ownership of the relationship with the customer, driving high levels of customer AUA retention and supporting its lifetime value proposition. Together with its known Cost per Invested Customer[34] for a particular customer (PensionBee can assess how customers were acquired through which channel mix), PensionBee can forecast the profitability of that customer, modelling AUA growth and retention which results in accurate unit economics analysis.

PensionBee has, since it commenced operations in 2016, grown annual marketing budgets rapidly and successfully acquired customers as a result. The chart below sets out the split in PensionBee's cumulative marketing spend since it commenced operations in 2016 between performance and brand marketing channels and the split in its Invested Customers as at 31 December 2020 between those acquired through performance channels and those acquired through brand marketing channels.



(Source: Management Information as at 31 December 2020. Cumulative Expenditure and Invested Customers include unaudited management information for the years ended 31 December 2016 and 2017)

4) **Big data advantage -** PensionBee's data-driven, diversified approach to marketing enables it to manage the capital allocation by channel strategically. Detailed analytics drive refinement to the strategy ensuring cost discipline is maintained. Channels are monitored on a daily basis to allow the Company to be responsive, efficient and to allow it to control the customer acquisition costs. For instance, PensionBee uses deep analysis on a channel level, often using tools provided by those channels, including Facebook's ad platform, Google ads, and Semrush (SEO) to benchmark keywords against competitors or its own TV tracking platform to monitor responses to its advertising campaigns. The Company regularly responds to changing consumer preferences by allocating more capital to outperforming channels.

The typical customer journey generates multiple touchpoints which ultimately create a big data advantage for the Company and allow for improved conversion rates and acquisition cost optimisation. The customer journey is supported by various contributing touchpoints through channels such as TV, social media or radio. This results in more than 200,000 rows of customer data being created daily which drive decision-making.

[34] "Cost per Invested Customer" ("CPIC") means the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.

Industry Leading Proprietary Technology

PensionBee has been investing in and developing its technology platform since 2014, allowing it to develop a significant competitive advantage with a number of proprietary processes built around the consumer.

Unlike many large financial services businesses, the Company is not developing or maintaining a legacy technology platform. This provides PensionBee with a significant competitive advantage, allowing the business to focus its technical resources on solving its customers' problems and increasing differentiation of its products and services. Furthermore, no client-facing processes are outsourced to third-party providers, allowing PensionBee to retain visibility and control over the customer experience. All product development is controlled by an in-house team that maintains and develops core business logic to allow PensionBee to continue to innovate efficiently. The Agile[35], multi-disciplinary product development approach ensures the technology and software development teams remain focused on prioritising and delivering further innovation and automation from which consumers will benefit.

PensionBee's business model requires an approach to automation that allows the business to deliver its products and service profitably, which would not have been possible in prior technological eras. The Company achieves this not only through investment in automation, but also through a culture of high technology literacy, where employees are empowered to identify opportunities for streamlining processes and removing unnecessary manual work.

Compounding Lifetime Value Generating Predictable Cashflows with Attractive Unit Economics

PensionBee offers a lifetime customer proposition, designed to enable individuals to fulfil their retirement savings goals and withdrawal needs. Invested Customers generate growing lifetime value, with PensionBee's straightforward charging structure driving predictable, recurring revenue growth that increases with Invested Customers' wealth.

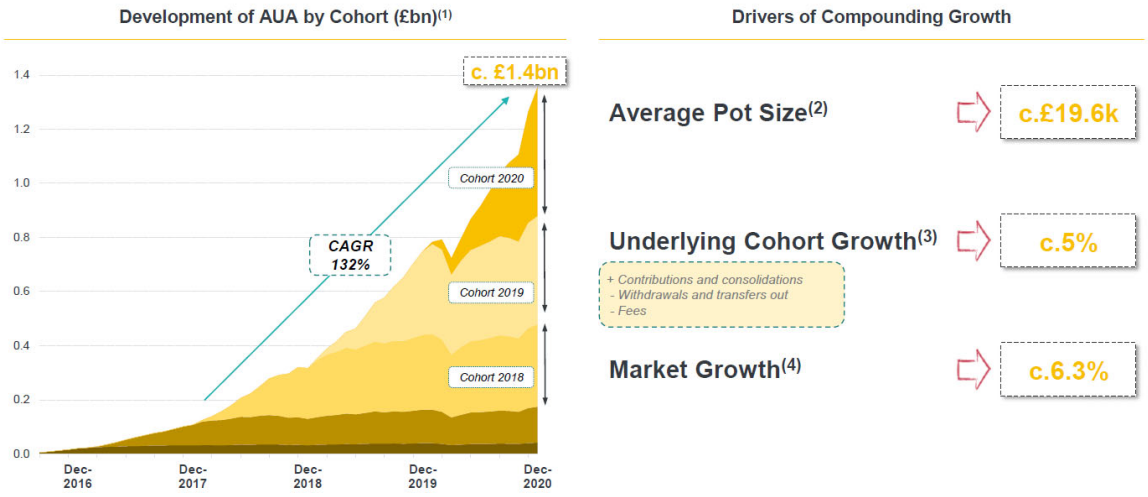
Drivers of compounding growth include the following:

- New customer growth;
- Pension consolidation by existing customers;
- Continued contributions through a customer's working lifetime of approximately 40 years[36]; and
- Long-term market growth over a customer's lifetime.

The direct nature of the relationship between PensionBee and its customers has resulted in the Company achieving high levels of Customer and AUA Retention Rates (each in excess of 95 per cent. as at 31 December 2020) and generating predictable lifetime revenues and cashflows, with attractive unit economics, following the initial cost of acquiring a customer (represented by PensionBee's CPIC).

The highly scalable nature of the technology platform developed by PensionBee means that the cost to service additional customers becomes minimal. Customers are increasingly able to "self-serve" through a user-friendly interface, with limited need for extensive customer service interaction.

[35] An iterative approach to project management and software development
[36] Europa: Average working life in the UK was 39.4 years as at 31 December 2019



(1) Management Information as at 31 December 2020, CAGR from 31 December 2017 – 31 December 2020.

(2) Average pot size was £19,600 as at 31 December 2020. The average pot size is defined as total AUA at the end of 2020 of £1,360m divided by total Invested Customers of 69,000.

(3) Represents the average underlying AUA cohort growth over the second and third year after acquiring the relevant customers and is defined as cumulative inflow from consolidation and contribution netted off by withdrawals, transfer outs and PensionBee fee.

(4) Annualised market growth based on PensionBee's exposure to UK, US and ROW equity markets and on 30-year, 50-year and 60-year CAGR for FTSE100, MSCI World and S&P500 respectively up to December 31 2020.

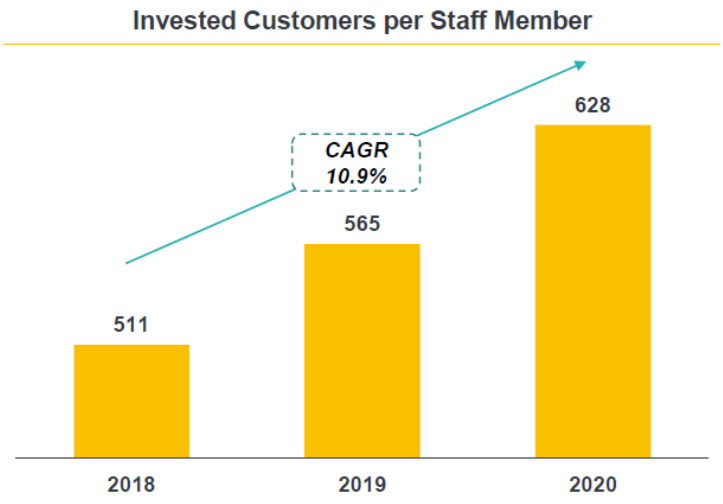
Attractive, Highly Scalable Business Model

The PensionBee business model provides an easy-to-use technology platform for the mass-market, enabling customers to have control over their pensions. The Company adopts a simple, transparent fee structure based on the pension plan an individual chooses for their pensions to be consolidated into on the technology platform. PensionBee does not provide financial advice and charges no fee for the initial consolidation of pensions, no additional technology platform fee and no one-off fees for switching investments. The ongoing annual management fee ranges from 0.50 per cent. to 0.95 per cent.[37] of an individual's pension plan depending on the plan chosen, with no minimum pension size requirements.

The focus of the business model, the stability of the contractual gross revenue margin and the simplicity of the fee structure, with fee rates reducing as the pension plans grow, generate high levels of recurring revenue that are primarily based on the assets under administration and are not reliant on transactional fees or opaque charging structures.

Continuous focus on automation and innovation allows the Company to deliver its proposition on an efficient, scalable technology platform to a broad range of customers. This provides a key competitive edge when providing financial products to the mass-market, which has traditionally been under-served by larger wealth and asset management businesses. The chart below shows how the number of Invested Customers per Staff Member has increased over the past three years, principally as a result of the Company's focus on automation and operational excellence.

[37] As at January 2021, PensionBee offers a 50 per cent. discount on fees for the amount in a customer's pension plan above £100,000

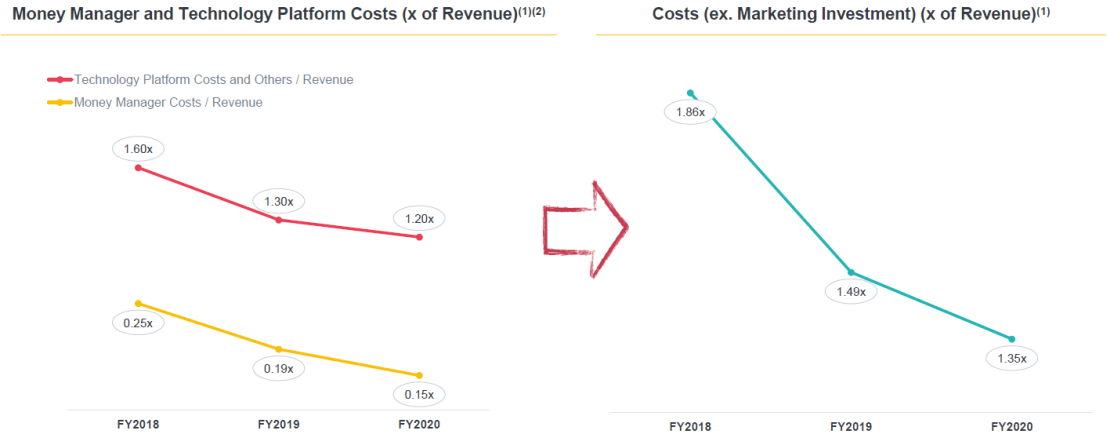


(Source: Management Information as at 31 December 2020. Invested customers per staff member is calculated as end of year Invested Customer divided by the average FTEs for the period)

PensionBee's proprietary customised technology has resulted in year-on-year Invested Customers per staff member (averaged across the year) ratio of 628 to 1 as at 31 December 2020 and has grown at an annual rate of 10.9 per cent. since 2018. PensionBee monitors this ratio to measure efficiency. Improvements in staff productivity are delivered through:

- automation of the information gathering process through direct relationships with providers (currently in place with 5 major pension providers and several new relationships in progress);
- automation of paper-based processes around information gathering through machine reading; and
- product improvements that enable exceptions to be resolved quickly where customer intervention is required (e.g. where a change of address or change of name has occurred).

The high levels of recurring revenue on the scalable technology platform generate operating leverage without relying on ongoing marketing investments to retain existing Invested Customers as demonstrated by PensionBee's Customer Retention Rate of over 95 per cent. PensionBee's revenue has grown faster than costs for the three year period ended 31 December 2020.



(1) Management Information as at 31 December 2020. Technology Platform Costs consist of external technology costs, benefits expenses and other administrative expenses.

(2) Costs refers to Money Manager Costs and Technology Platform Costs. Marketing Investment consists of advertising and marketing costs.

Strategy

PensionBee's strategy is to be the best universal online pension provider. The Company's strategy starts with the consumer, putting them at the heart of everything it does. Consequently, the strategy focuses on further growth of the customer base, offering them an excellent lifetime product and service experience, powered by industry-leading technology and world-class investing solutions.

The vast and growing UK defined contribution pension market provides a significant opportunity within which PensionBee can realise its growth strategy. PensionBee's focus is to continue growing its market share in the UK, although the Directors will evaluate international opportunities if they present themselves. The continued growth, ongoing brand development and the Offers are expected to support the Company in evolving towards becoming a household name.

PensionBee's strategy is to drive growth through a combination of factors, including: (i) continued efficient investment in customer acquisition and growing brand awareness; (ii) leading the market in product innovation; (iii) continuing to invest in and develop its industry leading technology platform; (iv) continuing to focus on excellent customer service; and (v) continuing to focus on investment solutions designed for customers.

Continued Efficient Investment in Customer Acquisition and Growing Brand Awareness

Continued investment in marketing will drive further growth in customers, AUA and revenues, by attracting more customers with pensions to consolidate, making ongoing contributions and further compounding growth in AUA. Due to PensionBee's broad customer appeal focusing on the mass market, the Company can efficiently adopt mass market advertising channels. The Company remains focused on continuing to build its mass market brand identity and becoming a UK household brand name.

PensionBee maintains an efficient, methodical, direct-to-consumer, data driven process of spend allocation across marketing channels. This data driven channel optimisation allows for rapid growth while maintaining cost discipline. The ongoing, often real-time, monitoring of channels allows for optimisation both between and within channels which enables rapid scaling to take advantage of opportunities.

PensionBee's channels include:

- **Performance Channels**: PensionBee's performance channels consist of campaigns run through paid search, social media and affiliate or partnership platforms. PensionBee's online advertising programs are delivered across all internet-enabled devices, including desktop computers, tablet computers and smartphones.

- **Brand Marketing Channels**: PensionBee's brand marketing channels consist of branded advertisements that are run on television, radio and out-of-home campaigns. Its brand marketing is supplemented by public relations, organic search and refer-a-friend activities. This provides access to a broader audience than digital performance channels.

PensionBee expects the top three channels (TV, paid search and out of home) to remain the largest components of marketing spend, driven by the following factors:

i) **TV**: audience reach will be expanded through further TV channels, cost effective use of additional time slots and targeting a wider audience with a broader product suite (Self-Employed, Fossil Fuel Free, PensionBee Access).

ii) **Paid search (desktop and app campaigns)**: keyword activity will broaden and an increased number of focused paid mobile app campaigns will be launched.

iii) **Out of home**: expand to more towns and cities, introduce further urban centres and road corridors to maximise reach, and broaden product offering advertised.

The Company will continue to respond rapidly to changing consumer preferences by allocating more spend to outperforming Performance Channels and will continue to apply its analytical approach to broader brand development via its Brand Marketing Channels.

Lead the Market in Production Innovation

Continued product innovation is central to PensionBee's strategy. The PensionBee customer proposition has been enabled by investment in continuous innovation and automation, allowing easy onboarding of customers and intuitive lifetime self-service. The Company has a proven track record in innovating and leading the pensions industry and will continue to develop products and features to cater for consumer demand.

PensionBee continues to represent the voices of its customers, regularly calling for switching guarantees, fee transparency and sustainable investing across the rest of the industry. PensionBee has recently launched a self-employed pension solution and became the first UK pension provider to offer its customers, via a beta trial, on-demand pension withdrawals through a digital bank account and virtual Mastercard[38] ("**PensionBee Access**"), which the Company continues to develop for further commercialisation.

Continue to Invest in and Develop its Industry Leading Technology Platform

PensionBee's proprietary technology is modern, scalable and secure. The cloud-based and API-driven technology platform provides the foundations on which to continue to build dynamic and innovative products, while maintaining full control over the experience delivered to customers in a cost-efficient manner. The security and compliance of the technology is a priority, and the Company maintains a robust information security assurance framework that is independently audited and certified under ISO27001.

PensionBee has made, and will continue to make, investments in technology to drive further automation and improve the customer experience.

Continued Focus on Excellent Customer Service

The Company is focused on making pensions easy to understand and accessible to everyone through simple, straightforward language and engaging visuals. Industry-leading ratings evidence the excellent customer service track record. PensionBee's scalable technology platform is supported by easily accessible human interaction with "BeeKeepers"[39], providing customers with a dedicated account manager from the moment they are on the technology platform, assisting them through the on-boarding process and helping them understand the technology platform functionality.

Technology enables the Company to link all customer information in a single view of the customer. Each customer has an account which captures all of their interactions (including live chats, phone calls and app-based activities), allowing the BeeKeepers to efficiently support the customer. The aggregation and analysis of customer feedback allows the Company to continue to develop new tools enabling it to stay at the forefront of customer needs and continue to deliver an excellent service.

Continued Focus on Investment Solutions Designed for Customers

PensionBee has partnered with some of the world's largest money managers (BlackRock, HSBC, Legal & General and State Street Global Advisors) to manage its customers' pensions and will continue to ensure that its partners (or any future partners) offer appropriately customer focused solutions.

PensionBee continuously uses the feedback it receives from its customers to tailor its investment plan offering to its customers' preferences. For instance, a PensionBee survey in January 2020 found that 80 per cent. of consumers expected their pension providers to be more transparent about the underlying investments in their pension portfolios. Additionally, in 2020, PensionBee responded to customer demand to exclude oil producers from their pensions by partnering with Legal & General to create one of the UK's first mainstream fossil fuel free plans. PensionBee will continue to develop investment solutions that meet its customer needs.

Business

PensionBee's customer proposition can be summarised as follows:

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[38] Mastercard® is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

[39] PensionBee does not provide any financial advice through the BeeKeepers

Combine – The average adult switches jobs approximately 11 times over the course of their career. In doing so, they may accrue a number of disparate pensions with differing providers and cost structures which, as a result of a variety of factors which could include infrequent reporting, limited online functionality, and cumbersome communications processes, can prove difficult to manage effectively. By signing up with PensionBee, either via PensionBee's website or by using PensionBee's app, PensionBee's customers are able to combine and transfer their existing pensions into the PensionBee Personal Pension with ease. Once their pensions have been transferred, customers are able to start managing their new pension online and can monitor their live balance via PensionBee's website or by using PensionBee's app.

PensionBee has consolidated pensions from the following sources based on a breakdown of its total AUA as at 31 December 2020:

Source	Percentage of AUA as at 31 December 2020
Legacy providers	88%
Fund supermarkets & other	9%
Auto-enrolment providers	3%
Total	**100%**

- **Contribute** – PensionBee customers can make one-off or regular contributions to their PensionBee pension via bank transfer or direct debit. For customers who make a personal pension contribution and are eligible for tax relief, PensionBee will automatically claim the applicable tax relief from HMRC, which PensionBee claims on their behalf, and adds this to their pension balance. Generally, PensionBee claims the basic rate of tax relief on behalf of its customers. Higher and additional rate taxpayers can claim additional tax relief through their self-assessments as per current tax legislation. Customers can also make use of PensionBee's retirement calculator, which provides an estimate of retirement income based on a number of assumptions including the size of the pension plan, chosen retirement age, and ongoing contributions, to plan ahead for their retirement. Self-employed customers can open a new pension plan without transferring any old pensions.

- **Withdraw** – One option through which customers can access their pension on reaching retirement is through a drawdown plan, which is a government-approved means of accessing a percentage of a defined contribution pension plan while allowing the remainder of the pension plan to remain invested. From the age of 55 (57 from 2028), PensionBee's customers can use the PensionBee website to make withdrawals from their pension online in just a few clicks, bypassing a process which can in some cases involve many weeks filling out paperwork and jargon-filled forms, which are often sent only through the post. Customers may choose to take up to 25 per cent. of their pension free of tax, withdrawing their chosen amount either as a lump sum or in portions.

PensionBee complements its digital offering with dedicated customer account managers (known as "**BeeKeepers**"), who offer both online and telephone support to customers. As well as ensuring high levels of customer service and experience, this function also plays a key role in helping PensionBee identify and develop new product features that allow it to respond to consumer needs. PensionBee does not offer regulated financial advice in the form of personal recommendations, however it does offer guidance and information for customers to make their own investment decisions.

Customers

PensionBee appeals to a broad spectrum of individuals across the UK. The following breakdown by customer age summarises the different types of customer who use PensionBee's offering:

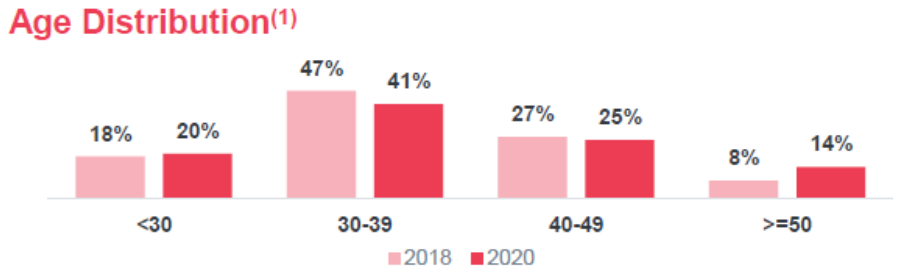
- <30 year olds - in the early stages of their career, digitally savvy and looking to build and manage their pension investments accordingly.

- 30-39 year olds - have built-up multiple pensions from previous jobs and want to consolidate and be in control.

- 40-49 year olds - are in the midst of their career or beyond and want to increase their pension plan to prepare for retirement.

- ≥50 year olds - are winding down their working life and want to have easy access to their pension as needed, often with a focus on drawdown options.

The following chart sets out the age distribution of PensionBee's Invested Customers (as defined below) as at 31 December 2020:



(1) As at 31 December 2020 based on Invested Customers

PensionBee has an average Invested Customer age in the late 30s which has remained stable as the proportion of its Invested Customers that are over 50, and the proportion of its Invested Customers that are younger than 30, each increased.

PensionBee's customer base not only spans a wide age demographic but also the full spectrum of pension savers with defined contribution pensions. Individual pension plans of PensionBee's Invested Customers, for example, range from less than £10 in a newly opened account, up to £2.5 million. The current size of the average pension plan is £19,600 as at 31 December 2020.

PensionBee categorises its customers as follows:

- "**Registered Customers**" - means all customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers. As at 31 December 2020, PensionBee had approximately 403,000 Registered Customers.

- "**Active Customers**" - means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers. As at 31 December 2020, PensionBee had approximately 119,000 Active Customers.

- "**Invested Customers**" – means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans. As at 31 December 2020, PensionBee had approximately 69,000 Invested Customers.

PensionBee Personal Pension

The PensionBee Personal Pension is the defined contribution personal pension scheme into which PensionBee's customers save for retirement and through which all of its PensionBee Plans operate. The PensionBee Personal Pension is registered with HMRC and is operated and administered by PBL, which is authorised and regulated by the FCA. The PensionBee Personal Pension is a trust-based arrangement governed by the Trust Deed and Rules of the PensionBee Personal Pension dated 26 February 2016, as amended and restated on 23 May 2017 and 24 January 2018 (the "**Trust Deed**"). Pursuant to the terms of the Trust Deed, PBL acts as operator and administrator of the PensionBee Personal Pension and PensionBee Trustees Limited is appointed as the bare trustee of the PensionBee Personal Pension, which has the responsibility for holding the assets of the scheme separately from PensionBee. PensionBee Trustees Limited holds customer money on a bare trust, has little or no direct power and acts in accordance with instructions from PBL as administrator. PBL acts on instructions from PensionBee's customers in terms of which PensionBee Plan a customer's funds are invested.

PensionBee Trustees Limited's directors are the Chief Executive Officer and Chief Technology Officer of PensionBee. The Chief Executive Officer is registered as the shareholder and PensionBee Trustees Limited is not therefore a subsidiary of PensionBee. In line with industry standards, as a trustee company, PensionBee Trustees Limited is dormant and has no other assets.

PensionBee Plans and Investments

The PensionBee Personal Pension offers a range of differentiated investment plans (the "**PensionBee Plans**") into which Invested Customers can invest their pensions, depending on their savings goals for their pension and how they want it to be invested. The PensionBee Plans are managed by some of the world's largest investment managers being BlackRock, HSBC Global Asset Management, Legal & General and State Street Global Advisors (the "**Money Managers**"). The Money Managers are responsible for investing the money held within the PensionBee Personal Pension.

PensionBee uses the feedback it receives from its customers to source and develop investment plans with the Money Managers in order to tailor its investment plan offering to its customers' investment preferences. For instance, in 2017, PensionBee launched the Future World Plan which allocates more of the fund's assets into companies transitioning to an environmentally-friendly economy. In 2020, PensionBee launched, in conjunction with Legal & General, one of the UK's first mainstream fossil fuel free plans in response to considerable customer demand to exclude oil producers from their pensions.

As at the date of this Prospectus, PensionBee offers Invested Customers the following PensionBee Plans in which they can invest their PensionBee pensions:

Plan	Investment Manager	Description	Risk Level[1]	5 year Performance (unless stated otherwise)[2]	Annual fee
Tailored Plan	BlackRock	Tailors investment risk to age and derisks through time.	Medium	8-10 per cent.[3]	0.70 per cent.
Match Plan	BlackRock	Invests into a mix of assets, with investments following the strategies of the wider pensions industry.	Medium	9 per cent.[4]	0.60 per cent.
Preserve Plan	State Street Global Advisors	Makes short-term investments into creditworthy companies.	Low	1 per cent.[5]	0.50 per cent.
Pre-Annuity Plan	State Street Global Advisors	Invests in bonds to provide customers with returns designed to emulate the rates offered by fixed annuity companies.	Medium	10 per cent.[6]	0.70 per cent.
4Plus Plan	State Street Global Advisors	Invests in a range of assets that are adjusted by experts on a weekly basis depending on market conditions. The plan is a medium risk option with a long-term growth target of 4 per cent. a year over a 5-year period.	Medium	5 per cent.[7]	0.95 per cent.
Tracker Plan	State Street Global Advisors	Invests in global shares, bonds and cash, and follows the world's markets as they move.	Medium	9 per cent.[8]	0.50 per cent.

Plan	Investment Manager	Description	Risk Level[1]	5 year Performance (unless stated otherwise)[2]	Annual fee
Shariah Plan	HSBC Global Asset Management [10]	Invests only into Shariah-compliant companies. Investments are approved by an independent Shariah committee.	High	17 per cent. (over 3 years)[9]	0.95 per cent.
Future World Plan	Legal & General	Invests in companies that pledge to move to an environmentally-friendly economy.	High	7 per cent. (over 3 years)[11]	0.95 per cent.
Fossil Fuel Free Plan	Legal & General	Excludes fossil fuel and tobacco sectors and invests in companies aligned with the Paris Agreement goals.	High	N/A	0.75 per cent.

(1) Scale of 1-10, increasing with risk level.
(2) Calculated on an annualised basis
(3) Aggregated figures from the December 2020 factsheets for the following BlackRock Life Funds: Life Path 2019-2021; Life Path 2025-2027; Life Path 2031-2033; Life Path 2037-2039; Life Path 2043-2045; Life Path 2049-2051; Life Path 2055-2057 and Life Path 2061-2063.
(4) BlackRock DC Consensus 85 Class P ACCU: December 2020 Factsheet
(5) State Street Sterling Liquidity Sub-Fund: January 2021 Factsheet
(6) State Street Sterling Non-Gilts Bond Over 15 Years ESG Screened Index Sub-Fund: December 2020 Factsheet
(7) State Street Dynamic Diversified Sub-Fund: January 2021 Factsheet
(8) State Street Balanced Index Sub-Fund: December 2020 Factsheet
(9) State Street – HSBC Islamic Equity Index Sub-Fund: December 2020 Factsheet
(10) The underlying Money Manager for the Shariah Plan is HSBC Global Asset Management. The plan is traded via State Street Global Advisors
(11) Legal & General Future World Fund: December 2020 Factsheet

The PensionBee Plans are structured as investments in long term unit-linked insurance policies and are protected by the Financial Services Compensation Scheme (the "**FSCS**"). The FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. In the event that a Money Manager is unable to pay claims against it, the FSCS can pay for 100 per cent. of the relevant customers' proven claims (without an upper limit) as assessed and to the extent accepted by the FSCS. If an Invested Customer has not specifically chosen a PensionBee Plan into which they want their pension invested, the default plan is the Tailored Plan and is also the most popular as at the date of this Prospectus. The performance of each PensionBee Plan is assessed on an annual basis against a value for money policy by the Company's Investment Committee.

PensionBee also operates a partnership with Legal & General which enables its customers to purchase a pension annuity at retirement. In contrast to a drawdown plan, an annuity guarantees a regular income for its owner throughout the course of the owner's life. The size of the income payments under the annuity are based on numerous factors, including the owner's age, health and life expectancy.

While PensionBee aspires to offer an appropriate investment choice for everyone, transferring a pension is not always considered optimal. Therefore, PensionBee has in place a policy to check the transfer paperwork it receives for common special pension benefits which a customer could lose should they transfer their pension to the PensionBee Personal Pension. If a customer's existing pension has guarantees, such as guaranteed annuity rates or a final salary promise, PensionBee will send the customer the full paperwork to review before effecting the transfer. Similarly, whilst most providers do not charge exit fees, where PensionBee finds an exit fee for greater than £10, it informs the customer and stops the transfer until the customer reconfirms that they are happy to proceed. Prospective customers whose pensions contain guaranteed benefits worth more than £30,000 are required to obtain financial advice from an independent financial advisor prior to transferring their pension. PensionBee does not provide financial advice and does not guarantee to find exit fees or special benefits pertaining to a prospective customer's existing pension.

PensionBee cannot always tell from a pension provider whether such features exist for a pension and is reliant on receiving clear information from third parties. PensionBee does not check certain policies considered to be very low-risk, including where customers ask PensionBee to waive the usual checking processes in their accounts or over email.

Money Manager Agreements

Each of the PensionBee Plans are structured as long-term unit-linked insurance policies provided by a Money Manager under an insurance contract (each a "**Money Manager Agreement**"). The Money Manager Agreements are entered into by PensionBee Trustees Limited (on behalf of the PensionBee customers choosing that PensionBee Plan) and the Money Manager itself.

The Money Manager Agreements set out the contractual rights and obligations of the parties thereunder, including the method by which the customer's returns are calculated, and the agreed fees which are payable to the Money Managers themselves, payable typically on a quarterly basis. Each of the sub-funds have their own specific fee arrangements and the aggregate fees PensionBee pays the Money Managers as a proportion of PensionBee's revenue has historically reduced over time as PensionBee's own AUA has increased.

The Money Managers Agreements have no fixed termination dates but include provisions which define the circumstances in which the Money Managers can vary, suspend or terminate their relevant insurance policy with PensionBee Trustees Limited. In most circumstances, a Money Manager can only terminate its agreement by giving written notice a specific number of months in advance of a proposed termination date. In certain limited circumstances, for example where a change in law has a material impact upon the Money Managers' ability to operate their insurance policies or alternatively impacts the tax treatment of such policies, the requirement for a notice period is removed.

PensionBee's right to terminate the Money Managers Agreements does not require the Company to give any notice. Furthermore, all customer documentation allows PensionBee to move customer funds from one Money Manager to another in these circumstances.

Brand and reputation

PensionBee's vision puts its customers at the centre of its business offering. PensionBee is therefore focused on developing and maintaining its reputation and customer centric brand. A recent example is the steps it has taken to ensure that PensionBee customers were not adversely affected by an error made by FTSE Russell, whose benchmarks are widely used by international money managers, in the composition of one of its indices (the FTSE All Share ex Controversies, ex CW) for the period 18 November 2020 to 5 February 2021. Over the period in question, FTSE Russell incorrectly excluded certain eligible constituents from the index, resulting in reduced performance of multiple funds offered by State Street Global Advisors to its European clients and their customers. The PensionBee Tracker Plan experienced a 0.3 per cent. reduction in performance over the relevant three month period as a result of the error.

Recognising that this was an exceptional event and wishing to ensure that its own customers were not adversely impacted, PensionBee paid on an ex-gratia basis, approximately £664,000 for the balances of approximately 8,500 customers (approximately £78 per customer) to be restored to the position they would have been in had FTSE Russell not made the error in the composition of its index over this period. As such, PensionBee’s customers did not suffer any loss as a result of this error. PensionBee is actively seeking redress from the responsible parties.

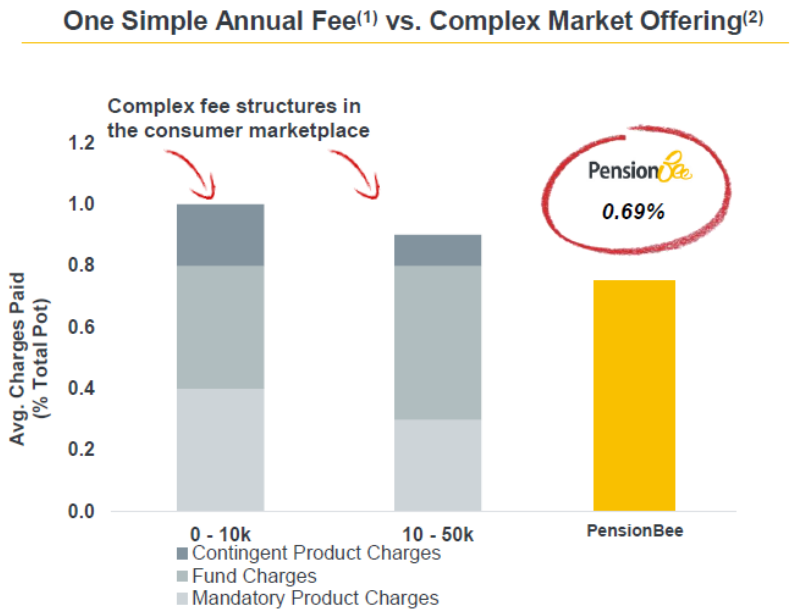
PensionBee considers this action an investment in its brand and reputation for the long-term. For further information, please see Note 23 of Section B of Part *VIII* (*Historical Financial Information*).

Pricing

PensionBee maintains a simple, transparent and competitive pricing model, charging one annual fee to its customers. This straightforward fee structure contrasts with more typical market charging structures which comprise a number of different fee components made up of technology platform fees (including set-up fees), wrapper fees (including third-party wrapper fees), dealing charges, fund management charges, contingent transactional charges, interest charges and fees on cash balances resulting in a more complex fee package. PensionBee's current fees range from 0.50 per cent. to 0.95 per cent. of the pension balance (as calculated on a daily basis) and vary in accordance with the PensionBee Plan in which an Invested Customer has their pension invested, and also in accordance with the size of the overall balance of the

Invested Customer, with balances over £100,000 benefitting from a fee reduction of 50 per cent. on the balance over that amount. Over the two year period ended 31 December 2020, the proportion of PensionBee's AUA that benefited from discounts as a percentage of its total AUA remained relatively stable.

PensionBee's Contractual Revenue Margin as at 31 December 2020 was 0.69 per cent. The chart below demonstrates the simple fee structure when compared to market norms.



(1) Contractual Revenue Margin as at 31 December 2020. "Contractual Revenue Margin" means the weighted average contractual fee rate across the PensionBee Plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan as at 31 December of the relevant year.

(2) FCA: Effective Competition in Non-Workplace Pensions –July 2019, Figure 3.3, Set 2, SIPP Streamlined products.

Marketing

PensionBee employs a data-driven, diversified, omni-channel marketing approach to increase visits to its website and convert those visits into Invested Customers. PensionBee's channels include*:*

- **Performance Channels**: PensionBee's performance channels consist of campaigns run through paid search, display, native, social media and affiliate or partnership platforms. PensionBee's online advertising programs are delivered across all Internet-enabled devices, including desktop computers, tablet computers and smartphones.

- **Brand Marketing Channels**: PensionBee's brand marketing channels consist of branded advertisements that are run on television, radio and billboards. Its offline brand marketing is supplemented by public relations, organic search and refer-a-friend activities.

Since its inception, PensionBee has generated over 23 million unique webpage and app views using this diversified marketing approach. The Company uses real-time data from various marketing sources to rapidly and cost-efficiently grow and allocate marketing expenditure to maximize its predicted lifetime value per Invested Customer and reduce the associated cost of acquisition. Each day, PensionBee captures approximately 200,000 customer data points, which include for example, the number of visits to its website, the most popular features of its app and the amount of time users spend on its technology platforms. These data analytics have helped contribute to an increase in the number of Registered Customers from approximately 232,000 to 403,000 for the year ended 31 December 2020, an increase of approximately 74 per cent. and an increase in the number of Active Customers from 64,000 to 119,000 for the year ended 31 December 2020, an increase of approximately 86 per cent.

Awards

PensionBee has received a high level of recognition from its customers and third parties for its differentiated customer offering and high standard of customer service. As at 9 April 2021, PensionBee had a Trustpilot score of 4.7 stars out of 5 based on 4,284 reviews, a Google Review score of 4.3 stars out of 5 based on 237 reviews and an App Store rating of 4.7 stars out of 5 based on 2,225 reviews. Since inception, PensionBee has received a total of 20 awards, including the following awards received in 2020 alone:

- Winner of Boring Money's Best Buy 2020 for DIY Pension
- Winner of Boring Money's Best Buy 2020 for Sustainable Investors
- Winner of Boring Money's Best Buy 2020 for Beginner Investors
- Winner of Employer of the Year from the Diversity in Finance Awards 2020
- Winner of Pensions Innovation from the Finder Investing & Saving Innovation Awards
- Winner of the DC Pension Provider of the Year from the Professional Pensions UK Pensions Awards 2020
- Winner of the Pension Provider of the Year from the Workplace Savings and Benefits Awards 2020
- Winner of European Pensions Innovation from the European Pensions Awards 2020
- Winner of FinTech of the Year from the AltFi Awards 2020

Information Technology

PensionBee has developed a modern, scalable information technology ("**IT**") platform to support its business which is designed to accommodate large growth in customer volume. Since its formation, PensionBee has invested in an IT architecture that grows capacity with demand, maximising cost effectiveness. PensionBee's technology function reports into the Chief Technology Officer who has responsibility for all of PensionBee's technology and product development activities, including the confidentiality, integrity and availability of its information. The technology function is governed through certification to the ISO 27001 standard for Information Security Management Systems, which encompasses the development and management of technology systems within a business.

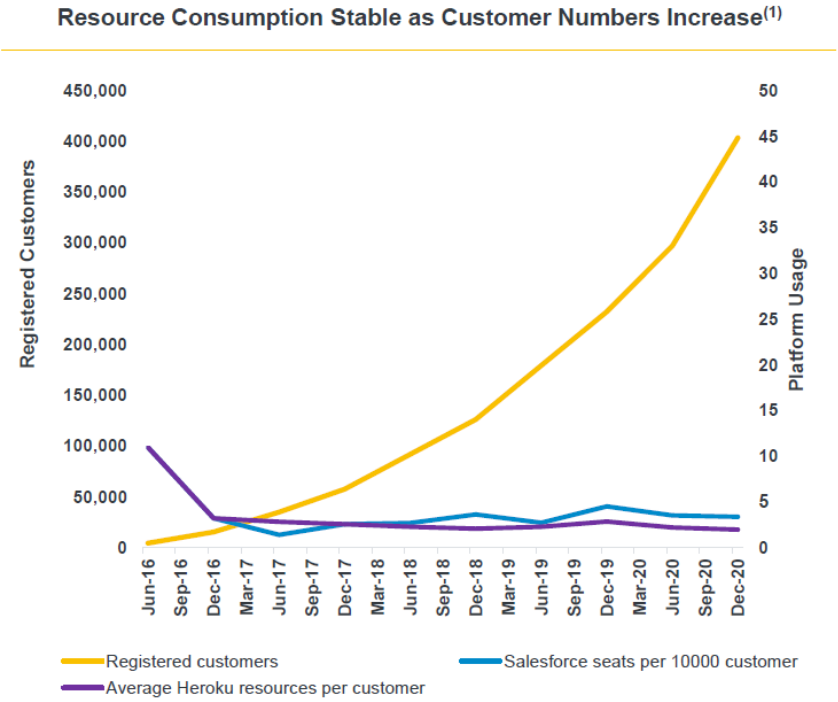
The key components of PensionBee's IT infrastructure are:

- Customer-facing systems comprising its native mobile app, developed for Android and iOS, and deployed via Apple App Store and Google Play Store, and its website. These systems are built on Heroku, a Platform-as-a Service that deploys standard web technologies with recognised scalability characteristics, excellent horizontal scalability for application servers and vertical scalability for database servers. The Heroku Connect product manages loose coupling between customer-facing and business-facing systems, allowing the use of fit-for-purpose technology platforms in each context and reducing engineering effort when deploying features;

- A comprehensive and highly customised pension administration, trading and customer service system built on the Salesforce technology platform allowing for easy onboarding of new product features and keeping control of core business processes. Salesforce is a market leader in Software-as-a-Service, providing significant scalability capabilities, with a technology platform capable of processing billions of transactions a day. Customer profiles are built up on Salesforce from registration, facilitating a more personalised customer service experience with all of PensionBee's internal teams adding data through Salesforce, thereby ensuring that the BeeKeepers have all necessary information at their disposal. Salesforce therefore provides BeeKeepers with a single customer view which in turn allows them to provide customers with a quick service and eliminates the need to pass customers around different departments. The system also facilitates the automatic generation of FCA and HMRC reporting and tax data; and

- Open API to allow PensionBee's customers to integrate their pension data with other personal finance applications, such as Starling Bank, Yolt, Moneyhub, Money Dashboard and Emma.

The scalability and cost efficiency of PensionBee's IT infrastructure is reflected in the fact that the resource consumption of its technology platform remains stable despite the increase in the number of its Registered Customers since 2016 as reflected in the following chart:



(1) Management Information as at 31 December 2020

PensionBee's IT systems run in the Cloud, enabling scaling to high customer volumes and benefitting from best-in-class multi-tenant systems which are licenced as a service, such as Salesforce or Heroku, allowing great capacity at a lower unit cost as compared to designing, building and operating generic systems inhouse. Heroku and Salesforce provide environments where changes can be promoted through test, staging and production systems as part of a continuous deployment practice. This has allowed the Company to operate efficiently, with no on-site IT personnel creating an operational and maintenance bottleneck. Cloud native systems also facilitate flexible working, which was important in 2020 as COVID-19 precipitated a rapid shift to remote working.

The Company focuses its technical development resources on solving its customers' problems and increasing its product differentiation, making use of a "build versus buy" model to determine whether a solution should be built in-house, licensed from a commercial supplier or delivered through adoption of open source software. Proprietary developments focus on business-specific problems: primarily the customer-facing web and mobile apps and the business-facing pension consolidation and administration and the paper processing systems. Short release cycles allow PensionBee to test incremental improvements helping de-risk product releases and showing customers that their feedback has been taken into account. Current features under development include a more detailed transfer tracker that describes in further detail the stage of each transfer, a simplified uploading process for customer Know-Your-Customer information and transactional push notifications through its mobile app. In 2020, PensionBee made an average of 4 updates to its technology platform each working day, amounting to 1,046 updates across 261 working days in 2020. Where PensionBee does engage in software development, systems are developed and maintained in-house, with minimal use of contractors for support and one-off projects. Software development follows a modern approach, emphasising quality and change management in an Agile environment, and using techniques such as continuous integration and continuous deployment, modular system architecture which allows for fast iteration and ease of maintenance.

PensionBee's business model requires an approach to automation that allows the business to deliver its products and services on a cost-effective basis. PensionBee has invested in technology which automates managing the process of pension consolidation and administration, including digitising paper-based processes to allow for further automation and to increase convenience for customers. For instance, PensionBee has invested in custom hardware/software combinations to provide innovative solutions to processing paperwork that arrives through the mail and for using autopen technology to apply digital signatures using wet ink. In addition, PensionBee also has a direct API with Origo Services Limited's Options Transfers platform ("**Origo**") which reduces the manual processing of transfers. PensionBee uses Origo for communicating with 70 per cent of the ceding pension providers it transfers pensions from. Transfers carried out using Origo accounted for the majority of the transfers to the PensionBee Personal Pension in the year ended 31 December 2020. These achievements are possible not only due to PensionBee's investment in technology, but also because of its culture of high technology literacy, where employees are empowered to identify opportunities for streamlining processes and removing unnecessary manual work.

Information Security

PensionBee has invested heavily in information security since its inception to combat cybercrime. PensionBee is certified to the internationally recognised ISO 27001 standard, which puts the focus on effective governance, a risk-based approach to information security, comprehensive controls and monitoring of effectiveness. PensionBee is also GDPR certified by the Information Commissioner's Office.

Using its ISO 27001-certified information security management system, PensionBee maintains a set of policies related to information security, which are designed to assist the Company in identifying relevant risks to the Company's and its customers' information and specifying appropriate mitigating actions to be taken. Business continuity and disaster recovery plans, for example, have been implemented to mitigate the effects of a service provider failure. Security controls are delivered through a combination of internal development work and by sourcing tools from leading technology and security firms.

PensionBee provides effective information security training to its employees, contractors and relevant third-parties so that they are aware of their responsibilities in relation to information security. PensionBee is Cyber Essentials Plus certified, which requires the Company to undergo an annual check of a variety of specific controls related to cyber threats, including anti-malware, anti-virus, firewall configuration and application patching. Prior to seeking ISO 27001 certification, PensionBee was certified to the IASME Governance information security standard. Annual penetration testing is carried out by independent CREST-certified specialists on PensionBee's web systems and its mobile app, and an annual vulnerability scan and device patching assessment is carried out during the Cyber Essentials Plus systems audit. An independent Information Security Management System audit will be conducted each year to maintain certification to the ISO 27001 standard.

Intellectual Property

PensionBee's key trademarks comprise the PensionBee brand name and PensionBee Access, which PensionBee has registered in the UK. The registration and administration of PensionBee's trademark portfolio is managed by PensionBee's executive management team. PensionBee also holds the domain name, www.PensionBee.com (as well as similar domains covering common misspellings of PensionBee) and domains used for specific business purposes that are managed by PensionBee's technology function.

PensionBee has proprietary rights over its own bespoke software and systems development, as well as internal know-how and trade secrets, and has developed intellectual property for business-specific applications, such as pension administration and customer experience. PensionBee also licenses technology and software from third parties such as Salesforce, Google and Microsoft, for managing generic aspects of its business, including in respect of cloud infrastructure, communications, business data processing, storage and information security, and makes use of open source software where appropriate, paying due regard to applicable open source licences.

On occasion, PensionBee engages third parties to develop software, hardware or other intellectual property on its behalf. As a matter of general practice, contracts with such third parties provide for the assignment of relevant intellectual property to PensionBee. PensionBee's employees and direct contractors are contractually required to transfer relevant intellectual property to PensionBee (in addition to statutory protections for PensionBee where available) and to maintain confidentiality.

Risk Management Framework

PensionBee maintains a comprehensive risk management process designed to identify, monitor and mitigate risks that arise from its business activities and thereby assist the Company in meeting its obligations to key stakeholders, including customers, employees, shareholders, regulators and broader society.

The risk management framework adopts the standard first, second and third line of defence model in segregating risk management activities and reporting lines. The Board of Directors oversees the risk management process.

- The first line of defence is directly embedded in the business activities and is managed by department heads or other sufficiently senior employees at PensionBee. Risks are brought to the attention of the first line by the second line and vice versa. The first line of defence is required to implement the Company's risk management policies.

- The second line of defence is delivered by the Company's risk management team, which documents and maintains the Company's appetite and perceived exposure to risk through a risk register. The Company's risk appetite is generally low to medium. PensionBee has put in place mitigations to achieve a residual risk exposure that is in line with its risk appetite. As part of its mitigatory activities, the Company maintains a set of policies that document the steps it takes to help reduce the likelihood (and in some cases, the impact) of a risk occurring. Each policy is reviewed at least once annually.

- As part of the third line of defence, the Company employs external parties to perform independent audits. In early 2021 the Company was subject to an audit by a third party of its information security practices, resulting in PensionBee receiving ISO 27001 certification, following the receipt of a Gold Standard in the IASME Governance Framework in 2020.

Through this risk management process, PensionBee has taken mitigating actions to reduce different categories of risk in accordance with its risk appetite. A summary of these risks and the measures PensionBee has taken to minimise their impact is set out below:

Credit Risk

A default by one of PensionBee's key financial partners could materially damage the Company's financial position and its ability to generate revenue. To reduce the likelihood of this risk materialising, PensionBee only contracts with large and reputable asset managers and only seeks banking services from large and reputable financial institutions.

Market Risk

Fluctuations in the capital markets, including in the prices of equities and fixed income securities and the exchange rates thereof, may adversely affect the value of PensionBee's AUA from which it derives its revenue. PensionBee mitigates the impact of such market risk by allowing its Invested Customers to invest in a diverse range of funds which focus on different sectors, geographies and asset classes. In addition, since PensionBee relies on recurring revenue from long-duration assets, it is relatively insulated from the effects of short-term fluctuations in the capital markets.

Operational Risk

Serious or recurrent breaches and errors in PensionBee's manual processes and systems, including those provided by third parties, could render the Company liable to governmental or regulatory disciplinary action. PensionBee seeks to alleviate these risks by automating manual processes where possible, running regular training sessions to help employees navigate the Company's processes and systems, and maintaining a set of robust policies designed to minimise operational risks.

For further information on PensionBee's information security, see "*Information Security*" above. For further information on the regulatory risks that PensionBee faces, see paragraphs 2.1 to 2.5 in "*Risk Factors – Regulatory risks relating to PensionBee's business and the industry in which it operates*".

Corporate, Social and Environmental Responsibility

PensionBee looks to ensure that it has a positive impact on the pensions industry, its local community, society and the planet through a number of different initiatives which it has started or in which it is otherwise involved.

Pensions Industry Initiatives

PensionBee is a supporter of consumer rights and actively campaigns for greater levels of transparency, easier switching and fairer charging across all pension products. Following years of industry lobbying by PensionBee for more transparency and as part of its 'Pension Switch Guarantee' campaign, the industry transfer utility Origo began publishing pension switching times on a quarterly basis. To supplement this data, PensionBee has continued publishing its own switching times, which include providers that have yet to adopt electronic switching.

Annual Statements

In 2019, PensionBee was the first UK pension provider to voluntarily adopt the UK Government endorsed two-page 'simpler annual benefit statement', designed to help consumers understand and compare their pension plans with different providers more easily. In 2020, PensionBee became the first UK provider to publish individualised member pounds and pence costs and charges information on the simpler annual benefit statement.

Pension Dashboard

PensionBee's Chief Executive Officer, Romi Savova, joined the UK Government's Pensions Dashboards Steering Group contributing to the debate and progression of the UK Government's Pensions Dashboards Programme. Pension dashboards, once established, will help consumers find their lost pensions and PensionBee expects digital services such as its own to thrive in an environment of increased transparency. She also advised on the FCA's Open Finance working group on Pensions and Investments.

Pension Scams

In 2019, PensionBee organised and led a pension scams 'Hackathon' for the pensions industry, where it gathered together representatives from government, pension scams groups, subject matter experts and the press to create a tool that would raise public awareness of pension scams. In 2020, PensionBee developed and launched the winning idea into an interactive game, 'Scam Man & Robbin', to help educate and protect consumers from scams.

Local community

PensionBee strives for social equality, in the workplace and wider society. PensionBee is dedicated to creating a more diverse pensions industry, one that reflects the UK's diverse society. As such PensionBee supports a number of initiatives aimed at improving both social mobility and financial literacy.

For example, in 2020, PensionBee partnered with a state secondary school in Poplar, East London to offer career support and opportunities that enable students to develop professional skills and increase levels of financial literacy. PensionBee aims to address the lack of diversity in the pensions industry (and financial services more generally) by increasing understanding of and familiarity with the sector amongst students, who traditionally may not have considered this career route open to them or who may have come from disadvantaged backgrounds.

PensionBee seeks to inspire and support local students in their future career journeys by broadening their exposure to different employees and areas of the business. Volunteering opportunities are open to all PensionBee employees, who can use a set number of working hours each quarter to participate.

In 2020, PensionBee also partnered with The Careers & Enterprise Company, an organisation whose mission is to facilitate a world class careers education. All of PensionBee's employees are encouraged to participate in this endeavour by volunteering at schools across the UK. The Company also participates in the 'Give An Hour' campaign, which aims to change the lives of young people through skill sharing and mentoring.

Charity Fundraising

In 2019, PensionBee supported 'Better Bankside', a charity whose focus is to increase the aspirations and opportunities for people in PensionBee's local London community of Bankside and Borough. Specifically, PensionBee participated in their collaboration with the 'Red Box Project' in Southwark, aimed at raising awareness and ending period poverty, by collecting sanitary products to be donated to local schools. PensionBee encourages its employees to give generously, facilitating fundraising to support national causes such as 'Shelter', 'Save the Children' and the Trussell Trust Food Bank network in 2019 and 2020.

Living Wage Campaign

In 2020, PensionBee became an accredited 'living wage' employer to formalise its existing commitment to paying a living wage. PensionBee is also proud to pay its employees a London living wage and campaigns for all UK companies to pay their staff a fair wage. PensionBee does this as part of ShareAction's Good Work Coalition, a small group of institutional investors who collectively call for the UK's biggest companies to pay their staff a wage based on the real cost of living.

Environmental Responsibility

The Directors believe that pension providers have a key role to play in the transition from the carbon economy to one based on renewable energy sources. The Directors also believe that companies which focus on their contribution to society and the planet have a better long-term chance of being financially sustainable and bringing stronger returns to their members.

PensionBee is a key supporter of reforms to make pension investments more sustainable, working with organisations like ShareAction and Make My Money Matter to achieve meaningful changes for consumers. In 2020, PensionBee became the first pension pledge partner in the Make My Money Matter campaign, which calls for 'pensions with intention', seeking to drive up levels of understanding of and power in the investment industry.

PensionBee was one of the first pension providers in the country to offer a mainstream responsible investment option, Legal & General's Future World Plan, in 2017. In 2019, following feedback from its customers, PensionBee wrote an open letter to Legal & General, to challenge the inclusion of Shell in the Future World Plan. As a result of widespread media attention, PensionBee and Legal & General agreed to launch an entirely fossil fuel free pension plan, which was announced in early 2020 and which is now live. This was one of the first mainstream plans of its type on the UK market.

Throughout 2020, PensionBee worked very closely with Money Managers to introduce a range of baselines screens for controversial weapons and UN Global Compact violators across their investments. Going forward, PensionBee expects to further advance its strategy on integrating environmental, social and governance considerations within its investments by increasing exclusionary screens throughout its entire investment range, where appropriate.

Whilst exclusions work for some types of companies, the Directors believe in the engagement and active ownership approach. PensionBee's role is to be a responsible and vigilant asset owner, to help challenge undesirable corporate behaviour and seek to take money away from companies that will not engage or propose timelines for appropriate change.

Employees and Diversity

The Directors believe that PensionBee's staff are a key component of the Company's customer-focussed offering and the Directors are committed to managing and investing in PensionBee's people. PensionBee's hiring process for entry level roles has been developed internally, consisting of multiple stages which culminate in a final "insight session". As a result of the COVID-19 pandemic, PensionBee has been able to replicate its hiring process virtually which has enabled the Company to expand its staff footprint across the country.

Since PensionBee hires in cohorts, groups of new entry level employees attend the Company's proprietary development program together. The initial training lasts for four weeks and consists of formal training, workshop sessions and online learning modules. Each team member is also assigned a buddy to support them throughout the training period.

On joining the Company, PensionBee's entry level employees are assigned to small teams ("**Hives**") which focus on a particular aspect of the business. Hives can be added to the Company to support new subsets of customers and to target expansion in specific areas. The Directors therefore believe that the Company's Hive structure facilitates scalability and efficiency through specialisation.

PensionBee's strong culture and values enable it to attract and retain people who passionately believe in its customer offering and employees generally join the Company in customer-facing roles. PensionBee's talent management strategy aims to ensure that it nurtures its staff and provides them with the appropriate training, development and support to help ensure they can progress as PensionBee's business continues to grow instead of PensionBee having to make outside hires. In order of increasing seniority, internal promotions account for 90 per cent. of PensionBee's level two employees, 50 per cent. of PensionBee's level three employees, 25 per cent. of PensionBee's level four employees and 14 per cent. of PensionBee's level five employees.

PensionBee also carries out engagement surveys with its employees during the year. All employees participate in PensionBee's share option scheme which further helps to drive engagement and an ownership mentality. For further information on PensionBee's employee share schemes, see "*Additional Information – Employee Share Plans*".

As of 31 December 2020, PensionBee employed 149 employees (including contractors) and expects its headcount to continue to increase to support its growth. Substantially all of its employees are located in the UK. The following table details the average number of PensionBee's employees by function over the past three years.

Function	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
Customer Service	54	30	13
Operations	18	11	3
Technology	14	10	6
Marketing	13	8	5
Management	7	6	5
Administration and other	4	2	2
Total	**110**	**67**	**34**

The Directors believe that the make-up of PensionBee's employees should reflect the diversity of the Company's customer base. For example, the Directors believe that achieving a gender balance across senior management teams will not only lead to better results for customers, but also to the development of pension products and services that truly meet the needs of wider society. PensionBee is committed to The Women in Finance Charter, and as well as achieving more than 50 per cent. female representation across its employee base, PensionBee is proud that approximately 40 per cent. of its employees are from ethnic minorities. In addition to diversity data, PensionBee uses regular confidential surveys to measure workplace inclusivity across its employee base. In the Company's 2020 Diversity and Inclusion Survey, 97 per cent. of employees stated that they feel aligned with PensionBee's vision, mission and values.

PensionBee is committed to promoting diversity and inclusion across the business, through formal unconscious bias training and anonymised promotion cycles but also informally through its five diversity and inclusion 'champions', who lead a range of different activities to promote the inclusion of all people in PensionBee. In 2020, following the Black Lives Matter campaigns across the world, PensionBee began an internal series of talks led by, and for, employees on the history of anti-racism, to serve as a platform for education and as a focus for uniting against racism. Employees were encouraged to come forward to talk about experiences of racism in their own communities to increase awareness, encourage debate and foster a deeper sense of belonging and well-being in the PensionBee workplace. In recognition of PensionBee's promotion of diversity and inclusion in the workplace, the Company earned the title of Diversity and Inclusion Champion at the 2019 Tech Marketing & Innovation Awards and was named Employer of the Year at the Financial Adviser 'Diversity in Finance' Awards 2020.

Property

PensionBee's sole premises are located at City Place House, 55 Basinghall Street, London, EC2V 5DX, United Kingdom and consist of approximately 4,739 square feet of space under a lease agreement that expires in December 2023.

Insurance

PensionBee maintains insurance policies covering a range of risks including those related to physical damage to, and loss of, equipment and property, injury to employees, cyber and business interruption as well as coverage against claims and general liabilities which may arise through the course of normal business operations. PensionBee engages an insurance broker to advise on the necessary types and levels of coverage and reviews its coverage with its broker once a year. PensionBee renews most of its insurance policies annually. It also maintains various other insurance policies to cover a number of other risks related to its business, such as director and officer cover.

PART IV
DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

Directors

The Company's Directors are:

Name	Age	Position	Date appointed to the Board of the Company	Date appointed to the Board of PBL[1]	Notice Period
Mark Wood CBE	67	Independent Non-Executive Chairman	2 February 2021	29 January 2016	3 months
Romi Savova	35	Chief Executive Officer	2 February 2021	15 December 2014	6 months
Jonathan Lister Parsons	38	Chief Technology Officer	2 February 2021	29 January 2016	6 months
Mary Francis CBE	72	Senior Independent Non-Executive Director	2 February 2021	2 November 2020	3 months
Michelle Cracknell CBE	56	Independent Non-Executive Director	2 February 2021	20 November 2019	3 months

(1) The Independent Non-Executive Directors will cease to be directors of PBL on Admission.

The business address of each of the Directors is City Place House, 55 Basinghall Street, London, EC2V 5DX, United Kingdom.

The management expertise and experience of each of the Directors is set out below:

Mark Wood CBE, Independent Non-Executive Chairman

Mark Wood is the Independent Non-Executive Chairman of the Company and joined PensionBee as a director of PBL in January 2016. He is also the Nominations Committee Chair, the Investment Committee Chair and a member of the Remuneration Committee. Mark has previously held the position of Chief Executive at some of the country's largest financial services companies, including Prudential UK & Europe, Axa UK and Jardine Lloyd Thompson Employee Benefits. Mark is a regular commentator in the press on pensions and insurance. Mark has been at the helm of several financial services and technology start-ups, including Paternoster, a regulated insurance company which he founded in 2005, and Digitalis Reputation Management, an online reputation management company, where he currently serves as Chairman. He was previously the Chairman of the National Society for the Prevention of Cruelty to Children and was awarded a CBE in 2017 for services to children.

Romi Savova, Chief Executive Officer

Romi Savova is the Chief Executive Officer of PensionBee, which she founded in 2014. She is a member of the Company's Nomination and Investment Committees. Romi is also a director of Seen on Screen Dance Limited, and a member of the UK Government's Pensions Dashboards Programme Steering Group, which was set up to advise on the delivery of pensions dashboards. Prior to founding PensionBee, Romi worked at Goldman Sachs, Morgan Stanley and Credit Benchmark, holding varied roles in risk management, investment banking and financial technology. Romi received an MBA from Harvard Business School as a George F. Baker scholar and graduated *summa cum laude* from Emory University.

Jonathan Lister Parsons, Chief Technology Officer

Jonathan Lister Parsons is the Chief Technology Officer of PensionBee, which he co-founded with Romi Savova in 2014. Prior to co-founding PensionBee, Jonathan founded a digital consultancy, Penrose, where he worked as a Principal Consultant, and was a co-founder of Shoreditch Works, a co-working and events business. Jonathan started his career at BT plc, working in a variety of roles, including as a software developer at Osmosoft, BT's open source arm. Jonathan holds an MSci in Experimental and Theoretical Physics from the University of Cambridge.

Mary Francis CBE, Senior Independent Non-Executive Director

Mary Francis is an Independent Non-Executive Director of the Company and joined PensionBee as a director of PBL in November 2020. She is also the Remuneration Committee Chair and a member of the Audit and Risk, Nomination and Investment Committees. She is also currently a Non-Executive Director of Barclays plc (where she is a member of the Remuneration Committee) and Valaris plc (where she is a member of the Audit and Nomination and Governance Committees), a Senior Adviser at Chatham House,

a Member of the UK Takeover Appeal Board and a Member of the Advisory Panel of the Institute of Business Ethics. Mary has extensive and diverse board-level experience across a range of industries, including previous Non-Executive Directorships at the Bank of England, Alliance & Leicester, Aviva, Centrica and Swiss Re Group. She has also held senior executive positions with HM Treasury, the Washington Embassy and the Prime Minister's Office, and as Director General of the Association of British Insurers. Mary holds a Master of Arts in History from Newnham College, University of Cambridge, and was awarded a CBE in 2006 for her services to business.

Michelle Cracknell CBE, Independent Non-Executive Director

Michelle Cracknell is an Independent Non-Executive Director of the Company and joined PensionBee as a director of PBL in November 2019. Michelle is also the Audit and Risk Chair and a member of the Remuneration and Investment Committees. She is also currently a Trustee of the Lloyds Bank Pension Funds, a Non-Executive Director of Just Group plc and Fidelity International Holdings, and a Director at the Singing Gorilla Projects Charity. Michelle has over 30 years of experience in pensions and retirement planning, including most recently as the Chief Executive of the Pensions Advisory Service. Michelle started her career at a financial advice business where she became a Shareholding Director prior to selling it to Aegon, and subsequently worked as a Strategy Director at Skandia/Old Mutual and as a Financial Services Consultant for Bluerock Consultancy. In the past, Michelle has held Non-Executive Directorships at Lighthouse Group and Omnilife Insurance Company. Michelle holds a BSc Engineering (Hons) degree from Imperial College London, is a qualified Pensions Actuary and is a Fellow of the Institute of Actuaries. She was awarded a CBE in 2019 for her services to the pensions industry.

Senior Managers

In addition to the executive management on the Board of the Company, the following Senior Managers are considered relevant to establishing that PensionBee has the appropriate expertise and experience for the management of its business:

Name	Age	Position
Jasper Martens	42	Chief Marketing Officer
Christoph Martin	36	Chief Financial Officer
Tess Nicholson	32	Chief Operations Officer
Lisa Picardo	41	Chief Corporate Officer
Clare Reilly	38	Chief Engagement Officer

The business address of each of the Senior Managers is City Place House, 55 Basinghall Street, London, EC2V 5DX, United Kingdom.

The management expertise and experience of each of the Senior Managers is set out below:

Jasper Martens, Chief Marketing Officer

Jasper Martens has been at PensionBee since 2015 and is currently its Chief Marketing Officer. He has over 15 years' experience working in financial services and digital agencies. Prior to joining PensionBee, Jasper was Head of Marketing and Communications at a business insurance provider, Simply Business. Before moving to London, Jasper ran his own online marketing agency which he founded in the Netherlands. Jasper holds a bachelor's degree in HEAO Communications from the Fontys University of Applied Sciences.

Christoph Martin, Chief Financial Officer

Christoph Martin has been at PensionBee since 2019 and is currently its Chief Financial Officer. Christoph previously worked in private equity investment at Providence Equity Partners, focusing on investments in technology, media, telecommunications and education. Prior to that, he worked in mergers and acquisitions, covering financial institutions at Morgan Stanley. Christoph holds a *BSc* in Business Administration from the WU Vienna.

Tess Nicholson, Chief Operations Officer

Tess Nicholson has been at PensionBee since 2015 and is currently its Chief Operating Officer. Tess was previously Operations Manager and UK Commercial Manager at GO Markets UK Trading Limited

(formerly Vantage FX UK Trading Limited). Tess holds a BA Hons degree in Fashion Design with Communication from Birmingham City University and is currently studying for a Master's in Social and Political Theory at Birkbeck, University of London.

Lisa Picardo, Chief Corporate Officer

Lisa Picardo has been at PensionBee since 2020 and is currently its Chief Corporate Officer. Lisa previously worked at Morgan Stanley for more than 13 years, with the first seven years spent in its European Mergers & Acquisitions department where she gained extensive experience working on many large and complex UK public transactions, and also played a role in firm management. She then joined the Morgan Stanley Global Private Equity Fund, focused on investing in mid-market opportunities across sectors, with an interest in consumer-facing businesses. In 2015, Lisa founded LITTLECIRCLE, an online direct-to-consumer retail platform for children's fashion. Lisa holds a BSc in Economics from Bristol University.

Clare Reilly, Chief Engagement Officer

Clare Reilly has been at PensionBee since 2017 and is currently its Chief Engagement Officer. Clare played a pivotal role in launching the UK's first Open Banking – pension integrations and one of the UK's first mainstream fossil fuel free pensions. Clare previously worked in Corporate Relations at Citizens Advice and in the not-for-profit sector, including as Head of Fellowship Development at the Royal Society of Arts. Clare holds a BA Hons in Contemporary East European Studies from University College London and an MSc from the University of Oxford in Russian and East European Studies.

Corporate Governance

The Board is committed to the highest standards of corporate governance. From Admission, the Board intends to voluntarily comply with the UK Corporate Governance Code, which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

The Board

The UK Corporate Governance Code recommends that at least half the members of the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement.

From Admission, and for the purposes of complying with the UK Corporate Governance Code, the Board will be composed of five members, consisting of the Chief Executive Officer, Romi Savova, the Chief Technology Officer, Jonathan Lister Parsons, the Independent Non-Executive Chairman, Mark Wood and two Independent Non-Executive Directors, being Mary Francis and Michelle Cracknell (together with Mark Wood, the "**Independent Non-Executive Directors**"). The Board considers that all of the Independent Non-Executive Directors are independent for the purposes of the UK Corporate Governance Code.

The Chair

The UK Corporate Governance Code recommends that the chair of the board of directors meets the independence criteria set out in the UK Corporate Governance Code on appointment. Mark Wood is the Independent Non-Executive Chairman and the Board considered that he met the independence criteria set out in the UK Corporate Governance Code on appointment.

Senior Independent Director

The UK Corporate Governance Code recommends that the Board appoints one of its independent non-executive directors to be the senior independent director (the "**Senior Independent Director**"). The Senior Independent Director should be available to shareholders if they have concerns that the normal channels of the Chair, the Chief Executive Officer of other Executive Directors have failed to resolve or for which such channels of communication are inappropriate. The Company's Senior Independent Director is Mary Francis.

Committees of the Board

The Board has established Audit and Risk, Remuneration, Nomination and Investment Committees, each with formally delegated duties and responsibilities with written terms of references. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Audit and Risk Committee

The UK Corporate Governance Code recommends that an Audit Committee is established which, in the case of a smaller company (being a company that is below the FTSE 350 index) is comprised of at least two members, each of whom are independent non-executive directors and at least one of whom will have recent and relevant financial experience. The chair of the company's board should not be a member.

The Audit and Risk Committee is composed of Michelle Cracknell (Chair) and Mary Francis. The Board considers that PensionBee complies with the recommendations of the UK Corporate Governance Code with regard to the composition of the Audit and Risk Committee on the basis that the Board considers the Company to be a smaller company for the purposes of the UK Corporate Governance Code notwithstanding the fact that the Company is not eligible for FTSE indexation on account of it not being admitted to the premium segment of the FCA's Official List.

The terms of reference of the Audit and Risk Committee state that the committee shall meet at least three times a year. Two members of the Audit and Risk Committee must be present for the quorum requirement to be met. The terms of reference of the Audit and Risk Committee also set out the authority of the Audit and Risk Committee to investigate any matter within its terms of reference.

The Audit and Risk Committee assists the Board in, amongst other matters, discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing PensionBee's annual financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment, reappointment, removal and independence of external auditors, and reviewing the effectiveness of PensionBee's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee is also responsible for (i) advising the Board on PensionBee's risk strategy, risk policies and current risk exposures, (ii) overseeing the implementation and maintenance of the overall risk management framework and systems, and (iii) reviewing PensionBee's risk assessment processes and capability to identify and manage new risks. The Audit and Risk Committee will meet with appropriate employees of PensionBee at least once annually.

Nomination Committee

The UK Corporate Governance Code recommends that a Nomination Committee is established which is comprised of a majority of independent non-executive directors. The Chair or an independent non-executive director should chair the Nomination Committee, but the Chair should not chair the Nomination Committee when it is dealing with the appointment of a successor to the chairmanship.

The terms of reference of the Nomination Committee further state that the Nomination Committee should comprise at least three directors. PensionBee's Nomination Committee is composed of Mark Wood (Chair), Romi Savova, Mary Francis and Michelle Cracknell. The Board considers that PensionBee complies with the recommendations of the UK Corporate Governance Code with regard to the composition of the Nomination Committee. Pursuant to its terms of reference, the Nomination Committee shall meet at least twice a year. Meetings shall be quorate when at least two members, both of whom must be independent non-executive directors, are present. The terms of reference of the Nomination Committee also set out the authority of the Nomination Committee to investigate any matter within its terms of reference.

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board. The Nomination Committee is responsible for, amongst other matters, evaluating the balance of skills, experience, independence and knowledge on the Board, the size, structure and composition of the Board, retirements and appointments of additional and replacement Directors, and will make appropriate recommendations to the Board on such matters. The Nomination Committee also considers succession planning, taking into account the skills and expertise that will be needed on the board in the future.

Remuneration Committee

The UK Corporate Governance Code recommends that the Remuneration Committee comprises at least three members, all of whom are independent non-executive directors. It also recommends that one of the members of the Remuneration Committee may be the Chairman (if he or she was considered independent upon their appointment). The chair of the Remuneration Committee shall be an independent non-executive director, shall not be the chair of the Company and before appointment as chair of the committee, the appointee should have served on a remuneration committee for at least 12 months.

The membership of the Remuneration Committee comprises Mary Francis (Chair), Mark Wood and Michelle Cracknell. The Board considers that PensionBee complies with the recommendations of the UK Corporate Governance Code with regard to the composition of the Remuneration Committee.

The terms of reference of the Remuneration Committee state that the committee shall meet at least twice a year. Meetings shall be quorate when at least two members are present. The terms of reference of the Remuneration Committee also set out the authority of the Remuneration Committee to investigate any matter within its terms of reference.

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including, amongst other matters, making recommendations to the Board on the Company's policy on executive remuneration and determining the individual remuneration and benefits package of each of the executive directors.

Investment Committee

The terms of reference of the Investment Committee cover issues such as membership, the frequency of meetings, quorum requirements, duties of the committee and reporting responsibilities. The Investment Committee shall comprise at least three members, including two independent non-executive directors and the Chief Executive Officer. PensionBee's Investment Committee therefore comprises Mark Wood (Chair), Mary Francis, Romi Savova and Michelle Cracknell. Meetings shall be quorate when at least three members (including at least one independent non-executive director) are present. The Investment Committee shall meet at least three times a year and shall formally report to the Board on the discharge of its duties following each of these meetings.

The Investment Committee assists the Board in discharging its oversight of PensionBee's investment proposition. The Investment Committee is responsible for reviewing the Company's product offering. This includes the range of options available to customers, the selection or change of asset managers, the pricing of the plans, as well as the performance and the risk profile of each plan. It also reviews the performance of fund managers. The Investment Committee also assists the Board by overseeing the relationship with the governance advisory arrangement (which PensionBee appointed to assess the design and implementation of its investment pathways solution), including i) making recommendations to the Board regarding their appointment and removal; ii) coordinating the tender process; and iii) approving their remuneration and terms of engagement.

Share Dealing Code

Upon Admission, PensionBee will adopt a code of securities dealings in relation to the Ordinary Shares in compliance with applicable regulation. The code adopted will apply to the Directors and other relevant employees of PensionBee.

PART V
CAPITALISATION AND INDEBTEDNESS STATEMENT

Indebtedness

The following table sets out the indebtedness of PensionBee as at 28 February 2021. The indebtedness information has been extracted without material adjustment from PBL's unaudited management accounts and accounting books and records.

	As at 28 February 2021
	(£ 000) *(unaudited)*
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total non-current debt (excluding current portion of long term debt)	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total indebtedness	**-**

There has been no material change to PensionBee's total indebtedness since 28 February 2021.

On 22 March 2021, PBL entered into a revolving credit facility for up to £10 million with National Westminster Bank Plc (the "**Revolving Credit Facility**") as part of prudent capital management to provide it with further liquidity resources going forward. For further information on the terms of the revolving credit facility. For further information, see paragraph 18.5 of Part XII (*Additional Information*). The Revolving Credit Facility remains undrawn as at the date of this Prospectus.

Capitalisation

The following table sets out the capitalisation of PensionBee as at 31 December 2020. The information has been extracted without material adjustment from the Historical Financial Information included in Part VIII (*Historical Financial Information*).

	As at 31 December 2020
	(£ 000)
Shareholders' equity	
Share capital	-
Share premium	30,322
Share based payment reserve	4,378
Retained earnings	(28,245)
Total equity	**6,455**

There has been no material change to PensionBee's total capitalisation since 31 December 2020 other than shares issuances in January and February 2021 by PBL totalling, in aggregate, 3,762 ordinary shares of £0.001 each, which resulted in an increase in share premium of £4.8 million.

The Company carried out a capital reduction on 26 March 2021 following completion of the Share Exchange as part of the Reorganisation, this did not have a material impact on the total capitalisation of the Group. For further information, see paragraph 4 of Part XII (*Additional Information*).

Net Indebtedness

The following table sets out the net indebtedness of PensionBee as at 28 February 2021. The information has been extracted without material adjustment from PBL's unaudited management accounts and accounting books and records.

	As at 28 February 2021
	(£ 000) *(unaudited)*
Cash	9,120
Cash equivalents	-
Trading securities	-
Liquidity	9,120

	As at 28 February 2021
	(£ 000) *(unaudited)*
Current financial receivable	-
Current bank debt	-
Current portion of non-current debt	-
Other current financial debt[1]	(110)
Current financial debt	(110)
Net current financial indebtedness	9,010
Non-current bank loans	-
Bonds issued	-
Other non-current loans	-
Non-current financial indebtedness	-
Net financial indebtedness	**9,010**

[1] Other current financial debt relates to lease liabilities

PART VI
SELECTED FINANCIAL INFORMATION

Set forth below is selected financial information for PBL for the periods indicated. The financial information for PBL as at and for each of the years ended 31 December 2020, 2019 and 2018, prepared in accordance with IFRS in relation to the preparation of historical financial information, has been extracted without material adjustment from the Historical Financial Information as set out in Part VIII (*Historical Financial Information*). This should be read in conjunction with "*Presentation of Financial Information*", Part VII (*Operating and Financial Review*) and Part VIII (*Historical Financial Information*) appearing elsewhere in this Prospectus.

Statements of Comprehensive Income for the years ended 31 December 2020, 2019, 2018

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Revenue	6,268	3,545	1,424
Employee benefits expense (excluding share-based payment)	(4,475)	(2,603)	(1,417)
Share based payment	(2,174)	(923)	(26)
Depreciation expense	(240)	(182)	(22)
Advertising and Marketing	(8,223)	(4,172)	(2,142)
Other expenses	(3,991)	(2,670)	(1,225)
Transaction costs	(637)	-	-
Operating loss	(13,472)	(7,005)	(3,408)
Finance costs	(11)	(21)	-
Loss before tax	(13,483)	(7,026)	(3,408)
Taxation	220	265	288
Loss for the year	**(13,263)**	**(6,761)**	**(3,120)**
Total comprehensive loss for the year	**(13,263)**	**(6,761)**	**(3,120)**

	2020	2019	2018
Earnings per share (pound per share)			
Basic and diluted	(61.39)	(33.38)	(17.12)
Weighted average no. of shares - basic and diluted	216,058	202,572	182,277

Statements of Financial Position as at 31 December 2020, 2019, 2018

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Assets			
Non-current assets			
Property, plant and equipment	195	249	65
Right of use assets	118	236	-
	313	**485**	**65**
Current assets			
Trade and other receivables	1,506	1,092	678
Cash and cash equivalents	6,736	10,191	9,696
	8,242	11,283	10,374
Total assets	**8,555**	**11,768**	**10,439**
Equity and liabilities			
Equity			
Share capital	-	-	-
Share premium	30,322	23,111	17,122
Share based payment reserve	4,378	2,204	1,281
Retained earnings	(28,245)	(14,982)	(8,221)
Total equity	**6,455**	**10,333**	**10,182**
Non-current liabilities			
Lease liability	-	139	-
Deferred tax liabilities	-	26	-
	-	165	-
Current liabilities			
Trade and other payables	1,991	1,161	257

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Lease liability	109	109	-
	2,100	1,270	257
Total liabilities	2,100	1,435	257
Total equity and liabilities	**8,555**	**11,768**	**10,439**

Statements of Changes in Equity for the years ended 31 December 2020, 2019, 2018

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*
At 1 January 2018	-	8,134	1,255	(5,101)	4,288
Loss for the year	-	-	-	(3,120)	(3,120)
Total comprehensive loss	-	-	-	(3,120)	(3,120)
Issued share capital	-	8,988	-	-	8,988
Share based payment transactions	-	-	26	-	26
At 31 December 2018	**-**	**17,122**	**1,281**	**(8,221)**	**10,182**

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*
At 1 January 2019	-	17,122	1,281	(8,221)	10,182
Loss for the year	-	-	-	(6,761)	(6,761)
Total comprehensive loss	-	-	-	(6,761)	(6,761)
Issued share capital	-	5,989	-	-	5,989
Share based payment transactions	-	-	923	-	923
At 31 December 2019	**-**	**23,111**	**2,204**	**(14,982)**	**10,333**

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*
At 1 January 2020	-	23,111	2,204	(14,982)	10,333
Loss for the year	-	-	-	(13,263)	(13,263)
Total comprehensive loss	-	-	-	(13,263)	(13,263)
Issued share capital	-	7,211	-	-	7,211
Share based payment transactions	-	-	2,174	-	2,174
At 31 December 2020	**-**	**30,322**	**4,378**	**(28,245)**	**6,455**

Statement of Cash Flows for the years ended 31 December 2020, 2019, 2018

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Cash flows used in operating activities			
Loss for the year	(13,263)	(6,761)	(3,120)
Adjustments to cash flows from non-cash items			
Depreciation	240	182	22
Profit on disposal of right of use asset	7	(18)	-
Finance costs	11	21	-
Share based payment transactions	2,174	923	26
Taxation	(220)	(265)	(288)
Operating cash flows before movements in working capital	(11,051)	(5,918)	(3,360)
Working capital adjustments			
Increase in trade and other receivables	(627)	(316)	(208)
Increase in trade and other payables	831	904	110
Cash generated from operations	(10,847)	(5,330)	(3,458)

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Income taxes received	406	171	-
Net cash flow used in operating activities	(10,441)	(5,159)	(3,458)
Cash flows used in investing activities			
Purchase of property, plant and equipment	(75)	(236)	(68)
Net cash flows used in investing activities	(75)	(236)	(68)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	7,211	5,989	8,988
Repayment of lease liabilities	(150)	(99)	-
Net cash flows from financing activities	7,061	5,890	8,988
Net (decrease)/increase in cash and cash equivalents	(3,455)	495	5,462
Cash and cash equivalents at 1 January	10,191	9,696	4,234
Cash and cash equivalents at 31 December	**6,736**	**10,191**	**9,696**

Income taxes received relates solely to Research and Development tax credits.

Alternative Performance Measures

PBL used, and the Group will use, a range of APMs (as defined in "*Important Information*" above) to assess its performance, and this Prospectus contains certain financial measures that are not defined or recognised under IFRS. Some of these are also key performance indicators ("**KPIs**"). The calculation or methodology for each APM is described more fully below. See also "*Important Information – Alternative Performance Measures*, Part VII (*Operating and Financial Review*) and Note 25 to the Historical Financial Information set out in Section B to Part VIII (*Historical Financial Information*).

The Directors consider Revenue, Adjusted EBITDA and Adjusted EBITDA margin to be the financial KPIs used by PensionBee to help evaluate growth trends, establish budgets and assess operational performance and efficiencies.

The Directors believe that these KPIs, in addition to IFRS measures, provide an enhanced understanding of PensionBee's results and related trends, therefore increasing transparency and clarity of the core results of the business. The Directors believe these metrics are useful in evaluating PensionBee's operating performance.

PensionBee's financial APMs include the following:

	For the year ended 31 December		
	2020	2019	2018
Revenue (£ thousands) [1]	6,268	3,545	1,424
Adjusted EBITDA (£ thousands) [2]	(10,421)	(5,900)	(3,360)
Adjusted EBITDA margin (% of revenue) [3] (unaudited)	(166)%	(166)%	(236)%

(1) "Revenue" means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.

(2) "Adjusted EBITDA" means the loss for the year before taxation, finance costs, depreciation, share based compensation and transaction costs. For a reconciliation from the operating loss for the relevant financial year to Adjusted EBITDA, please see the table below.

(3) "Adjusted EBITDA margin" means Adjusted EBITDA as a percentage of revenue for the relevant year.

The following table provides a reconciliation from the operating loss to Adjusted EBITDA for the years ended 31 December 2020, 31 December 2019 and 31 December 2018:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Operating loss	(13,472)	(7,005)	(3,408)
Depreciation expense	240	182	22
Share based payment [a]	2,174	923	26
Transaction costs [b]	637	-	-
Adjusted EBITDA	**(10,421)**	**(5,900)**	**(3,360)**

(a) Relates to total annual charge in relation to share based payment expense as detailed in Note 20 of Section B of Part VIII (*Historical Financial Information*).

(b) Relates to expenses incurred in relation to preparation for Admission.

PensionBee's non-financial APMs include the following, all of which are unaudited:

	As at 31 December		
	2020	2019	2018
AUA (£ millions) [1]	1,358	745	328
AUA Retention Rate (% of AUA) [2]	>95%	>95%	>95%
Registered Customers (thousands) [3]	403	232	126
Active Customers (thousands) [4]	119	64	29
Invested Customers (thousands) [5]	69	38	17
Customer Retention Rate (% of IC)[6]	>95%	>95%	>95%
Cost per Invested Customer (£)[7]	232	206	209
Same-year RC: IC conversion percentage (%)[8]	17%	16%	14%
Contractual Revenue Margin (% of AUA)[9]	0.69%	0.68%	0.67%

(1) "Assets under Administration" ("AUA") measures the total value of pension assets within Invested Customers' pensions.

(2) "AUA Retention Rate" for the relevant year is calculated as follows: 100 per cent. minus Annual AUA Churn. "Annual AUA Churn" is defined as the average of Annualised AUA Monthly Churn for each month in the relevant year. "Annualised AUA Monthly Churn" is defined as all AUA transferred in the relevant month to other pension providers (i.e. excluding withdrawals) divided by the average of the opening and end AUA balances for the relevant month expressed as a percentage and then multiplied by 12.

(3) "Registered Customers" ("RC") means all customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.

(4) "Active Customers" ("AC") means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.

(5) "Invested Customers" ("IC") means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

(6) "Customer Retention Rate" for the relevant year is calculated as follows: 100 per cent. minus Annual Customer Churn. "Annual Customer Churn" is defined as the average of Annualised Monthly Customer Churn for each month in the relevant year. "Annualised Monthly Customer Churn" is defined as the number of customers who ceased to be Invested Customers during the relevant month divided by the average of the opening and end total Invested Customers numbers for the relevant month expressed as a percentage and then multiplied by 12.

(7) "Cost per Invested Customer" ("CPIC") means the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.

(8) "Same-year RC: IC conversion percentage" is calculated by dividing the number of Invested Customers as at 31 December of the relevant year by the number of Registered Customers as at 31 December in the same year, expressed as a percentage.

(9) "Contractual Revenue Margin" means the weighted average contractual fee rate across the PensionBee Plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan as at 31 December of the relevant year.

PART VII
OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of PensionBee's results of operations and financial condition for the years ended 31 December 2020, 2019 and 2018 should be read in conjunction with the whole of this Prospectus, including PBL's historical financial information and the related notes included in Section B (Historical Financial Information) of Part VIII (Historical Financial Information), and should not just rely on the key or summarised information contained in this Part VII (Operating and Financial Review) and the "Risk Factors" section. PBL's historical financial information was prepared in accordance with IFRS in relation to the preparation of combined historical financial information. The financial information in this Part VII (Operating and Financial Review) has either been extracted without material adjustment from Part VIII (Historical Financial Information) of this Prospectus, or has been extracted without material adjustment from PBL's accounting records. PBL's historical financial information for the three years ended 31 December 2020, set out in Section B (Historical Financial Information) of Part VIII (Historical Financial Information), is reported on in the accountants' report from Deloitte included in Section A (Accountant's Report in respect of the Historical Financial Information) of Part VIII, which was prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Any other financial information which has been extracted from PBL's accounting records has not been audited or reported on.

The following discussion contains "forward-looking statements". Those statements are subject to risks, uncertainties and other factors that could cause PensionBee's future results of operations or financial condition to differ materially from the results of operations or financial condition expressed or implied in such forward-looking statements. Factors that may cause such a difference include, but are not limited to, those discussed in the "Risk Factors" section and the "Important Information" section of this Prospectus.

1. Overview

PensionBee is a leading online pensions provider in the UK, with approximately 119,000 Active Customers and £1.4 billion of AUA, in each case as at 31 December 2020. PensionBee is a direct-to-consumer financial technology company, with a mission to make pensions simple, so that everyone can look forward to a happy retirement. It delivers a leading customer proposition to pension holders in the UK defined contribution pensions market, catering for the many people who have historically struggled to understand, prepare for and manage their retirements confidently.

PensionBee seeks to make its customers 'Pension Confident' by giving them control and clarity over their retirement savings. PensionBee's technology platform allows its customers to combine their pensions into the PensionBee Personal Pension and then invest in one of a range of online investment plans, forecast how much they are expected to have saved by the time they retire, and make withdrawals from their pensions from the age of 55 (57 from 2028). The PensionBee Plans are managed by the Money Managers for which they are paid fees.

PensionBee's business consists of a single business unit comprising the provision of direct to consumer online pensions. Therefore, PensionBee recognises one operating and reporting segment with all revenue, losses before tax and net assets being attributable to this single reportable business segment. PensionBee's revenue is classified into recurring revenue and other revenue as follows:

- *Recurring revenue* – comprises the vast majority of PensionBee's revenue, which it generates in the form of fees it charges to its customers on a daily basis, calculated by reference to the value of their retirement savings which make up PensionBee's AUA; and

- *Other revenue* – comprises revenue from one-off ancillary and ad-hoc services including pension splitting on divorce, early withdrawals owing to ill health, and full drawdown within one year of becoming an Invested Customer.

For the year ended 31 December 2020, PensionBee's revenue was £6.3 million of which 98.2 per cent was classified as recurring revenue.

2. Key performance indicators

Management considers a variety of financial and non-financial measures and metrics when analysing PensionBee's performance, and the Directors believe that each of these measures provides useful

information with respect to PensionBee's business and operations. With the exception of revenue, these are non-IFRS financial measures and metrics that are not audited. These non-IFRS financial measures and metrics are not meant to be considered in isolation, nor as a substitute for measures of financial performance reported in accordance with IFRS. Moreover, these non-IFRS financial measures and metrics may be defined or calculated differently by other companies, and as a result PensionBee's key performance indicators may not be comparable to similar measures and metrics calculated by its peers.

	As at 31 December		
	2020	**2019**	**2018**
AUA (£ millions)* [1]	1,358	745	328
AUA Retention Rate (% of AUA)* [2]	>95%	>95%	>95%
Registered Customers (thousands)* [3]	403	232	126
Active Customers (thousands)* [4]	119	64	29
Invested Customers (thousands)* [5]	69	38	17
Customer Retention Rate (% of IC)*[6]	>95%	>95%	>95%
Cost per Invested Customer (£)*[7]	232	206	209
Same-year RC: IC conversion percentage (%)* [8]	17%	16%	14%
Contractual Revenue Margin (% of AUA)*[9]	0.69%	0.68%	0.67%

	For the year ended 31 December		
	2020	**2019**	**2018**
Revenue (£ thousands) [10]	6,268	3,545	1,424
Adjusted EBITDA (£ thousands) [11]	(10,421)	(5,900)	(3,360)
Adjusted EBITDA margin (% of revenue) [12]	(166)%	(166)%	(236)%

* These figures are unaudited

(1) "Assets under Administration" ("AUA") measures the total value of pension assets within Invested Customers' pensions.

(2) "AUA retention rate" for the relevant year is calculated as follows: 100 per cent. minus Annual AUA Churn. "Annual AUA Churn" is defined as the average of Annualised AUA Monthly Churn for each month in the relevant year. "Annualised AUA Monthly Churn" is defined as all AUA transferred in the relevant month to other pension providers (i.e. excluding withdrawals) divided by the average of the opening and end AUA balances for the relevant month expressed as a percentage and then multiplied by 12.

(3) "Registered Customers" ("RC") means all customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.

(4) "Active Customers" ("AC") means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.

(5) "Invested Customers" ("IC") means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

(6) "Customer retention rate" for the relevant year is calculated as follows: 100 per cent. minus Annual Customer Churn. "Annual Customer Churn" is defined as the average of Annualised Monthly Customer Churn for each month in the relevant year. "Annualised Monthly Customer Churn" is defined as the number of customers who ceased to be Invested Customers during the relevant month divided by the average of the opening and end total Invested Customers numbers for the relevant month expressed as a percentage and then multiplied by 12.

(7) "Cost per Invested Customer" ("CPIC") means the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.

(8) "Same-year RC: IC conversion percentage" is calculated by dividing the number of Invested Customers as at 31 December of the relevant year by the number of Registered Customers as at 31 December in the same year, expressed as a percentage.

(9) "Contractual Revenue Margin" means the weighted average contractual fee rate across the PensionBee Plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan as at 31 December of the relevant year.

(10) "Revenue" means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.

(11) "Adjusted EBITDA" means the loss for the year before taxation, finance costs, depreciation, share based compensation and transaction costs.

(12) "Adjusted EBITDA Margin" means Adjusted EBITDA as a percentage of revenue for the relevant year.

Material Factors Affecting PensionBee's Results of Operations and Financial Condition

PensionBee's results of operations and financial condition are affected by a variety of factors, some of which are outside PensionBee's control. Set out below is a discussion of the principal factors that the Directors believe have affected the Company's operations and financial results during the periods under review and which the Directors currently expect to affect its operations and financial results in the future. Factors other than those presented below could also have a significant impact on PensionBee's results of operation and financial condition.

- Levels of AUA, which are, in turn, impacted by:

(a) Level of gross inflows and gross outflows;

(b) Number of Invested Customers; and

(c) Market growth and investment performance;

- Operating expenses.

Levels of AUA

The most significant component of PensionBee's revenue is recurring revenue, which is derived from fees it charges on a daily basis, calculated by reference to the value of its Invested Customers' retirement savings which make up PensionBee's AUA. These recurring charges represented 98 per cent. of PensionBee's revenue in the year ended 31 December 2020. The level of AUA therefore has the largest single influence on PensionBee's revenue. As at 31 December 2020, PensionBee had £1.4 billion of AUA, and generated revenue of £6.3 million for the year ended 31 December 2020.

The historical AUA and associated movements are provided below. These are non-IFRS financial measures and metrics which are not audited:

For the year ended 31 December	Opening AUA as at 1 January	Gross inflows[1]	Gross outflows[1]	Net inflows [1]	Market growth and other[2]	Closing AUA as at 31 December[3]
			(£ millions)			
2018	108	244	(9)	235	(15)	328
2019	328	378	(34)	344	73	745
2020	745	593	(70)	523	90	1,358
Total over the historical periods	-	1,215	(113)	1,102	148	-

(1) Gross inflows and gross outflows during the financial year. Net inflows are calculated as the gross inflows less the gross outflows.
(2) Market growth and other items includes any changes in the market value of customer assets and any investment income return on AUA earned by the customer, less investment management fees, together with adjustments for intra-day trading activities and trading cycles.
(3) Closing AUA as at the end of the financial year is calculated using the opening AUA position for the year, adding gross inflows less gross outflows and adding capital markets growth and other items during the course of the financial year.

Level of inflows and outflows

The total AUA net inflows from the year ended 31 December 2018 to the year ended 31 December 2020 amounted to £1,102 million.

Gross inflows of AUA are derived from a combination of the value of transfers by Invested Customers of pension assets to the PensionBee Personal Pension from other pension providers, new contributions made by Invested Customers to their PensionBee Personal Pension and tax reclaimed at source on these contributions. The growth in net inflows from the year ended 31 December 2018 to the year ended 31 December 2020 was principally driven by the increase in gross inflows over this period which amounted to £1,215 million which in turn was largely driven by the increase in the number of Invested Customers over the same period.

The gross outflows of AUA from the year ended 31 December 2018 to the year ended 31 December 2020 amounted to £113 million. Gross outflows are principally a result of transfers out by Invested Customers of their pension assets from the PensionBee Personal Pension to other pension providers, withdrawals of pension assets by Invested Customers including the drawdown of pension assets by eligible Invested Customers, and realisation of assets on the death of an Invested Customer.

Whilst the increase in AUA is largely a result of the number of Invested Customers increasing during the period from 1 January 2018 to 31 December 2020, the contribution of further pension assets by Invested Customers to the PensionBee Personal Pension and Invested Customers making ongoing contributions to the PensionBee Personal Pension, following the initial transfer of pension assets to the plan, have also been contributing factors. The following table sets out the split of PensionBee's net inflows of AUA between net inflows from new Invested Customers acquired during the relevant year and net inflows made by existing Invested Customers acquired in previous years, for the years ended 31 December 2020, 2019 and 2018.

For the year end 31 December	Net inflows from new customers[1]	Percentage of net inflows from new customers	Net inflows from existing customers[2]	Percentage of net inflows from existing customers	Net inflows
	(£ millions)		*(£ millions)*		*(£ millions)*
2018	201	86%	33	14%	235
2019	291	85%	53	15%	344
2020	439	84%	84	16%	523
Total/Average over the historical period	**931**	**85%**	**170**	**15%**	**1,102**

(1) Net inflows from new customers reflects the amount of AUA added to the PensionBee Personal Pension through consolidation of pensions, contributions netted off by drawdown and transfer outs from Active Customers acquired during the relevant year.
(2) Net inflows from existing customers reflects the amount of AUA added to the PensionBee Personal Pension through consolidation of pensions, contributions netted off by drawdown and transfer outs from Active Customers acquired in prior years.

The following table sets out the proportion of AUA held between Invested Customers acquired in the relevant year and Invested Customers acquired in prior years for the years ended 31 December 2018, 2019 and 2020:

	AUA as at 31 December from new customers[1]	Percentage of AUA as at 31 December from new customers	AUA as at 31 December from existing customers [2]	Percentage of AUA as at 31 December from existing customers	AUA as at 31 December[3]
	(£ millions)	**(%)**	*(£ millions)*	**(%)**	*(£ millions)*
2018	194	59%	134	41%	328
2019	307	41%	438	59%	745
2020	479	35%	879	65%	1,358

(1) AUA as at 31 December of the relevant year held on behalf of Invested Customers acquired during the relevant year.
(2) AUA as at 31 December of the relevant year held on behalf of Invested Customers acquired in prior years.
(3) AUA as at 31 December of the relevant year.

Number of Invested Customers

PensionBee's increase in AUA over the Historical Financial Period has resulted from the increase in the number of its Invested Customers as higher numbers of customers transferred pension assets to the PensionBee Personal Pension, then consolidated further pension assets into the PensionBee Personal Pension and made subsequent contributions.

The following table sets out the customer numbers and Customer Retention Rates for the years ended 31 December 2020, 2019 and 2018.

	2020	2019	2018
Registered Customers (thousands)	403	232	126
Active Customers (thousands)	119	64	29
Invested Customers (thousands)	69	38	17
Same-year RC: IC conversion percentage (%)[1]	17%	16%	14%
Current year IC: prior year RC percentage (%)[2]	30%	30%	30%
Customer Retention Rate (% of IC)[3]	>95%	>95%	>95%

(1) "Same-year RC: IC conversion percentage" is calculated by dividing the number of Invested Customers as at 31 December of the relevant year by the number of Registered Customers as at 31 December in the same year, expressed as a percentage.
(2) "Current year IC: prior year RC percentage" is calculated by dividing the number of Invested Customers as at 31 December of the relevant year by the number of Registered Customers as at 31 December in the prior year, expressed as a percentage.
(3) "Customer Retention Rate" for the relevant year is calculated as follows: 100 per cent. minus Annual Customer Churn. "Annual Customer Churn" is defined as the average of Annualised Monthly Customer Churn for each month in the relevant year. "Annualised Monthly Customer Churn" is defined as the number of customers who ceased to be Invested Customers during the relevant month divided by the average of the opening and end total Invested Customers numbers for the relevant month expressed as a percentage and then multiplied by 12.

The number of Invested Customers increased from approximately 17,000 as at 31 December 2018 to approximately 69,000 as at 31 December 2020, which was principally as a result of PensionBee's continued

marketing spend over the relevant periods. PensionBee has demonstrated a consistent year-on-year conversion from Registered Customers to Invested Customers of 30 per cent. over the course of the Historical Financial Period and an incrementally improving same-year conversion between Registered Customers and Invested Customers. The Directors believe that these incremental improvements will continue through the implementation of new features which include a more detailed transfer tracker, easier uploading of Know-Your-Customer information by its customers and transactional push notifications through its mobile app. PensionBee's Customer Retention Rate over the same period remained relatively constant, in excess of 95 per cent.

Market growth and investment performance

Equity market performance has an additional compounding effect on the value of PensionBee's AUA, as the majority of PensionBee's AUA, approximately 70 per cent. as at 31 December 2020, is invested in equity investments, typically on a long term basis given the nature of pension investments as long term savings products. PensionBee's revenue is therefore exposed to fluctuations, both favourable and adverse, in equity markets as its fees are charged as a percentage of AUA. Global equity markets had, up until the start of the Covid-19 pandemic in March 2020, steadily been increasing in value since the financial crisis of 2008 but suffered significant falls at the outset of the pandemic. The remainder of 2020 through into 2021, saw global equity markets recover strongly, notably in the US.

The value of PensionBee's AUA reduced by 9 per cent. from the end of February 2020 to the end of March 2020 primarily as a result of the impact of the COVID-19 pandemic on global capital markets. Notwithstanding this market volatility during the year ended 31 December 2020, PensionBee's AUA increased by 82.2 per cent during the same year to £1.4 billion, largely as a result of net inflows from new and existing customers.

Increases in asset values and positive investment returns and performance may increase the amount of AUA held by PensionBee. Equally, stagnation in investment performance or a decline in asset values and investment returns may have a negative impact on its AUA. Asset values, investment returns and performance can therefore impact PensionBee's revenue and consequently the results of operation.

The following table sets out the performance of each of the PensionBee Plans for the year ended 31 December 2020 as well as their respective five year annualised performance.

Plan/Index	Money manager	Performance over 2020	5-year annualised performance (unless stated otherwise)	Proportion equity content [1]
Tailored (Vintage 2019-2021)	Blackrock	9%[2]*	8%[2]*	40%
Tailored (Vintage 2025-2027)	Blackrock	9%[3]*	8%[3]*	53%
Tailored (Vintage 2031-2033)	Blackrock	9%[4]*	9%[4]*	66%
Tailored (Vintage 2037-2039)	Blackrock	9%[5]*	10%[5]*	78%
Tailored (Vintage 2043-2045)	Blackrock	8%[6]*	10%[6]*	90%
Tailored (Vintage 2049-2051)	Blackrock	8%[7]*	10%[7]*	98%
Tailored (Vintage 2055-2057)	Blackrock	8%[8]*	10%[8]*	100%
Tailored (Vintage 2061-2063)	Blackrock	8%[9]*	10%[9]*	100%
Match	Blackrock	4%[10]*	9%[10]*	78%
Preserve	State Street Global Advisors	0%[11]	1%[11]	0%
Pre-Annuity	State Street Global Advisors	14%[12]	10%[12]	0%
4Plus	State Street Global Advisors	3%[13]	5%[13]	61%
Tracker	State Street Global Advisors	2%[14]	9%[14]	81%
Shariah[17]	HSBC (traded via SSGA)	23%[15]	N/A	100%
Future World[17]	Legal & General	7%[16]	N/A	100%

* Numbers with an asterix are net figures. All other numbers are gross figures.

(1) Equity content refers to the amount of exposure each plan has to global stock markets and other listed risk-on assets, such as property.

(2) BlackRock Life Fund: Life Path 2019-2021 (December 2020 Factsheet)

(3) BlackRock Life Fund: Life Path 2025-2027 (December 2020 Factsheet)

(4) BlackRock Life Fund: Life Path 2031-2033 (December 2020 Factsheet)

(5) BlackRock Life Fund: Life Path 2037-2039 (December 2020 Factsheet)

(6) BlackRock Life Fund: Life Path 2043-2045 (December 2020 Factsheet)

(7) BlackRock Life Fund: Life Path 2049-2051 (December 2020 Factsheet)

(8) BlackRock Life Fund: Life Path 2055-2057 (December 2020 Factsheet)

(9) BlackRock Life Fund: Life Path 2061-2063 (December 2020 Factsheet)
(10) BlackRock DC Consensus 85 Class P ACCU: December 2020 Factsheet.
(11) State Street Sterling Liquidity Sub-Fund: January 2021 Factsheet
(12) State Street Non-Gilts Bond Over 15 Years ESG Screened Index Sub-Fund: December 2020 Factsheet
(13) State Street Dynamic Diversified Sub-Fund: January 2021 Factsheet
(14) State Street Balanced Index Sub-Fund: December 2020 Factsheet
(15) State Street – HSBC Islamic Equity Index Sub-Fund: December 2020 Factsheet
(16) Legal & General Future World Fund: December 2020 Factsheet
(17) The Shariah and Future World Plans were launched in 2016 and 2017 respectively and therefore 5-year performance is not available yet. The Fossil Fuel Free Plan was launched in December 2020 and therefore there is no performance data available.

Operating Expenses

The largest operating costs incurred by PensionBee during the Historical Financial Period were (i) advertising and marketing costs, (ii) employee benefits expenses (excluding share-based payments) and other operating expenses comprising other administrative expenses (which includes external technology costs), auditor's remuneration and loss/(profit) on disposal of right of use asset ("**Technology Platform Costs and Other Operating Expenses**"), and (iii) money manager fees, all of which increased as PensionBee grew its business and increased the number of Invested Customers and their AUA with PensionBee. PensionBee's operating expenses will increase as a result of being a publicly traded company following Admission and as further investments are made in marketing and the technology platforms. The Directors expect that operating expenses will decline over time relative to the Company's revenues as a consequence of the operational leverage inherent within the Company's business model. Advertising and marketing costs were the largest individual cost incurred by PensionBee in each of three years making up the Historical Financial Period and represented 78.9 per cent, 70.7 per cent. and 63.8 per cent. of its Adjusted EBITDA for the years ended 31 December 2020, 2019 and 2018, respectively.

The following table sets out the reduction of certain costs incurred by PensionBee as a multiple of revenue for the relevant year over the course of the Historical Financial Period:

Costs / Revenue	**(Multiple of revenue)**		
	Year ended 31 December 2020	**Year ended 31 December 2019**	**Year ended 31 December 2018**
Technology Platform Costs and Other Operating Expenses / Revenue	1.20x	1.30x	1.60x
Money Manager fees / Revenue[1]	0.15x	0.19x	0.25x
Costs (excluding advertising and marketing costs) / Revenue[2]	1.35x	1.49x	1.86x
Advertising and marketing costs / Revenue	1.31x	1.18x	1.50x

(1) "Technology Platform Costs and Other Operating Expenses" consist of employee benefits expenses (excluding share-based payments) and other operating expenses comprising other administrative expenses (which includes external technology costs), auditor's remuneration and loss/(profit) on disposal of right of use asset.
(2) "Costs" refers to Money Manager fees and Technology Platform Costs and Other Operating Expenses.

Advertising and marketing costs

Advertising and marketing costs increased by 284 per cent. over the Historical Financial Period from £2.1 million for the year ended 31 December 2018 to £8.2 million for the year ended 31 December 2020. This increase was due to the increased advertising and marketing efforts carried out by PensionBee which was intended to drive growth in Invested Customers.

At the same time, however, advertising and marketing costs has reduced as a multiple of PensionBee's revenue from 1.5 times for the year ended 31 December 2018 to 1.3 times for the year ended 31 December 2020 as illustrated in the table below:

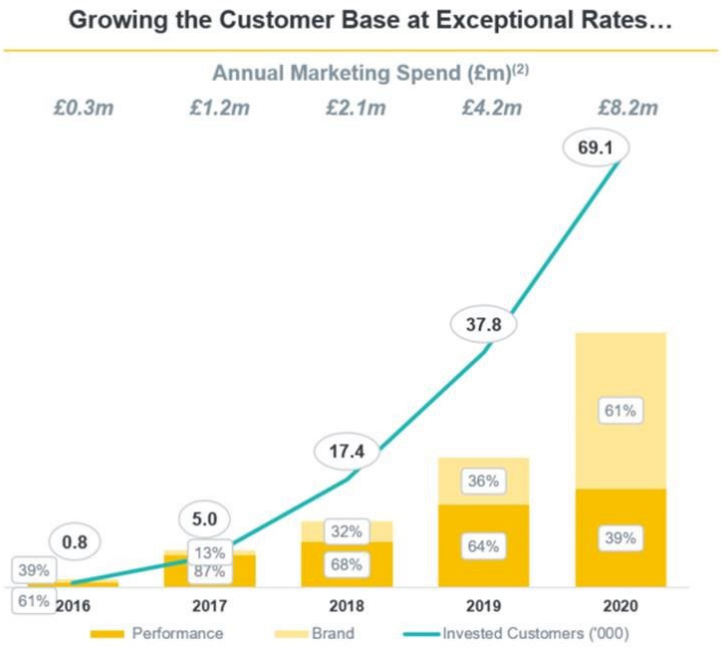
Costs / Revenue	**(Multiple of revenue)**		
	Year ended 31 December 2020	**Year ended 31 December 2019**	**Year ended 31 December 2018**
Advertising and marketing costs / Revenue	1.31x	1.18x	1.50x

PensionBee's advertising and marketing costs are allocated across the following channels:

- **Performance Channels**: PensionBee's performance channels consist of campaigns run through paid search, display, native, social media and affiliate or partnership platforms. PensionBee's online advertising programs are delivered across all Internet-enabled devices, including desktop computers, tablet computers and smartphones.

- **Brand Marketing Channels**: PensionBee's brand marketing channels consist of branded advertisements that are run on television, radio and billboards. Its offline brand marketing is supplemented by public relations, organic search and refer-a-friend activities.

The Company has leveraged its experience in Performance Channels and applied its data-driven analytical approach to Brand Marketing Channels. This approach allows the Company to flexibly respond to changing consumer preferences and marketing channel pricing shifts. This resulted in higher Brand Marketing Channel expense in the year ended 31 December 2020 and a simultaneous scale-up in the number of Invested Customers as can be seen in the chart below.

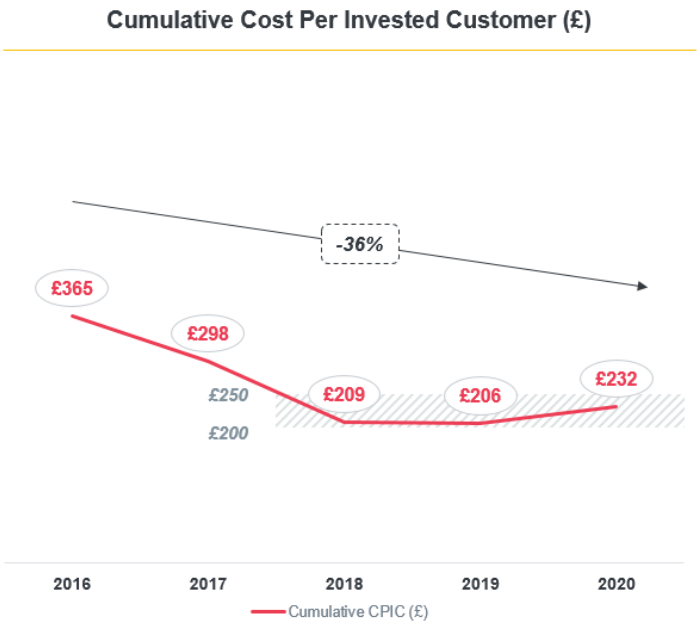


(1) The split in CPIC between brand marketing and performance channels for each year is shown on a cumulative basis.
(2) Annual Marketing Spend refers to advertising and marketing costs for the relevant year ended 31 December. Annual Marketing Spend for the years ended 31 December 2016 and 2017 are unaudited.

The Company will continue to respond rapidly to changing consumer preferences by allocating more capital to outperforming Performance Channels and will continue to apply its analytical approach to broader brand development via its Brand Marketing Channels.

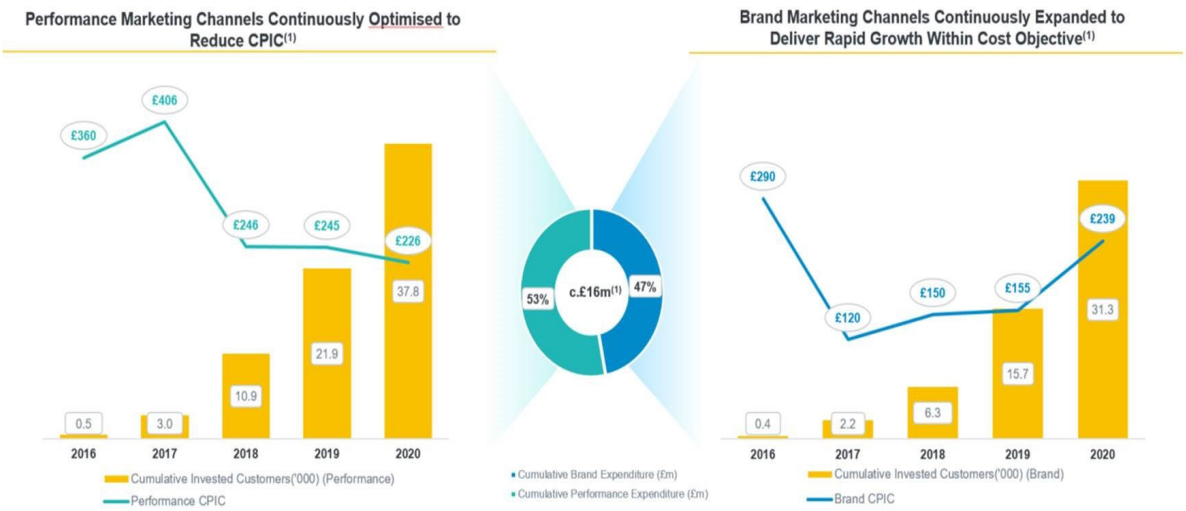
PensionBee has cumulatively spent approximately £16 million (unaudited) on marketing expenses from 2015 to 2020, building up an Invested Customer base of approximately 69,000 as at 31 December 2020 with a cumulative CPIC[40] of £232. The chart below demonstrates the decline in the CPIC over the previous five years.

[40] "Cost per Invested Customer" ("**CPIC**") is defined as the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.



Cost per Invested Customer ("CPIC") is defined as the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.

PensionBee's data-led approach enables it to measure performance across both Performance and Brand Marketing Channels. The charts below show the cumulative expenditure across these channels within the Company's target range. In 2020 the Company made a tactical decision to accelerate Brand Marketing Channel spend following the end of the UK's first COVID-19 lockdown period in May 2020.



(1) Cumulative Brand and Performance expenditure includes unaudited management information for the years ended 31 December 2016 and refers to the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations up until 31 December 2020. Cost per Invested Customer ("CPIC") is defined as the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers acquired through the relevant channel at that point in time.

Technology Platform Costs and Other Operating Expenses

Technology Platform Costs and Other Operating Expenses consist of employee benefits expenses (excluding share-based payments) and other operating expenses comprising other administrative expenses (which includes external technology costs), auditor's remuneration and loss/(profit) on disposal of right of use asset.

Employee benefits expense (excluding share-based payments) comprises wages and salaries, social security costs and pension costs of PensionBee's employees. The vast majority of PensionBee's employee benefits expense is basic-salary as opposed to bonus related. The employee benefits expense (excluding share-based payments) increased by 216 per cent. over the Historical Financial Period from £1.4 million for the year ended 31 December 2018 to £4.5 million for the year ended 31 December 2020. This increase was due to the increase in the average headcount of PensionBee's employees which grew from 34 as at 31 December 2018 to 110 as at 31 December 2020, principally due to increases in PensionBee's customer service, operations and technology functions to support the growth in its business during the Historical Financial Period.

Other administrative expenses consist primarily of external technology costs and other overheads, including PensionBee's office, professional service and other costs. External technology costs primarily relate to cloud service subscriptions, as the majority of PensionBee's investment in its technology platform has occurred through human capital captured in employee benefits expense (excluding share-based payments). Other administrative expenses increased by 245 per cent. over the Historical Financial Period from £0.9 million for the year ended 31 December 2018 to £3.0 million for the year ended 31 December 2020. This increase was principally due to increased expenses owing to the growth of PensionBee and an increase in PensionBee's employees leading to higher rent being incurred by PensionBee for larger premises and additional technology subscription costs.

Auditor's remuneration increased was £70,000 for the year ended 31 December 2020, an increase of £30,000, or 75 per cent, from £40,000 for the year ended 31 December 2019. This increase was principally due to the unwinding of a discount PensionBee received in 2019 and the increased amount of auditor work related to Admission. Auditor remuneration was nil for the year ended 31 December 2017. PensionBee incurred a loss on disposal of right of use asset of £7,000 for the year ended 31 December 2020 and a profit of £18,000 for the year ended 31 December 2019.

As a multiple of PensionBee's revenues, however, the Technology Platform Costs and Other Operating Expenses have steadily decreased over the course of the Historical Financial Period, as evidenced in the table below:

Costs / Revenue		**(Multiple of revenue)**	
	Year ended 31 December 2020	**Year ended 31 December 2019**	**Year ended 31 December 2018**
Technology Platform Costs and Other Operating Expenses / Revenue	1.20x	1.30x	1.60x

Over the course of the Historical Financial Period, employee benefits expense (excluding share-based payments) has accounted for well over 50 per cent. of Technology Platform Costs and Other Operating Expenses:

For the year ended	**Employee benefits expense (excluding share-based payments)**	**%**	**Technology Platform Costs and Other Operating Expenses less Employee benefits expense (excluding share-based payments)**	**%**	**Technology Platform Costs and Other Operating Expenses**
31 December 2018	1,417	62%	863	38%	2,280
31 December 2019	2,603	57%	2,004	43%	4,607
31 December 2020	4,475	59%	3,051	41%	7,526

Money manager fees

Money manager fees reflect the direct costs of sales charged to PensionBee by the Money Managers for the provision of investment management services to Invested Customers in the PensionBee Plans. The money manager fees are accrued based on the average daily AUA within the relevant PensionBee Plan and are set at institutional rates. Money managers fees increased by 160 per cent. over the Historical Financial Period from £362,000 for the year ended 31 December 2018 to £940,000 for the year ended 31 December 2020. This increase was principally due to the increase in PensionBee's AUA over the Historical Financial Period. PensionBee has received scale discounts from all of its Money Managers as its AUA has grown.

As a multiple of PensionBee's revenues, however, the money manager fees have steadily decreased over the course of the Historical Financial Period, as evidenced in the table below:

Costs / Revenue	**(Multiple of revenue)**		
	Year ended 31 December 2020	**Year ended 31 December 2019**	**Year ended 31 December 2018**
Money Manager fees / Revenue	0.15x	0.19x	0.25x

3. Current Trading and Prospects

Since 31 December 2020, PensionBee has continued its growth trajectory in line with the Directors' expectations. PensionBee grew its AUA from £1,358 million to £1,648 million as at 31 March 2021 through a combination of net inflows and market growth. PensionBee also continued to attract new customers. The number of its Registered Customers increased from approximately 403,000 to approximately 476,000, Active Customers increased from approximately 119,000 to approximately 137,000 and Invested Customers from approximately 69,000 to approximately 81,000, in each case over the course of the three months ended 31 March 2021.

Further details around PensionBee's performance as at 31 March 2021 are set out in the table below:

	As at 31 March 2021	**As at 31 March 2020**	**Percentage change**
			(%)
AUA (£ millions)*(1)	1,648	738	123%
Registered Customers (thousands)*(2)	476	271	76%
Active Customers (thousands)*(3)	137	78	77%
Invested Customers (thousands)*(4)	81	45	81%
Customer Retention Rate (% of IC)*(5)	>95%	>95%	

* These figures are unaudited.

(1) "Assets under Administration" ("AUA") measures the total value of pension assets within Invested Customers' pensions.

(2) "Registered Customers" ("RC") means all customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.

(3) "Active Customers" ("AC") means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.

(4) "Invested Customers" ("IC") means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.

(5) "Customer Retention Rate" as at 31 March 2020 and 31 March 2021 is calculated as follows: 100 per cent. minus Period Customer Churn. "Period Customer Churn" is defined as the average of Annualised Monthly Customer Churn for each month in the 12 month period prior to 31 March of the relevant year. "Annualised Monthly Customer Churn" is defined as the number of customers who ceased to be Invested Customers during the relevant month divided by the average of the opening and end total Invested Customers numbers for the relevant month expressed as a percentage and then multiplied by 12.

PensionBee's business plan sets out certain targets and ambitions in respect of revenue growth as well as key financial items for the Group. These are forward-looking statements, based on assumptions that the Directors believe are reasonable, but which may turn out to be incorrect or different than expected, and PensionBee's ability to achieve them will depend on a number of factors, many of which are outside PensionBee's control, including significant business and economic uncertainties and risks. As a result, PensionBee's actual results may vary from the targets and ambitions set out below and those variations may be material.

Over the short to medium term, PensionBee is targeting high double-digit revenue growth with mid-double digit growth over the longer term. The Directors expect PensionBee's gross revenue margin and money

manager fees to remain consistent with historical levels as a proportion of revenue over the medium term. In the medium to long term, the Company is also targeting for Technology Platform Costs and Other Operating Expenses to amount to around 30 per cent. of revenue. The Directors envisage PensionBee spending between £50 million to £60 million on advertising and marketing costs over the next three years with such spend increasing percentage wise by mid-to-high double digits over the period ending 31 December 2023 and then expect more moderate growth from the beginning of 2024. In the medium term, PensionBee is targeting an Adjusted EBITDA margin of between 25 per cent. to 35 per cent. and is targeting more than 50 per cent. in the longer term. The Directors expect PensionBee to achieve a monthly breakeven point on an Adjusted EBITDA basis by the end of 2023.

4. Analysis of Results of Operations

The following table summarises PensionBee's results of operations for the year ended 31 December 2020, 31 December 2019 and 31 December 2018.

	2020	2019	2018
		£ 000	
Revenue	6,268	3,545	1,424
Employee benefits expense (excluding share-based payments)	(4,475)	(2,603)	(1,417)
Share based payment	(2,174)	(923)	(26)
Depreciation expense	(240)	(182)	(22)
Advertising and Marketing	(8,223)	(4,172)	(2,142)
Other expenses	(3,991)	(2,670)	(1,225)
Transaction costs	(637)	-	-
Operating loss	(13,472)	(7,005)	(3,408)
Finance costs	(11)	(21)	-
Loss before tax	(13,483)	(7,026)	(3,408)
Taxation	220	265	288
Loss for the year	**(13,263)**	**(6,761)**	**(3,120)**
Total comprehensive loss for the year	**(13,263)**	**(6,761)**	**(3,120)**

Results of operations for the years ended 31 December 2020, 31 December 2019 and 31 December 2018

Revenue

The Company's revenue for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 was as follows:

	2020	2019	2018
		£ 000	
Recurring revenue	6,155	3,313	1,354
Other revenue	113	232	70
	6,268	**3,545**	**1,424**

PensionBee's revenue for the year ended 31 December 2020 was £6.3 million, an increase of £2.7 million, or 76.8 per cent., compared to £3.5 million in the year ended 31 December 2019. Revenue for the year ended 31 December 2019 was £3.5 million, an increase of £2.1 million, or 148.9 per cent., compared to £1.4 million in the year ended 31 December 2018. These increases were principally as a result of the increase in PensionBee's Invested Customers and AUA over the Historical Financial Period.

Other revenue increased to £232,000 for the year ended 31 December 2019 from £70,000 for the year ended 31 December 2018 principally as a result of one-off experimental projects with third parties.

Contractual and Realised Revenue Margin

The following table sets out PensionBee's Contractual and Realised Revenue Margin as at 31 December 2020, 31 December 2019 and 31 December 2018:

	2020	2019	2018
		(unaudited)	
Contractual Revenue Margin (% of AUA)	0.69%	0.68%	0.67%
Realised Revenue Margin (% of AUA)[1]	0.60%	0.66%	0.65%

[1] "Realised Revenue Margin" means the actual revenue generated by the Company as a proportion of the average AUA as at 31 December for the relevant and prior years. Realised revenue margin will be impacted by market conditions and also by year-end AUA growth.

For the year ended 31 December 2020, PensionBee's Realised Revenue Margin was lower compared to the years ended 31 December 2018 and 2019. This was not driven by an erosion in margin, as is evident in the Contractual Revenue Margin, but rather by the fact that AUA grew strongly towards the end of 2020, driven by marketing investments, customer acquisition and capital markets recovery. Therefore, the Directors believe that the Contractual Revenue Margin more appropriately captures the underlying headline pricing (excluding size discounts) of PensionBee's products.

Employee benefits expense (excluding share-based payments)

The aggregate employee benefits expense (excluding share-based payments) which included directors' remuneration for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 was as follows:

	2020	2019	2018
		£ 000	
Employee benefits expense (excluding share-based payments)			
Wages and salaries	3,957	2,335	1,273
Social security costs	385	225	127
Pension costs, defined contribution scheme	133	43	17
	4,475	**2,603**	**1,417**

PensionBee's employee benefits expense (excluding share-based payments) for the year ended 31 December 2020 was £4.5 million, an increase of £1.9 million, or 71.9 per cent., compared to £2.6 million in the year ended 31 December 2019. Employee benefits expense (excluding share-based payments) for the year ended 31 December 2019 was £2.6 million, an increase of £1.2 million, or 83.7 per cent., compared to £1.4 million in the year ended 31 December 2018. These increases were principally as a result of the increase in PensionBee's headcount reflecting the growth in PensionBee's business over the Historical Financial Period.

For further information on share-based payments, please see the paragraph entitled "*Share-based payments*" below.

Share-based payment

PensionBee's share-based payment for the year ended 31 December 2020 was £2.2 million, an increase of £1.3 million, or 135.5 per cent., compared to £923,000 in the year ended 31 December 2019. This was principally due to the change in the anticipated timing of an exit event under the terms of the Company's share-based incentive scheme which is an exercise condition for a share-based payment. PensionBee's share-based payment for the year ended 31 December 2018 was £26,000.

Depreciation expense

PensionBee's depreciation expense for the year ended 31 December 2020 was £240,000, an increase of £58,000, or 31.9 per cent., compared to £182,000 in the year ended 31 December 2019. This was principally as a result of leasehold amortisation, depreciation on right of use asset and increased investment in hardware to support the development of the technology platform.

PensionBee's depreciation expense for the year ended 31 December 2019 was 182,000, an increase of £160,000, or 727.3 per cent., compared to £22,000 in the year ended 31 December 2018. This was principally as a result of depreciation on right of use asset and an increased investment in hardware to support the technology platform's development.

Advertising and marketing

PensionBee's advertising and marketing costs for the year ended 31 December 2020 was £8.2 million, an increase of £4.1 million, or 97.1 per cent., compared to £4.2 million for the year ended 31 December 2019. The advertising and marketing costs for the year ended 31 December 2019 was £4.2 million, an increase of £2 million, or 94.8 per cent., compared to £2.1 million for the year ended 31 December 2018. These increases were principally as a result of PensionBee's management decision to drive customer growth through increased advertising and marketing campaigns.

Other expenses

The table below sets out the expenses that constitute "other expenses" in PensionBee's income statement for the years ended 31 December 2020, 31 December 2019 and 31 December 2018:

	2020	2019	2018
		£ 000	
Other administrative expenses	2,974	1,982	863
Money managers fee	940	666	362
Auditor's remuneration	70	40	-
Loss/(profit) on disposal of right of use asset	7	(18)	-
Total other expenses	**3,991**	**2,670**	**1,225**

PensionBee's other expenses for the year ended 31 December 2020 were £4.0 million, an increase of £1.3 million, or 49.5 per cent., compared to £2.7 million in the year ended 31 December 2019. Other expenses for the year ended 31 December 2019 were £2.7 million, an increase of £1.5 million, or 125 per cent., compared to £1.2 million for the year ended 31 December 2018. These increases were principally as a result of the increase in PensionBee's other administrative expenses and money managers fee.

Other administrative expenses

PensionBee's other administrative expenses for the year ended 31 December 2020 were £3.0 million, an increase of £992,000, or 50.1 per cent., compared to £2 million for the year ended 31 December 2019. This was principally as a result of increases in external technology costs and overheads associated with PensionBee's growth.

PensionBee's other administrative expenses for the year ended 31 December 2019 were £2.0 million, an increase of £1.1 million, or 129.7 per cent., compared to £863,000 for the year ended 31 December 2018. This was principally as a result of customer growth.

Money managers fee

PensionBee's money manager fees for the year ended 31 December 2020 were £940,000, representing an increase of £274,000, or 41.1 per cent., compared to £666,000 for the year ended 31 December 2019. Money manager fees for the year ended 31 December 2019 was £666,000, an increase of £304,000, or 84.0 per cent., compared to £362,000 for the year ended 31 December 2018. These increases were principally as a result of the increase in PensionBee's AUA during the relevant year.

Transaction costs

PensionBee's transaction costs were £637,000 for the year ended 31 December 2020. These transaction costs were principally as a result of exceptional fees related to the potential listing of PensionBee's shares on the London Stock Exchange. Transaction costs for the year ended 31 December 2019 and the year ended 31 December 2018 were nil.

Operating loss

PensionBee's operating loss for the year ended 31 December 2020 was £13.5 million, an increase of £6.5 million, or 92.3 per cent., compared to £7.0 million in the year ended 31 December 2019. PensionBee's operating loss for the year ended 31 December 2019 an increase of £3.6 million, or 105.5 per cent., compared to £3.4 million in the year ended 31 December 2018. These increases were principally as a result of the increases in employee benefits, share-based payments, advertising and marketing costs and other

administrative expenses in the relevant periods as well as the fact that share-based payments were also recognised for the year ended 31 December 2020 and the year ended 31 December 2019.

Finance costs

PensionBee's finance costs relate to the Company's interest expense on lease liabilities. For the year ended 31 December 2020, PensionBee's finance costs were £11,000, a decrease of £10,000, or 47.6 per cent., compared to £21,000 in the year ended 31 December 2019. This was principally as a result of the reduction in the amount outstanding under PensionBee's lease for its office premises.

PensionBee's finance costs for the year ended 31 December 2018 were nil.

Loss before tax

PensionBee's loss before tax for the year ended 31 December 2020 was £13.5 million, an increase of £6.5 million, or 91.9 per cent., compared to £7.0 million in the year ended 31 December 2019. PensionBee's operating loss for the year ended 31 December 2019 was £7.0 million, an increase of £3.6 million, or 106.2 per cent., compared to £3.4 million in the year ended 31 December 2018. These increases were principally as a result of the increases in employee benefits, share-based payments, advertising and marketing costs and other administrative expenses in the relevant periods as well as the fact that share-based payments expense were also recognised for the year ended 31 December 2020 and the year ended 31 December 2019.

Taxation

PensionBee's income tax credit for the year ended 31 December 2020 was £220,000, a decrease of £45,000, or 17.0 per cent., compared with a credit of £265,000 in the year ended 31 December 2019. PensionBee's income tax credit for the year ended 31 December 2019 was £265,000, a decrease of £23,000, or 8.0 per cent., compared with a credit of £288,000 in the year ended 31 December 2018. These income tax credits related to research and development claims made by PensionBee in respect of each of the three years. In addition, the income tax credit recognised for the year ended 31 December 2018 included a research and development claim for the year ended 31 December 2017 of £171,000 which was repaid in the year ended 31 December 2019. As the Directors expect PensionBee to continue innovating new customer products and features, the Directors expect research and development tax credits to continue over the short to medium term.

Total comprehensive loss for the year

PensionBee's total comprehensive loss for the year ended 31 December 2020 was £13.3 million, an increase of £6.5 million, or 96.2 per cent., compared to £6.8 million in the year ended 31 December 2019. PensionBee's total comprehensive loss for the year for the year ended 31 December 2019 was £6.8 million, an increase of £3.6 million, or 116.7 per cent., compared to £3.1 million in the year ended 31 December 2018. These increases were principally as a result of the increases in employee benefits, share-based payments, advertising and marketing costs and other administrative expenses in the relevant periods as well as the fact that share-based payments were also recognised for the year ended 31 December 2020 and the year ended 31 December 2019.

Liquidity and Capital Resources

Overview

PensionBee's principal liquidity requirements are to fund its operating expenses, working capital requirements and capital expenditure. Over the Historical Financial Period, PensionBee's primary source of liquidity has been the cash flows generated from financing activities which have principally consisted of proceeds from the issue of ordinary share capital as the growth in PensionBee's business has been primarily financed through equity raises from shareholders.

As at 31 December 2020, PensionBee held £6.7 million of cash and cash equivalents, compared with £10.2 million as at 31 December 2019 and £9.7 million as at 31 December 2018.

Save for certain obligations under a lease in respect of its office premises, PensionBee did not have any material indebtedness over the Historical Financial Period. On 22 March 2021, PBL entered into the Revolving Credit Facility for up to £10 million with National Westminster Bank Plc as part of prudent

capital management to provide it with further liquidity resources going forward. For further information on the terms of the revolving credit facility, see paragraph 18.5 of Part XII (*Additional Information*). The Revolving Credit Facility remains undrawn as at the date of this Prospectus.

Cash flows

The table below presents a summary of PensionBee's cash flows for the years ended 31 December 2020, 31 December 2019 and 31 December 2018, which have been extracted without material adjustment from the historical financial information set out in Section B of Part VIII (*Historical Financial Information*).

	2020	2019	2018
		£ 000	
Net cash flow used in operating activities	(10,441)	(5,159)	(3,458)
Net cash flows used in investing activities	(75)	(236)	(68)
Net cash flows from financing activities	7,061	5,890	8,988
Cash and cash equivalents at 1 January	10,191	9,696	4,234
Cash and cash equivalents at 31 December	6,736	10,191	9,696

Net cash flow used in operating activities

PensionBee's net cash used in operating activities for the year ended 31 December 2020 was £10.4 million, an increase of £5.3 million, or 102.4 per cent., compared with £5.2 million for the year ended 31 December 2019. Net cash used in operating activities for the year ended 31 December 2019 was £5.2 million, an increase of £1.7 million, or 49.2 per cent., compared with £3.5 million for the year ended 31 December 2018. These increases were principally as a result of the increase in operating loss for each of the relevant periods which was primarily driven by increases in advertising and marketing costs and Technology Platform Costs and Other Operating Expenses.

Net cash flow used in investing activities

PensionBee's net cash used in investing activities for the year ended 31 December 2020 was £75,000 which principally consisted of computer equipment purchases.

PensionBee's net cash used in investing activities for the year ended 31 December 2019 was £236,000, which principally consisted of leasehold improvements related to new headquarters and computer equipment purchases.

PensionBee's net cash used in investing activities for the year ended 31 December 2018 was £68,000, which principally consisted of fixtures and fittings and computer equipment purchases.

Net cash flow from financing activities

PensionBee's net cash from financing activities for the year ended 31 December 2020 was £7.1 million, which principally consisted of equity proceeds raised from shareholders during the year of £7.2 million, which was partially offset by the principal payment of a portion of a lease liability.

PensionBee's net cash from financing activities for the year ended 31 December 2019 was £5.9 million which principally consisted of equity proceeds raised from shareholders during the year of £6.0 million, which was partially offset by the principal payment of a portion of a lease liability.

PensionBee's net cash from financing activities for the year ended 31 December 2018 was £9.0 million which consisted of equity proceeds raised from shareholders during the year.

Capital resources and adequacy

Regulatory capital

Pursuant to the FCA's Interim Prudential Sourcebook for Investment Business, PBL is a "Category B" Personal Investment Firm, with regulatory permissions to establish, operate or wind up personal pension schemes. As a result, PensionBee has to comply with certain minimum regulatory capital requirements. PensionBee is therefore required to maintain capital resources which must at all times be in excess of its capital requirement. For further information on PensionBee's liquid capital requirement, see Part II *(Regulatory Overview)*.

The following table sets out details of PensionBee regulatory capital requirements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

	2020	2019	2018
		(£ 000)	
Capital resources	6,455	10,333	10,181
Capital resources requirement	659	499	335
Surplus	5,796	9,833	9,846
Coverage	10x	21x	30x

Capitalisation

PensionBee has a simple balance sheet which largely comprises cash and cash equivalents. As at 31 December 2020, the total cash and cash equivalents, of £6.7 million, represented 104.4 per cent. of PensionBee's net assets.

The following table sets forth a breakdown of PBL's statement of financial position, as at 31 December 2020:

	As at 31 December 2020
Assets	
Non-current assets	
Property, plant and equipment	195
Right of use assets	118
	313
Current assets	
Trade and other receivables	1,506
Cash and cash equivalents	6,736
	8,242
Total assets	**8,555**
Equity and liabilities	
Equity	
Share capital	-
Share premium	30,322
Share based payment reserve	4,378
Retained earnings	(28,245)
Total equity	**6,455**
Non-current liabilities	
Lease liability	-
Deferred tax liabilities	-
	-
Current liabilities	
Trade and other payables	1,991
Lease liability	109
	2,100
Total liabilities	2,100
Total equity and liabilities	**8,555**

Since 31 December 2020, PBL has entered into the Revolving Credit Facility for up to £10 million on 22 March 2021. The Revolving Credit Facility remains undrawn as at the date of this Prospectus.

Lease liability

On 1 January 2019 PensionBee, transitioned to IFRS 16. During the year ended 31 December 2019, PensionBee exited from one property lease and entered into a separate lease with regards to its office building following a premises relocation.

On adoption of IFRS 16, the right of use asset was adjusted for rental prepayments of £22,077 that existed at 1 January 2019.

As at 31 December 2020, PensionBee has a single property lease which is due to expire on 24 December 2021. On inception, the lease liability was determined using a discount rate linked to London office rental

yields, adjusted for a small premium for certain company specific factors. As at 31 December 2020, PensionBee had £109,000 remaining outstanding under the lease.

Qualitative and Quantitative Disclosures Relating to Market Risk

The Board of Directors oversees PensionBee's comprehensive risk management process which is designed to identify, monitor and mitigate risks that arise from its business activities principally in relation to liquidity, credit and market risk. The process adopts the standard first, second and third line of defence model in segregating risk management activities and reporting lines. For further information on PensionBee's risk management process, see Part III (*Business – Risk Management Framework*).

For a detailed description of market risk, see Note 21 to the Historical Financial Information contained in Section B of Part VIII (*Historical Financial Information*).

Critical Accounting Policies and Estimates

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

PensionBee's critical accounting policies and estimates relate to the measurement of share-based payment options. The key inputs to these estimates are set out in Note 3 to the historical financial information contained in Section B of Part VIII (*Historical Financial Information*).

PART VIII
HISTORICAL FINANCIAL INFORMATION

SECTION A:
ACCOUNTANT'S REPORT IN RESPECT OF THE HISTORICAL FINANCIAL INFORMATION

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United Kingdom

Stifel Nicolaus Europe Limited
4th Floor
150 Cheapside
EC2V 6ET, London
United Kingdom

12 April 2021

Dear Sirs/Mesdames

PensionBee Group plc

We report on the financial information of PensionBee Limited for the years ended 31 December 2020, 2019 and 2018 set out in Part VIII (*Historical Financial Information*) of the prospectus dated 12 April 2021 of PensionBee Group plc (the "**Company**") (the "**Prospectus**"). This report is required by Annex 1 item 18.3.1 of Commission delegated regulation (EU) No 2019/980 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Delegated Regulation**") and is given for the purpose of complying with that requirement and for no other purpose.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of PensionBee Limited as at 31 December 2020, 2019 and 2018 and of its profits, cash flows and changes in equity for the years ended 31 December 2020, 2019 and 2018 in accordance with International Financial Reporting Standards as adopted by the European Union.

Responsibilities

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

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

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) 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 Annex 1 item 1.3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

Basis of preparation

This financial information has been prepared for inclusion in the Prospectus of PensionBee Group plc dated 12 April 2021 on the basis of the accounting policies set out in note 2 to the financial information.

Basis of opinion

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

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

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

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

Conclusions Relating to Going Concern

In performing this engagement on the financial information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial information is appropriate.

Based on the work we have performed, we have not identified any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from 12 April 2021.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge the information contained in this report is, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Delegated Regulation and for no other purpose.

Yours faithfully

Deloitte LLP

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SECTION B:
HISTORICAL FINANCIAL INFORMATION

Statements of Comprehensive Income for the years ended 31 December 2018, 2019, 2020

	Note	2020	2019	2018
		£ 000	*£ 000*	*£ 000*
Revenue	4	6,268	3,545	1,424
Employee benefits expense (excluding share based payment)	6	(4,475)	(2,603)	(1,417)
Share-based payment	6,20	(2,174)	(923)	(26)
Depreciation expense	12,13	(240)	(182)	(22)
Advertising and Marketing		(8,223)	(4,172)	(2,142)
Other expenses	5	(3,991)	(2,670)	(1,225)
Transaction costs		(637)	-	-
Operating loss		(13,472)	(7,005)	(3,408)
Finance costs	7	(11)	(21)	-
Loss before tax		(13,483)	(7,026)	(3,408)
Taxation	10	220	265	288
Loss for the year		**(13,263)**	**(6,761)**	**(3,120)**
Total comprehensive loss for the year		**(13,263)**	**(6,761)**	**(3,120)**

	Note	2020	2019	2018
Earnings per share (pound per share)				
Basic and diluted	11	(61.39)	(33.38)	(17.12)
Weighted average no. of shares - basic and diluted	11	216,058	202,572	182,277

Statements of Financial Position as at 31 December 2018, 2019, 2020

	Note	2020	2019	2018
		£ 000	*£ 000*	*£ 000*
Assets				
Non-current assets				
Property, plant and equipment	12	195	249	65
Right of use assets	13	118	236	-
		313	**485**	**65**
Current assets				
Trade and other receivables	14	1,506	1,092	678
Cash and cash equivalents	15	6,736	10,191	9,696
		8,242	11,283	10,374
Total assets		**8,555**	**11,768**	**10,439**
Equity and liabilities				
Equity				
Share capital	16	-	-	-
Share premium	17	30,322	23,111	17,122
Share based payment reserve	17	4,378	2,204	1,281
Retained earnings	17	(28,245)	(14,982)	(8,221)
Total equity		**6,455**	**10,333**	**10,182**
Non-current liabilities				
Lease liability	18	-	139	-
Deferred tax liabilities	10	-	26	-
		-	165	-
Current liabilities				
Trade and other payables	19	1,991	1,161	257
Lease liability	18	109	109	-
		2,100	1,270	257
Total liabilities		2,100	1,435	257
Total equity and liabilities		**8,555**	**11,768**	**10,439**

Statements of Changes in Equity for the years ended 31 December 2018, 2019, 2020

	Note	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
		£ 000	*£ 000*	*£ 000*	*£ 000*	*£000*
At 1 January 2018		-	8,134	1,255	(5,101)	4,288
Loss for the year		-	-	-	(3,120)	(3,120)
Total comprehensive loss		-	-	-	(3,120)	(3,120)
Issued share capital		-	8,988	-	-	8,988
Share based payment transactions	20	-	-	26	-	26
At 31 December 2018		**-**	**17,122**	**1,281**	**(8,221)**	**10,182**

	Note	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
		£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*
At 1 January 2019		-	17,122	1,281	(8,221)	10,182
Loss for the year		-	-	-	(6,761)	(6,761)
Total comprehensive loss		-	-	-	(6,761)	(6,761)
Issued share capital		-	5,989	-	-	5,989
Share based payment transactions	20	-	-	923	-	923
At 31 December 2019		**-**	**23,111**	**2,204**	**(14,982)**	**10,333**

	Note	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
		£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*
At 1 January 2020		-	23,111	2,204	(14,982)	10,333
loss for the year		-	-	-	(13,263)	(13,263)
Total comprehensive loss		-	-	-	(13,263)	(13,263)
Issued share capital		-	7,211	-	-	7,211
Share based payment transactions	20	-	-	2,174	-	2,174
At 31 December 2020		**-**	**30,322**	**4,378**	**(28,245)**	**6,455**

Statements of Cash Flows for the years ended 31 December 2018, 2019, 2020

	Note	2020	2019	2018
		£ 000	*£ 000*	*£ 000*
Cash flows used in operating activities				
Loss for the year		(13,263)	(6,761)	(3,120)
Adjustments to cash flows from non-cash items				
Depreciation	12,13	240	182	22
Profit on disposal of right of use asset		7	(18)	-
Finance costs	7	11	21	-
Share based payment transactions		2,174	923	26
Taxation		(220)	(265)	(288)
Operating cash flows before movements in working capital		(11,051)	(5,918)	(3,360)
Working capital adjustments				
Increase in trade and other receivables		(627)	(316)	(208)
Increase in trade and other payables		831	904	110
Cash generated from operations		(10,847)	(5,330)	(3,458)
Income taxes received		406	171	-
Net cash flow used in operating activities		(10,441)	(5,159)	(3,458)
Cash flows used in investing activities				
Purchase of property, plant and equipment	12	(75)	(236)	(68)
Net cash flows used in investing activities		(75)	(236)	(68)
Cash flows from financing activities				
Proceeds from issue of ordinary shares		7,211	5,989	8,988
Repayment of lease liabilities	18	(150)	(99)	-
Net cash flows from financing activities		7,061	5,890	8,988
Net (decrease)/increase in cash and cash equivalents		(3,455)	495	5,462
Cash and cash equivalents at 1 January		10,191	9,696	4,234
Cash and cash equivalents at 31 December	15	**6,736**	**10,191**	**9,696**

Income taxes received relates solely to Research and Development tax credits.

Notes to the Historical Financial Information for the years ended 31 December 2018, 2019, 2020

1. **General information**

PensionBee Limited "**PBL**" is a private company limited by shares, incorporated and domiciled in England and Wales.

PBL registered number is 09354862.

The address of its registered office is:

City Place House
55 Basinghall Street
London
EC2V 5DX

Principal activity

The principal activity of PBL is that of a direct-to-consumer online pension provider. PBL seeks to make their UK customers 'Pension Confident' by giving them complete control and clarity over their retirement savings. PBL helps its customers to combine their pensions into one new online plan where they can contribute, forecast outcomes, invest effectively, and withdraw their pensions (from the age of 55), all from the palm of their hand.

2. **Accounting policies**

Basis of preparation

This financial information (the "**Historical Financial Information**") presents the financial track record of PBL as of and for each of the years ended 31 December 2020, 2019 and 2018.

This Historical Financial Information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), IFRIC interpretations, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS and the requirements of Annex 1 item 18.3.1 to the Prospectus Delegated Regulation (the "**Historical Financial Information**"). All accounting policies have been applied consistently, unless otherwise stated.

The Historical Financial Information has been prepared in accordance with historical cost accounting rules. The Historical Financial Information is presented in GBP and all values are rounded to the nearest pound (£), except when otherwise indicated.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of this historical financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

PBL's historical financial information has been prepared on a going concern basis on the grounds that current sources of funding will be more than adequate for PBL's ongoing cash requirements. The directors have reviewed PBL's trading budget and cash flow forecasts and considered PBL's principal risks, and following this review, have a reasonable expectation that PBL will be able to meet its minimum capital requirements and all its obligations as they fall due for a minimum of 12 months from the date of approval of this historical financial information.

On 22 March 2021, PBL entered into a revolving credit facility of up to £10 million with National Westminster Bank Plc, which has a term of 3 years. Under the terms of the facility, an aggregate amount of £10 million is available. This amount reduces over time, with availability in excess of £8 million across the going concern period. The facility includes financial covenants in relation to minimum consolidated revenues, a minimum cash balance of £3 million, and a number of

operational covenants. The directors have considered covenant compliance in their assessment of the going concern assumption.

PBL has carefully evaluated the potential impact of the UK's withdrawal from the EU ("Brexit") on its ability to continue as a going concern. Uncertainty and unpredictability arising as a result of Brexit could adversely affect the UK's equity markets and result in a decline in the value of Assets Under Administration ("AUA"). As PBL's AUA are diversified across global markets, Brexit is not expected to have a significant impact on PBL's revenues. PBL's operating costs are incurred in Pounds Sterling and Brexit could result in adverse currency fluctuations and devaluation of Pounds Sterling. As PBL's AUA is mainly denominated in foreign currencies, any devaluation of Pounds Sterling is not expected to have a material adverse impact on PBL's revenues.

The COVID-19 pandemic has been considered in the directors' assessment of going concern. The impact of COVID-19 on PBL's revenue has mainly been translated through the volatility of the equity markets and the value of AUA. Given that growth in customer numbers has continued throughout the COVID-19 pandemic and that customer retention has remained high, coupled with the recurring nature of PBL's revenue, the pandemic is not considered to have a material effect on PBL's ability to generate revenue.

In considering the above, based on the continuing demand for PBL's customer proposition, PBL's ability to exercise further discipline around expenditure and PBL's current cash reserves alongside available liquidity from the revolving credit facility, the directors reasonably expect that PBL will generate sufficient cash to meet its ongoing requirements for at least the next 12 months, and accordingly, the going concern basis of preparation has been adopted.

New standards, interpretations and amendments not yet effective

Standard	**Effective date, annual period beginning on or after**
Amendments to IFRS 9, IAS 39, IFRS7, IFRS 4 and IFRS 16 Interest Rate Benchmark reform – Phase 2	1 January 2021
Amendments to IFRS 4 Insurance contracts – deferral of IFRS 9	1 January 2021
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements	1 January 2023
Amendments to IFRS 3 Business Combinations	1 January 2023
Amendments to IAS 16 Property, Plant and Equipment	1 January 2023
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023
Annual improvements 2018 - 2020	1 January 2023

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2021 and which have not been adopted early, are expected to have a material effect on the Historical Financial Information in future periods.

Revenue recognition

Revenue represents amounts receivable for services net of VAT. Revenue is derived from administration of PBL customers' retirement savings and the provision of one-off ancillary services to customers. PBL operates a service to combine and transfer customers' old pensions into new online plans, which are subsequently managed by third-party money managers. PBL has applied the 5-step model outlined in IFRS 15 *Revenue from contracts with customers* as is set out below:

Identification of the contract with a customer – during account opening, the customer is made aware of the promises PBL is making. Rights and obligations of each party are outlined. The point at which the customer agrees to the terms and conditions is the point at which both PBL and the customer have approved the contract.

Identification of the performance obligations in the contract – PBL makes one promise to its customers, the administration of the customers' retirement savings through its third-party money managers. PBL performs administrative tasks during the process of on-boarding its customers to its technology platform which are necessary for the fulfilment of administration of the customers' retirement savings. PBL does not consider these administrative tasks to be a separate performance obligation. As a result, it is considered that PBL has a single performance obligation which is the administration of the customers' retirement savings.

Determination of the transaction price – PBL charges an annual management fee that is charged daily against the units held by each customer. The annual management fee is based on a fixed percentage (%) which varies for each of the PBL Plans, the fees start from 0.50%-0.95%. There is a further fixed discount of 50% provided to customers who have over £100,000 in their pension pots. The discount is applied to the incremental amount over and above £100,000.

Allocation of the transaction price - as there is only one performance obligation, the whole transaction price is allocated to this performance obligation.

Recognition of revenue when a performance obligation is satisfied – the administration of customers' retirement savings is continuous until the customer draws down their pension pot or transfers it to another UK registered provider. Revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by PBL as PBL performs them. Revenue is calculated daily as a percentage (basis points) of the value of Assets under Administration (AUA) as agreed by the customer.

Recurring revenue

PBL's revenue is recurring in nature as PBL's annual charges are calculated daily as a percentage (basis points) of the value of Assets under Administration (AUA) and will continue to be earned on an ongoing basis whilst PBL administers those assets. Recurring revenue is derived from management fees and is recognised based on daily accruals of customers' pension balances as the performance obligation, being the provision of pension scheme administration services to customers, is met. These management fees are charged daily and collected by PBL on a monthly basis.

Other revenue

Other revenue relates to one-off ancillary and ad-hoc services including pension splitting on divorce, early withdrawals owing to ill-health, and full drawdown within one year of becoming an invested customer. For this revenue stream, the performance obligation is the execution of the requested task. There are fee structures in place which are used to determine the transaction price. Revenue is recognised at a point in time when the requested task is executed (when the service is provided to the customer).

Foreign currency transactions and balances

Transactions in foreign currencies are translated to PBL's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. There are no material foreign exchange transactions in the historical financial information.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly

in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where PBL operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

PBL offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Property, plant and equipment

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

PBL assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Asset class	**Depreciation method and rate**
Computer equipment	3 years straight line
Fixtures & fittings	4 years straight line

Asset class	Depreciation method and rate
Leasehold improvements	over life of the lease
Right of use asset	over life of the lease

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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

Impairment of non-financial assets

PBL assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated based on future cashflows with a suitable range of discount rates and the expectations of futures performance.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid deposits with a maturity of less than 3 months.

Trade receivables

Trade and other receivables are recognised initially at the transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables.

Trade payables

Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Leases

IFRS 16

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e., lessors continue to classify leases as finance or operating leases.

PBL has applied IFRS 16 on 1 January 2019, using the modified retrospective approach. The right of use asset has been recognised at 1 January 2019 at an amount equal to the present value of the lease liability adjusted for any prepaid or accrued lease prepayments at 31 December 2018, which results in no impact in retained earnings and no restatement of comparative information.

PBL has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Initial recognition and measurement

PBL initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, PBL 's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, PBL measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;

(b) Reducing the carrying amount to reflect the lease payments made; and

(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises. Repayment of lease liabilities within financing activities in the cashflow statement include both the principal and interest.

The related right-of-use asset is accounted for using the cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment of non-financial assets.

Short term and low value leases

PBL has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

PBL has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight-line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

IAS 17 (applied in year ended 31 December 2018)

Rental payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis and over the term of the lease.

Defined contribution pension obligation

PBL operates a defined contribution plan for its employees, under which PBL pays fixed contributions into the PensionBee Personal Pension. Once the contributions have been paid PBL has no further payment obligations.

The contributions are recognised as an expense in the profit and loss when they fall due. Amounts not paid are shown in creditors as a liability in the balance sheet. The assets of the plan are held separately from PBL.

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by using the market price of the shares at a point in time adjacent to the issue of the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of PBL (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss account.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when PBL can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. No development expenditure has been capitalised during the years 2018, 2019 and 2020, on the basis that the specified criteria for capitalisation has not been met, as costs spent on the development phase of projects cannot be reliably estimated. All research and development costs are therefore expensed as incurred.

Financial instruments

Impairment of financial assets

Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that PBL expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, PBL applies a simplified approach in calculating the ECLs. Therefore, PBL does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of PBL's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are the key sources of estimation uncertainty that the directors have made in the process of applying PBL 's accounting policies and that have the most significant effect on the amounts recognised in the historical financial information.

Share based payments

PBL recognises an expense based on the likelihood of options vesting under the EMI and non-EMI Share Options Scheme. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, estimates are revised to determine the charge for the year. The impact of the revision to original estimates, if any, are recognised in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

The options vest in tranches over a service period of four years, or if later, upon the occurrence of an exit event such as, a takeover, IPO, reconstruction, liquidation and sale of the business. The exercise period is up to ten years from the grant date. In the event that there has been no exit event before the tenth anniversary of the date of grant, the directors may determine that an option holder may exercise their option in the 30-day period before such anniversary.

At each reporting date, an estimate is made of:

- the number of employees that will remain in service until their options vest;
- the probability of an exit event occurring and when it would occur; and
- the number of options that will be approved for exercise by the directors in the event that management estimate the probability of an exit event was below 50% (not probable) before the tenth anniversary of the date of grant.

If the probability of an exit event occurring and approval of exercise by the directors in the absence of an exit event was below 50% (not probable), no charge would be recorded in the current year and the full cumulative amount to date would be reversed. In the years ended 31 December 2020 and 2019, the likelihood of an exit event occurring before the tenth anniversary of the date of the grants was deemed to be probable and share-based payment charges of £2,174,000 and £923,000 were recognised in the Statement of Comprehensive Income in the years ended 31 December 2020 and 2019 respectively.

4. Segment information

Operating segments and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("**CODM**"). PBL considers that the role of CODM is performed by the Board of Directors. The CODM regularly reviews PBL 's operating results in order to assess performance and to allocate resources. All earnings, balance sheet and cash flow information received and reviewed by the Board of Directors is prepared at a company level. The CODM considers that it has a single business unit comprising the provision of direct to consumer online pension consolidation and, therefore, recognises one operating and reporting

segment with all revenue, losses before tax and net assets are attributable to this single reportable business segment.

Further, PBL operates in a single geographical location only, being the United Kingdom.

The analysis of PBL 's revenue for the year from continuing operations is as follows:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Recurring revenue	6,155	3,313	1,354
Other revenue	113	232	70
	6,268	**3,545**	**1,424**

There are no individual revenues from customers which exceed 10% of PBL 's total revenue for the year.

5. Other expenses

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Other administrative expenses	2,974	1,982	863
Money managers fee	940	666	362
Auditor's remuneration	70	40	-
Loss / (profit) on disposal	7	(18)	-
Total other expenses	**3,991**	**2,670**	**1,225**

6. Employee benefits expense

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Employee benefits expense			
Wages and salaries	3,957	2,335	1,273
Social security costs	385	225	127
Pension costs, defined contribution scheme	133	43	17
	4,475	2,603	1,417
Share Based Payment	2,174	923	26
	6,649	**3,526**	**1,443**

The average number of persons employed by PBL (including directors), analysed by category was as follows:

	2020	2019	2018
	No.	*No.*	*No.*
Customer Service	54	30	13
Operations	18	11	3
Technology	14	10	6
Marketing	13	8	5
Management	7	6	5
Administration and other	4	2	2
	110	**67**	**34**

7. Finance costs

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Interest expense on lease liabilities	11	21	-

8. Directors' remuneration

The directors' remuneration are as follows:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Remuneration	288	259	233
PBL contributions to defined contribution pension schemes	5	2	1
	293	**261**	**234**

The number of directors who were receiving benefits and share incentives was as follows:

	2020	2019	2018
	No.	*No.*	*No.*
Exercised share options	-	1	1
Member of defined contribution pension schemes	**3**	**3**	**2**

In respect of the highest paid director:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Remuneration	98	98	92
PBL contributions to defined contribution pension schemes	2	1	1
	100	**99**	**93**

The highest paid director has not exercised any share options.

9. Auditor's remuneration

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Audit of the financial statements	70	40	-
Tax advisory services	38	-	-
Fees payable for audit related services	315	-	-
	423	**40**	**-**

The 2020 audit related services relate to reporting accountant fees payable to Deloitte of £275,000 and fees related to the 2018 audit (which was conducted in 2020) of £40,000. All fees payable for audit related services are recorded in transaction costs.

10. Tax

Tax credited in the Statement of Comprehensive Income

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Current taxation			
UK corporation tax	(194)	(231)	(288)
UK corporation tax adjustment to prior periods	-	(60)	-
	(194)	(291)	(288)
Deferred taxation			
Arising from origination and reversal of temporary differences	(29)	17	-
Arising from changes in tax rates and laws	3	(3)	-
Adjustment in respect of previous periods	-	12	-
Total deferred taxation	(26)	26	-
Tax credit in the Statement of Comprehensive Income	**(220)**	**(265)**	**(288)**

The tax on loss before tax is different to the standard rate of corporation tax in the UK of 19 per cent.

The differences are reconciled below:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Loss before tax	(13,483)	(7,026)	(3,408)
Corporation tax at standard rate	(2,562)	(1,335)	(647)
Adjustments in respect of prior periods	-	(48)	-
Tax rate changes	3	(3)	-
Increase from effect of expenses not deductible in determining taxable profit	636	308	-
Tax losses on which no deferred tax asset is recognised	1,897	1,044	647
Decrease from effect of adjustment in research and development tax credit	(194)	(231)	(288)
Total tax credit	**(220)**	**(265)**	**(288)**

Deferred tax (liabilities)/assets

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Fixed assets	(24)	(30)	-
Temporary difference trading	6	4	-
Total deferred tax liability	**(18)**	**(26)**	**-**

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Losses available for offsetting against future taxable income	18	-	-
Total deferred tax asset	**18**	**-**	**-**

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Net deferred tax	**-**	**(26)**	**-**

PBL has £21,419,000 of carried forward tax losses at 31 December 2020 (2019: £11,352,000, 2018: £5,878,000) against which no deferred tax has been recognised. A deferred tax asset has not been recognised on the basis that there is insufficient certainty over the recovery of these tax losses in the near future.

11. Earnings per share

Basic earnings per share is calculated by dividing the loss attributable to ordinary equity holders of PBL by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share are calculated by dividing the loss attributable to ordinary equity holders of PBL adjusted for the effect that would result from the weighted average number of ordinary shares plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares under option. At each balance sheet date reported below, the following potential ordinary shares under option are considered to be anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

	2020	2019	2018
Number of potential ordinary shares	15,293	11,059	12,308

	2020	2019	2018
Loss attributable to equity holders of PensionBee Limited (£)	(13,263,000)	(6,761,000)	(3,120,000)
Weighted average number of shares outstanding during the year	216,058	202,572	182,277
Basic and diluted loss per share (pound per share)	(61.39)	(33.38)	(17.12)

12. Property, plant and equipment

	Fixtures and fittings	Leasehold Improvements	Computer equipment	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*
Cost				
At 1 January 2018	7	-	19	26
Additions	42	-	26	68
At 31 December 2018	49	-	45	94
Additions	20	128	88	236
At 31 December 2019	69	128	133	330
Additions	-	8	67	75
Transfers	2	(2)	-	-
Disposals	-	(8)	(2)	(10)
At 31 December 2020	71	126	198	395
Depreciation				
At 1 January 2018	1	-	7	8
Charge for year	10	-	11	21
At 31 December 2018	11	-	18	29
Charge for year	17	10	25	52
At 31 December 2019	28	10	43	81
Charge for the year	15	63	44	122
Elimination on disposal	-	(2)	(1)	(3)
At 31 December 2020	43	71	86	200
Carrying amount				
At 31 December 2020	28	55	112	195
At 31 December 2019	41	118	90	249
At 31 December 2018	38	-	27	65

13. Right of use assets

	Property	Total
	£ 000	*£ 000*
Cost		
At 1 January 2018	-	-
Additions	-	-
Disposals	-	-
At 31 December 2018	-	-
At 1 January 2019, on adoption of IFRS 16	312	312
Additions	295	295
Disposals	(312)	(312)
At 31 December 2019	295	295
Additions	-	-
Disposals	-	-
At 31 December 2020	295	295
Depreciation		
Charge for year	-	-
Eliminated on disposal	-	-
At 31 December 2018	-	-
Charge for year	130	130
Eliminated on disposal	(71)	(71)
At 31 December 2019	59	59
Charge for the year	118	118
Eliminated on disposal	-	-
At 31 December 2020	177	177
Carrying amount		
At 31 December 2020	118	118
At 31 December 2019	236	236
At 31 December 2018	-	-

14. Trade and other receivables

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Trade receivables	708	388	143
Prepayments	371	200	166
Other receivables	427	504	369
	1,506	**1,092**	**678**

Trade and other receivables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short-term maturities of these balances.

15. Cash and cash equivalents

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Cash at bank	6,736	10,191	9,696

16. Share capital

PBL does not have a limited amount of authorised capital.

Allotted, called up and fully paid shares

	2020		2019		2018	
	No.	*£*	*No.*	*£*	*No.*	*£*
Ordinary shares of £0.001 each	220,948	220.95	214,276	214.28	198,202	198.20

At 1 January 2018	180,045
Issued share capital	18,157
At 31 December 2018	**198,202**
Issued share capital	16,074
At 31 December 2019	**214,276**
Issued share capital	6,672
At 31 December 2020	**220,948**

17. **Reserves**

Share premium

The share premium account represents the excess of the issue price over the par value on shares issued, less transaction costs arising on the issue.

Share based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Retained earnings

The balance in the retained earnings account represents the total reserves of PBL.

18. **Leases**

As at 31 December 2018, PBL had future minimum lease payments under non-cancellable operating leases as follows:

	2018
	£ 000
Within 1 year	88
Between 1 and 5 years	235
	323

On 1 January 2019 PBL transitioned to IFRS 16. During 2019 PBL exited from one property lease and entered into a separate lease with regards to its office building following a premises relocation.

On adoption of IFRS 16, the right of use asset was adjusted for rental prepayments of £22,077 that existed at 1 January 2019. At 31 December 2020, PBL has a single property lease which expires in December 2023. The lease term has been determined to end in December 2021 as a break option is expected to be exercised. On inception, the lease liability was determined using a discount rate linked to London office rental yields, adjusted for a small premium for certain company specific factors.

The carrying amounts of right-of-use assets recognised and the movements during each year are set out in Note 13.

Reconciliation of lease liabilities on adoption of IFRS 16

	£ 000
Operating lease obligations at 31 December 2018	326

	£ 000
Discounting	(36)
Additional lease liabilities as a result of the initial application of IFRS 16 at 1 January 2019	**290**

Set out below are the carrying amounts of lease liabilities and the movements during each year:

	2020	2019
	£ 000	*£ 000*
As at 1 January, on adoption of IFRS 16	248	290
Additions	-	295
Accretion of interest	11	22
Disposal	-	(260)
Payments	(150)	(99)
As at 31 December	**109**	**248**
Lease liabilities included in the statement of financial position		
Current	109	109
Non-current	-	139
	109	**248**

The above cash flow of £150,000 (2019: £99,000, 2018: £nil) represents the only cash flow in respect of liabilities from financing activities.

The maturity analysis of lease liability is shown in note 21.

The following are the amounts recognised in profit or loss:

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Depreciation expense of right-of-use assets	118	130	-
Interest expense on lease liabilities	11	22	-
Low value leases	6	1	-
Total amount recognised in profit or loss	135	153	-

IFRS 16 was introduced in the year ended 31 December 2019, therefore no charge was included in year ended 31 December 2018.

19. Trade and other payables

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Trade payables	749	72	167
Accrued expenses	1,200	906	25
Social security and other taxes	-	162	62
Other payables	42	21	3
	1,991	**1,161**	**257**

Trade and other payables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short-term maturities of these balances.

20. Share-based payments

PensionBee 2015 EMI Share Option Scheme

Under the PensionBee 2015 EMI Share Option Scheme share options were granted to the senior management of PBL. The exercise price of the share options was £0.001 on the date of grant.

The share options vested as follows:

(a) 33% of the shares on the first anniversary of the vesting commencement date; and

(b) the remaining 67% of the shares monthly in equal instalments over the following two years, so the options were fully vested on the third anniversary of the vesting commencement date.

At 31 December 2020 all options have been fully exercised and there is no intention to issue any further options under this scheme.

The fair value of equity-settled share options granted is estimated as at the date of grant, considering the terms and conditions upon which the options were granted.

The fair value of the share options granted is estimated at the date of grant by reference to the market value of the share. This market value is determined by that set by periodic funding valuations.

The exercise period is up to ten years from the grant date. There are no cash settlement alternatives.

The movements in the number of share options during the year were as follows:

	2020	**2019**	**2018**
	No.	*No.*	*No.*
Outstanding, start of period	-	3,417	4,846
Exercised during the period	-	(3,417)	(1,429)
Outstanding, end of period	**-**	**-**	**3,417**
Exercisable, end of period	-	-	3,417

The weighted average share option exercise price at date of exercise was £0.001 in 2019 (2018 - £0.001). No shares were exercised in 2020.

PensionBee EMI and Non-EMI Share Option Scheme

Under the PensionBee EMI and Non-EMI Share Option Scheme share options are granted to eligible employees who have passed their probation period at PBL. The exercise price of all share options is £0.001 per share.

The share options normally vest on the later of the following:

(a) 25 per cent. of the shares vest on the first anniversary of the vesting commencement date with the remaining 75 per cent. of the shares vesting quarterly in equal instalments over the following three years; and

(b) the occurrence of an exit event, such as a takeover, IPO, reconstruction, liquidation and sale of the business.

The fair value of equity-settled share options granted is estimated as at the date of grant, considering the terms and conditions upon which the options were granted.

The fair value of the share options granted is estimated at the date of grant by reference to the market value of a share. This market value is determined by reference to the price paid by external investors as part of periodic funding rounds.

The weighted average fair value of share options during the year of grant was £1,081.36 in 2020 (2019 - £620.19, 2018 - £430.46)

Share options can be exercised upon the occurrence of an exit event, a takeover, reconstruction, liquidation and sale of the business, to the extent they have vested. In the event that there has been no exit event before the tenth anniversary of the date of grant, the directors may determine that an option holder may exercise their option in the 30-day period before such anniversary. The exercise period is up to ten years from the grant date.

Prior to 2019, PBL management assessed the likelihood of the options vesting under these schemes as being less than 50 per cent. and, on this basis, no share-based payment expense was recognised in 2018 in relation to these schemes. In the year ended 31 December 2019, given the continuous

strong performance of PBL, management deemed the likelihood of a liquidity event to be probable and as a result of this change in assumption, the 2019 share based payment charge included an amount for the share-based payment charges relating to accounting periods prior to 2019 since the date of grant of the share options.

The movements in the number of share options during the year were as follows:

	2020	2019	2018
	No.	*No.*	*No.*
Outstanding, start of period	11,059	8,891	8,267
Granted during the period	4,394	2,708	1,573
Exercised during the period[1]	-	(200)	-
Expired during the period	(160)	(340)	(949)
Outstanding, end of period	**15,293**	**11,059**	**8,891**

[1] The 200 options exercised in 2019 relate to a single grant made in July 2018, which vested in November 2019 and were exercised in December 2019, for which the only vesting condition was that the holder holds the options across the vesting period.

No share options were exercisable at the end of each period.

The expected weighted average remaining life of the share options was 7.36 years (2019 - 7.42 years, 2018 - 7.60 years).

The total charge for the year for share-based payments was £2,174,000 (2019 - £923,000, 2018 - £26,000)

21. Financial risk management and impairment of financial assets

PBL is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. PBL considers interest rate risk to be insignificant due to low debt and no interest-bearing assets.

Price risk

As the main source of revenue is based on the value of assets under administration (Assets under administration (AUA) as a measure of the total assets for which a financial institution provides administrative services), PBL has an indirect exposure to price risk on investments held on behalf of clients. These assets are not on the PBL's statement of financial position. The risk of lower revenues is partially mitigated by asset class diversification. PBL does not hedge its revenue exposure to movements in the value of client assets arising from these risks, and so the interests of PBL are aligned to those of its clients.

A 1% change in equity markets would have an approximate 0.7 per cent. impact on revenue.

The 1% change in equity markets is a reasonable approximation of possible change.

Credit risk

Credit risk is defined as the risk exposure to financial losses if a counterparty fails to perform their financial contractual obligation. PBL's trade receivables are the contractual cashflow obligations that the payors must meet. The payors are BlackRock, Legal & General, and State Street Corporation which are highly credit rated financial institutions whose assets they hold on behalf of

PBL are a small percentage of their net assets and on this basis credit risk is considered to be low. Utilising the Simplified Approach, PBL has shown there is no expected credit loss due to no historic credit losses, and no material need for a lifetime loss allowance.

At the end of the reporting period no assets were determined to be impaired and there was no balance past due.

In certain cases, PBL may also consider a financial asset to be in default when internal or external information indicates that PBL is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Due to PBL 's financial assets primarily being trade receivables which all have an expected lifetime of less than 12 months, PBL has elected to measure the expected credit losses at 12 months only.

Set out below is the information about the credit risk exposure on PBL 's trade receivables:

		Days past due				
	Current	**< 30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*
31 December 2020						
Gross trade receivables	708	-	-	-	-	708

		Days past due				
	Current	**< 30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*
31 December 2019						
Gross trade receivables	386	1	-	-	1	388

		Days past due				
	Current	**< 30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£ 000	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*
31 December 2018						
Gross trade receivables	142	1	-	-	-	143

Liquidity risk

Liquidity risk is the risk that PBL will encounter difficulty in meeting obligations to settle its liabilities.

This is managed through cash flow forecasting.

Maturity analysis

The maturity profile of PBL 's financial liabilities based on contractual and undiscounted payments is as follows:

	Within 1 year	**Between 1 and 5 years**	**After more than 5 years**	**Total**
	£ 000	*£ 000*	*£ 000*	*£ 000*
2020				
Trade and other payables	1,991	-	-	1,991
Lease liabilities	112	-	-	112
	2,103	**-**	**-**	**2,103**

	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*
2019				
Trade and other payables	1,161	-	-	1,161
Lease liabilities	149	112	-	261
	1,310	**112**	**-**	**1,422**

	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	£ 000	*£ 000*	*£ 000*	*£ 000*
2018				
Trade and other payables	257	-	-	257
Lease liabilities	-	-	-	-
	257	**-**	**-**	**257**

Capital risk management

For the purpose of PBL 's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of PBL 's capital management is to maximise the shareholder value.

PBL manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, PBL may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Externally imposed capital requirements

The capital adequacy of the business is monitored on a quarterly basis as part of general business planning by the finance team. PBL conducts a capital adequacy assessment process, as required by the Financial Conduct Authority ('FCA') to assess and maintain the appropriate levels.

22. Related party transactions

Compensation of key management personnel

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Salaries and other short term employee benefits	643	492	422
Pension contribution	16	9	4
Share-based payments	863	391	26
	1,522	**892**	**452**

Related party - Trustees

The following related party transactions occur between PBL and PensionBee Trustees Limited:

(i) Payment of the PensionBee Trustees Limited bank fees on a quarterly basis. During the year bank fees amounted to £20,000 (2019: £12,000, 2018: £nil). There was no outstanding balance at year end (2019: £nil, 2018: £nil).

(ii) Compensation payments as a gesture of goodwill to customers that prefer to be compensated via a pension contribution or the purchasing additional units. During the year these costs amounted to £45,000 (2019: £20,000, 2018: £320). There was no outstanding balance at year end (2019: £nil, 2018: £nil).

(iii) Other payments to customers (e.g. referral rewards) Payments are made from PBL and invested into the customers fund from the PensionBee Trustees account. These payments can be found in 'Other Expenses' and 'Advertising and Marketing'. During these costs amounted to £141,000 (2019: £104,000, 2018: £41,000). There was no outstanding balance at year end (2019: £nil, 2018: £nil).

Transactions with directors

Other transactions with directors

During the year ended 31 December 2020, PBL was repaid in full an outstanding balance of £200 (2019: £200) from R Savova. R Savova is a director and shareholder in PBL. The loan was interest free and repayable upon demand. This amount is included in other debtors in the year ended 31 December 2019.

23. **Non adjusting events after the financial period**

Ex-gratia payment to PensionBee Trustees Limited

Over the period 18 November 2020 to 5 February 2021 FTSE Russell incorrectly excluded certain eligible constituents from an index (FTSE All Share ex Controversies, ex CW) widely used by State Street Global Advisors across several of its funds. This incorrect exclusion resulted in an adverse effect on the returns of consumers invested in the affected funds. The incorrect exclusion affected PensionBee customers who were invested in the PensionBee Tracker Plan. The error is estimated to have reduced the performance of the affected plan by 0.3% which equates to approximately £664,000 for c.8,500 customers (c.£78 per customer).

Recognising that this was an exceptional event and wishing to ensure that its customers were not adversely affected, PBL paid for, on an ex-gratia basis, the balances of its affected customers to be restored to the position they would have been in had FTSE Russell included all eligible constituents. This payment was not out of obligation but PBL's desire to protect its customers and reputation. PBL is seeking redress from the responsible parties.

Issue of ordinary shares

In January and February 2021, PBL issued shares totalling, 3,762 ordinary shares of £0.001 each, which resulted in an increase in share premium of £4.8 million.

Revolving Credit Facility

On 22 March 2021, PBL entered into a revolving credit facility for up to £10 million with National Westminster Bank Plc as part of prudent capital management to provide it with further liquidity resources going forward. The Revolving Credit Facility remains undrawn as at the date of this Prospectus.

24. **Controlling party**

In the opinion of the directors, there is no controlling party.

25. **Alternative performance measures**

PBL uses a variety of alternative performance measures ('APM's') which are not defined or specified by IFRS, in particular Adjusted EBITDA. The directors use a combination of APMs and IFRS measures when reviewing the performance and position of PBL and believe that each of these measures provides useful information with respect to PBL's business and operations. The directors consider that these APMs illustrate the underlying performance of the business by excluding items considered by management not to be reflective of the underlying trading operations of PBL.

The APMs used by PBL are defined below and reconciled to the related IFRS financial measures:

Adjusted EBITDA

Adjusted EBITDA represents loss for the year before taxation, finance costs, depreciation, share based compensation and transaction costs.

	2020	2019	2018
	£ 000	*£ 000*	*£ 000*
Operating loss	(13,472)	(7,005)	(3,408)
Depreciation expense	240	182	22
Share based payment [1]	2,174	923	26
Transaction costs [2]	637	-	-
Adjusted EBITDA	**(10,421)**	**(5,900)**	**(3,360)**

[1] Relates to total annual charge in relation to share based payment expense as detailed in note 20 to the Historical Financial Information.

[2] Relates to expenses incurred in relation to preparation for admission to the London Stock Exchange.

PART IX
DETAILS OF THE OFFERS

1. OVERVIEW OF THE OFFERS

All Ordinary Shares sold pursuant to the Offers will be sold (and payable) at the Offer Price, which is expected to be announced on or about 21 April 2021.

The Offers are being made by way of:

(A) an Institutional Offer of New Shares and Existing Shares outside the U.S. in offshore transactions in reliance on Regulation S, and (ii) in the U.S. only to persons reasonably believed to be QIBs as defined in Rule 144A pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and

(B) a direct Customer Offer of New Shares to retail investors resident in the U.K., facilitated by PrimaryBid, which is open to Eligible Customers.

The Offers Size Range is between 31,428,571 Ordinary Shares and 37,190,896 Ordinary Shares. The actual number of Ordinary Shares to be made available in the Offers will only be determined at the time the Offer Price is determined.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being issued or sold under the Offers in jurisdictions outside of the U.K. are described in paragraph 12 (*Selling Restrictions*) below.

On Admission, the Ordinary Shares will be registered with ISIN number GB00BNDRLN84 and SEDOL number BNDRLN8 and trade under the symbol PBEE.

Immediately following Admission, and dependant on the Offer Price, it is expected that between 55.68 per cent. and 56.49 per cent. of the Ordinary Shares will be held in public hands (within the meaning of paragraph A1.2.4 of the High Growth Segment Rulebook). Immediately following Admission, and dependant on the Offer Price and the number of Existing Shares sold pursuant to the Institutional Offer, between 14.33 per cent. and 16.73 per cent. of the Company's issued share capital will not be subject to the lock-up arrangements described in paragraph 10.2 (*Directors, Existing Shareholders and Optionholders lock-up arrangements*).

The Company intends to apply for admission to the Official List at a future date. At the date of this Prospectus, the Company considers that the only requirement under the Listing Rules that it may be unable to meet, in order to satisfy the eligibility requirements for admission to the premium listing segment of the Official List of the FCA, is the requirement under Listing Rule 6.14R that a sufficient number of its Ordinary Shares are distributed to the public. Whilst the Company anticipates that it will be able to meet the requirements of Listing Rule 6.14R in the future, pursuant to a subsequent capital raising or otherwise, the Company cannot assure prospective investors that any application for admission to the Official List will be successful.

Completion of the Offers will be subject, among other things, to the determination of the Offer Price and the Offers Size and the decision by the Company (in consultation with the Sole Global Co-ordinator) to proceed with the Offers. It will also be subject to the satisfaction of the conditions contained in the Underwriting Agreement, including Admission becoming effective and the Underwriting Agreement not having been terminated prior to Admission. See paragraph 18.3 of Part XII (*Additional Information*) for further details regarding the underwriting arrangements.

The rights attaching to the Ordinary Shares issued or sold pursuant to the Offers will be uniform in all respects, including the right to vote and the right to receive any dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Ordinary Shares will, immediately on and from Admission, be freely transferable in the U.K.

The contract to acquire Ordinary Shares, the appointments and authorities and the representations, warranties and undertakings set out herein will be exclusively governed by, and construed in accordance with, English law. For the exclusive benefit of the Company, the Sole Global Co-ordinator and the Registrar, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of

any matter, claim or dispute arising out of or in connection with the Offers, whether contractual or non-contractual, albeit that nothing shall limit the right of the Company, PrimaryBid or the Sole Global Co-ordinator to bring any action, suit or proceedings arising out of or in connection with the Offers in any manner permitted by law or in an court of competent jurisdiction. This does not prevent an action being taken against an investor in any other jurisdiction.

2. REASONS FOR THE OFFERS AND USE OF PROCEEDS

Reasons for the Offers and use of proceeds

The Directors believe that this is an appropriate time to bring PensionBee to the public market. The Directors believe that the Offers will:

- provide investors and customers a timely opportunity to participate in the expected future growth of PensionBee;
- accelerate the expected growth of PensionBee's business and further enhance its profile; and
- enable PensionBee to capitalise on the significant opportunity for growth presented by the vast addressable market within which it operates.

Furthermore, the Directors believe that the fact that none of the Executive Directors, being the founders of PensionBee, the Independent Non-Executive Directors or Senior Managers will sell Ordinary Shares in the Offers demonstrates their continued long-term commitment and desire to grow PensionBee's business.

The Company expects to raise a fixed amount of gross proceeds of £55 million from the subscription of New Shares in the Offers before estimated underwriting commissions (assuming the maximum amount of any discretionary commission is paid), fees and expenses incurred in connection with the Offers of approximately £6 million. As a result, the Company expects to receive a fixed amount of net proceeds of approximately £49 million from the Offers. The Company will issue a sufficient number of New Shares to raise the net proceeds, taking into consideration the minimum and maximum number of New Shares available under the Offers.

In line with its stated strategy, the Company intends to use the net proceeds from the issue of the New Shares to support future growth, by funding future investment in PensionBee's advertising and marketing initiatives and its technology platform capabilities, and for general corporate purposes. Approximately £34 million from the net proceeds will be used by the Company towards its aggregate advertising and marketing budget of £50 million to £60 million for the three year period ending 31 December 2023 with the aim of increasing the number of its Invested Customers and, in turn, its AUA. The Company will use approximately £10 million to fund future investment in its technology platform, including new features prioritised through its product development process. The remaining approximate £5 million of the net proceeds will be used for other general corporate purposes.

Assuming that the maximum number of Existing Shares to be sold in the Institutional Offer based on indications received from Selling Shareholders at the mid-point of the Offer Price Range pursuant to the Deeds of Election (the "**Maximum Number of Sales Shares**") are sold, the Selling Shareholders would raise approximately £4.6 million, before taking into account expenses associated with the Institutional Offer payable by the Selling Shareholders. The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers. Assuming that the Maximum Number of Sales Shares are sold, the aggregate underwriting commissions (assuming the maximum amount of any discretionary commission is paid) and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Institutional Offer would be approximately £209,000.

The sale of Existing Shares will provide the Selling Shareholders with an opportunity for a partial realisation of their shareholding in the Company.

3. OFFERS SIZE, OFFER PRICE, BOOKBUILDING AND ALLOCATIONS

This paragraph should be read in conjunction with the section entitled "*Expected Timetable for the Offers*".

The Offers comprises an offer of which:

- between 31,428,571 and 35,483,870 are New Shares being offered for subscription by the Company; and
- up to 2,815,896 are Existing Shares are being offered for sale by the Selling Shareholders. The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers.

Assuming the Offer Price is set at the mid-point of the Offer Price Range, the number of Ordinary Shares to be made available under the Offers will be 36,149,229.

The Sole Global Co-ordinator will solicit from prospective institutional investors indications of interest in acquiring Ordinary Shares under the Institutional Offer. Prospective institutional investors will be required to specify the number of Ordinary Shares which they would be prepared to acquire either at specified prices or at the Offer Price (as finally determined). This process is known as "book-building". Prospective institutional investors will be required to submit bids for New Shares in the Institutional Offer on or before 20 April 2021, although this may be extended at the discretion of the Sole Global Co-ordinator (with the agreement of the Company). There is no minimum or maximum number of Ordinary Shares which can be applied for under the Institutional Offer. For the Customer Offer, the latest time and date for submission of a valid application will be 11.59 p.m. on 20 April 2021. The minimum application amount for the Customer Offer is £250 and the maximum application amount is £5,000. Applications in the Institutional Offer and the Customer Offer will be aggregated and this demand will be taken into account by the Company in establishing the Offer Price and the Offers Size.

The basis of allocation for applications in connection with the Offers will be determined by the Company in consultation with the Sole Global Co-ordinator, at its absolute discretion. A number of factors will be considered in determining the basis of allocation in the Offers, including the level and nature of demand for the Ordinary Shares, as well as the objective of encouraging the development of an orderly and liquid after-market in the Ordinary Shares. Without prejudice to such discretion, the Company intends that, in the event that demand for the Ordinary Shares being offered exceeds the number of Ordinary Shares to be made available, allocations may be scaled down in any manner at the Company's discretion, and applicants may be allocated Ordinary Shares having an aggregate value which is less than the sum applied for.

All Ordinary Shares issued or sold pursuant to the Offers will be issued or sold (and be payable in full) at the Offer Price. A number of factors will be considered in deciding the Offer Price and the Offers Size, including prevailing market conditions, the level and the nature of the demand for the Ordinary Shares in the Offers and the objective of encouraging the development of an orderly and liquid after-market in the Ordinary Shares. The Offer Price and the Offers Size will be established at a level determined in accordance with these arrangements, taking into account indications of interest received (whether before or after the times and/or dates stated). Accordingly, the Offer Price will not necessarily be the highest price at which all of the Ordinary Shares subject to the Offers could be sold.

The Offer Price and the Offers Size will be jointly agreed by the Company and the Sole Global Co-ordinator and are expected to be announced on or about 21 April 2021. The Pricing Statement, which will contain the Offer Price and the Offers Size, will be published by the Company and will be available free of charge at the registered office of the Company at City Place House, 55 Basinghall Street, London EC2V 5DX, United Kingdom. In addition, the Pricing Statement will be published in electronic form and available on the Company's website at www.pensionbee.com/investor-relations/ipo-centre.

It is expected that the Offers Size will be set within the Offers Size Range and that the Offer Price will be set within the Offer Price Range. If: (i) the Offer Price is set above the Offer Price Range or the Offer Price Range is revised higher; and/or (ii) the number of Ordinary Shares to be sold in the Offers are set above or below the Offers Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for New Shares pursuant to Article 23(2) of the UK Prospectus Regulation. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected day of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to purchase Ordinary Shares would be made clear in the announcement. Full details of the statutory right to withdraw an offer to purchase Ordinary Shares pursuant to Article 23(2) of the UK Prospectus Regulation are set out in paragraph 11 (*Withdrawal Rights*) below.

Each investor that acquires Ordinary Shares in the Offers will be deemed to undertake: (i) that such investor shall not submit any reclaim to HMRC in respect of any such U.K. stamp duty or SDRT so paid and (ii) that such investor agrees that it is liable for any: (a) U.K. stamp duty and/or SDRT arising under sections 67, 70, 93 and/or 96 Finance Act 1986 (including any interest, fines or penalties relating thereto) and/or (b) any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) arising outside the U.K., in each case, payable by such investor or any other person on the acquisition by such investor of any Ordinary Shares or the agreement by such Investor to acquire any Ordinary Shares.

Investors who participate in the Offers will be deemed to have invested solely on the basis of this Prospectus together with any supplement hereto, and the Pricing Statement.

4. THE INSTITUTIONAL OFFER

Under the Institutional Offer, the Ordinary Shares will be offered: (i) outside the U.S. in offshore transactions in reliance on Regulation S, and (ii) in the U.S., only to persons reasonably believed to be QIBs as defined in Rule 144A pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Certain restrictions that apply to the distribution of the Prospectus and the offer and sale of the Ordinary Shares in jurisdictions outside the U.K. are described in paragraph 12 (*Selling Restrictions*) below.

Conditional on: (i) Admission occurring and becoming effective by 8.00 am on or prior to 26 April 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree) and (ii) the investor being allocated Ordinary Shares, an investor who has applied for Ordinary Shares agrees to acquire those Ordinary Shares allocated to it by the Sole Global Co-ordinator (such number of Ordinary Shares not to exceed the number applied for by such investor) at the Offer Price. To the fullest extent permitted by law, each investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights an investor may have. Each such investor is deemed to acknowledge receipt and understanding of this Prospectus and in particular the risk and investment warnings contained in this Prospectus.

Investors participating in the Institutional Offer will be notified verbally or by email of the number of Ordinary Shares that they have been allocated as soon as practicable following pricing and allocation, and in any event by 21 April 2021.

The Sole Global Co-ordinator and the Company expressly reserve the right to modify the terms of the Institutional Offer (including, without limitation, its timetable and settlement) at any time before closing date for applications.

5. THE CUSTOMER OFFER

The Customer Offer is being made in the U.K. by the Company to PensionBee's customers (including some of its employees) who are located and resident in the United Kingdom and who, by 11.59 p.m. on 20 April 2021, either have an existing pension with PensionBee or have successfully committed to transfer at least one pension to PensionBee, or are otherwise considered to be Active Customers by PensionBee (each an "**Eligible Customer**"). To the extent employees of PensionBee qualify as Eligible Customers, such employees will not receive preferential allocations to the extent they choose to subscribe for New Shares in the Customer Offer.

In connection with the Customer Offer, at or around the date of this Prospectus, each Eligible Customer will be notified that the Customer Offer is open and that they are an Eligible Customer and will each be sent a link to the PrimaryBid website where an application for the New Shares under the Customer Offer can be made (the "**Online Application**") and confirmation of the relevant login details required to access the personalised Online Application. Each Online Application will include a unique application number, which will be used to identify the maximum number of New Shares for which each Eligible Customer is entitled to apply under the Customer Offer. The Customer Offer is personal to each Eligible Customer. The Online Application is not transferable and Eligible Customers are not able to assign the benefit of the Customer Offer to any other person, corporation entity or trust or designate any other person, corporation entity or trust as an alternative purchaser under the Customer Offer.

All applications for New Shares in the Customer Offer must be made through the Online Application (albeit that the Company reserves the right to accept (at its absolute discretion) hardcopy applications, in certain circumstances). All applications under the Customer Offer will be made on the terms and conditions of the Customer Offer set out in Part X (*Terms and Conditions of the Customer Offer*).

Eligible Customers must apply for a minimum investment of £250 and when completing the Online Application, each Eligible Customer must specify the amount that they wish to invest in the Customer Offer, which cannot exceed £5,000.

As the Offer Price will not be known until after the Customer Offer Closing Date (as defined below), applications for New Shares in the Customer Offer are required to be based on the amount in pound sterling that Eligible Customers wish to invest and not the number of New Shares they wish to purchase.

In the case of all other Eligible Customers, if the demand for New Shares exceeds the number of New Shares made available in the Customer Offer, allocations in respect of the Customer Offer may be scaled down as the Company and the Sole Global Co-ordinator, in their absolute discretion, decide.

The latest time for completion of the Online Application in the Customer Offer is 11.59 p.m. (U.K. time) on 20 April 2021 (the "Customer Offer Closing Date"). All Eligible Customers must complete the Online Application and submit it (together with an online payment by a U.K. debit card for the total amount that they wish to invest) by this time.

If an application is not accepted, all monies paid will, subject to the terms and conditions of the Customer Offer, be returned, without interest. If more is debited from an applicant than is required to pay for the New Shares allocated to that applicant, the excess amount will be returned to the applicant in accordance with paragraph 5 of Part X (*Terms and Conditions of the Customer Offer*). No fractional entitlements to New Shares will be allocated and therefore allocations will be satisfied by rounding down to the nearest whole Share.

Following Admission, all New Shares subscribed for in the Customer Offer will be held in the PensionBee Nominee Service, unless an applicant elects for their shares to be transferred to their own personal broker account as part of the application process. **To the extent that applicants want their shares to be transferred to their own personal broker account following Admission, they should ensure that they provide correct details in the Online Application and ensure that their broker is aware of the transfer to their account, in order to minimise any issues or delays in the transfer of the shares on the morning of Admission**. Any shares that are subject to a request to be transferred to an applicant's own personal broker account which cannot be validated with their broker or, for some other reason, cannot be settled with their broker's account, will be received in to the PensionBee Nominee Service as soon as it is apparent that it will not be possible to deliver to the relevant broker's account. The rights available to shareholders in the Company who hold their Ordinary Shares through the PensionBee Nominee Service are substantially similar to those of certificated shareholders. The terms and conditions of the PensionBee Nominee Service are set out in Part XI (*Terms and Conditions of the PensionBee Nominee Service*) below.

Payment for New Shares in respect of an Online Application must be made by a U.K. debit card issued by a bank or building society in the U.K. from a personal account of the individual applicant in respect of which they have sole or joint title to the funds in such account. Payments by credit cards will not be accepted. There will be no additional charge levied by the Company or PrimaryBid for payments for New Shares made by a U.K. debit card.

Applicants in the Customer Offer who are allocated and acquire New Shares in the Customer Offer will be notified by PrimaryBid of their share allocation within one business day from announcement of the Offer Price and publication of the Pricing Statement. In addition, an email confirming your Shareholder Reference will be sent to you by Equiniti Financial Services Limited on the day of Admission.

Applicants in the Customer Offer who have any questions about how to complete their Online Application through the PrimaryBid website using a U.K. debit card (as further described below) should contact PrimaryBid at https://primarybid.com/contact. Live chat is available from 9.00 a.m. to 6.00 p.m. (U.K. time) Monday to Friday (excluding English and Welsh public holidays). For legal reasons the Company and PrimaryBid will only be able to provide information contained in the Prospectus and will be unable to provide advice on the merits of the Customer Offer or to provide personal legal, financial, tax or investment advice.

6. DEALING AND SETTLEMENT ARRANGEMENTS

The Offers are subject to the satisfaction of certain conditions contained in the Underwriting Agreement, including Admission occurring and becoming effective by 8:00 a.m. on 26 April 2021 (or such later date as may be determined in accordance with such agreement) and to the Underwriting Agreement not having been terminated. See Part XII (*Additional Information*) for further details regarding the underwriting arrangements.

Application will be made for the Ordinary Shares to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange.

It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8:00 a.m. on 26 April 2021. Prior to Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8:00 a.m. on 21 April 2021. The earliest date for settlement of such dealings will be 26 April 2021. All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "when-issued basis", will be of no effect if Admission does not take place, and such dealings will be at the sole risk of the parties concerned. Investors should note that only investors who apply for, and are allocated, Ordinary Shares in the Institutional Offer will be able to deal in the Ordinary Shares on a conditional basis. Investors who subscribe for New Shares in the Customer Offer will not be able to deal in such New Shares on a conditional basis. Therefore the earliest time at which such investors will be able to deal in the Ordinary Shares is at the start of unconditional dealings on Admission. The above-mentioned dates and times may be changed without further notice.

It is intended that the sale of the Ordinary Shares allocated to investors in the Institutional Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account will be at the risk of the person concerned. New Shares acquired in the Customer Offer will be held in the PensionBee Nominee Service. Following Admission, PensionBee Nominee Service statements will be made available to each Eligible Customer that subscribed for New Shares in the Customer Offer by activating an online Shareview Portfolio, using the activation code which will be issued by email within two business days of Admission. It is intended that PensionBee Nominee Service statements in respect of the Customer Offer will be made digitally available within five business days of Admission and quarterly thereafter.

7. CREST

CREST is a paperless settlement system operated by Euroclear U.K. & Ireland Limited enabling securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. An application will be made for the Ordinary Shares to be admitted to CREST with effect from Admission and, also with effect from Admission, the Articles of Association will permit the holding of the Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

8. HOLDING AND DEALING IN NEW SHARES ACQUIRED IN THE CUSTOMER OFFER

This paragraph applies to Shareholders who acquire the New Shares in the Customer Offer which are to be held in the PensionBee Nominee Service.

Any New Shares acquired in the Customer Offer will be held on each person's behalf in the PensionBee Nominee Service and will be able to take advantage of the benefits such service offers. After Admission, such shareholders will be able to withdraw their Ordinary Shares from the PensionBee Nominee Service either (i) without paying an administrative charge (if the transfer is made within 90 days after the shares are received into the PensionBee Nominee Service); or otherwise (ii) upon payment of an administration charge to the PensionBee Nominee.

8.1 PensionBee Nominee Service

This paragraph and paragraph 8.2 below should be read in conjunction with the Terms and Conditions of the PensionBee Nominee Service set out in Part XI (*Terms and Conditions of the PensionBee Nominee Service*). This paragraph and paragraph 8.2 below only apply to Shareholders

who acquire New Shares through the Customer Offer. The PensionBee Nominee Service will only be available to persons who acquire New Shares in the Customer Offer if they have a registered address in the U.K. Following Admission, the PensionBee Nominee Service will be available to all persons holding Ordinary Shares who have a registered address in the U.K. or another country within the EEA.

The PensionBee Nominee Service, a Company sponsored nominee arrangement, provides a convenient way of holding Ordinary Shares, which removes the need to have a share certificate which has to be kept safe and secure. In addition, individuals' names will not appear on the Company's shareholder register, which is a public register, so their details remain confidential. Instead, the Ordinary Shares will be held on behalf of those individuals in the name of Equiniti Corporate Nominees Limited (as appointed by Equiniti Financial Services Limited) in a separate register, which will not be open to public inspection. The PensionBee Nominee Service has been set up exclusively for persons who hold Ordinary Shares in the Company and will hold those Ordinary Shares electronically within the CREST system.

Persons whose Ordinary Shares are held on their behalf in the PensionBee Nominee Service:

- may receive summary financial statements from the Company. If the Company does not provide summary financial statements, you can contact the PensionBee Nominee Service who will use its best efforts to obtain a copy of the full annual review and accounts on your behalf, subject to sufficient copies being made available from by the Company;

- may also authorise PensionBee Nominee Service to vote for you at a Company general meeting in the way you wish. Any voting instructions must be received by the PensionBee Nominee Service at least five (5) Business Days before such meeting, unless notified otherwise. The PensionBee Nominee Service may, at its absolute discretion, agree to accept voting instructions electronically or by telephone. In the absence of specific instructions from you, the votes attached to your shares will not be used at all;

- will be able to access PensionBee Nominee Service statements showing the number of Ordinary Shares held at Admission (being the point at which they become members of the Company) and quarterly thereafter via Equiniti's secure shareholder website, Shareview (for further details please see Part XI (*Terms and Conditions of the PensionBee Nominee Service*). Digital statements will be made available by activating an online Shareview Portfolio, using the activation code that will be issued by email within two business days of Admission; and

- are entitled to transfer their shares out of the PensionBee Nominee Service and receive a share certificate in their own name at any time or have their Ordinary Shares transferred into another nominee arrangement or deposit account. There may be a charge of £10 for transferring out of the PensionBee Nominee Service, if the transfer is made more than 90 days after the shares are received into the PensionBee Nominee Service.

8.2 **Dealings in Ordinary Shares held through the PensionBee Nominee Service**

Share dealing services will be available to persons holding Ordinary Shares in the PensionBee Nominee Service once they have received their Shareholder Reference. It is expected that Shareholders who validly applied and paid for Ordinary Shares in the Customer Offer will be sent their Shareholder Reference by email on the day of Admission and separately an activation code to allow them to activate their Shareview Portfolio, where they can view their shareholding and, after five working days from Admission, access their digital statements.

Shareholders holding Ordinary Shares in the PensionBee Nominee Service will have access to a range of share dealing services. These services are provided by Equiniti Financial Services Limited which is authorised and regulated by the FCA. A Shareholder Reference will be required to trade your Ordinary Shares.

Online dealing at www.shareview.co.uk. Shareholders can access the online facility which will provide real-time share price quotes during U.K. stock market opening hours (normally 8:00 a.m. to 4:30 p.m. Monday to Friday, excluding bank holidays) for Shareholders wishing to buy more or

sell some or all of their Ordinary Shares. The dealing commission for share dealing online is 1 per cent. subject to a minimum of £20. For trades over £50,000, the dealing commission is 1 per cent. on the first £50,000, plus 0.25 per cent. on the remainder.

Using the share dealing telephone service on +44 (0) 3456 037 037. Shareholders can call the share dealing helpline which will provide real-time share price quotes during U.K. stock market opening hours (normally 8.00 a.m. to 4.30 p.m. Monday to Friday, excluding bank holidays in England and Wales) for Shareholders wishing to buy more or sell some or all of their Ordinary Shares. The dealing commission for share dealing by telephone is 1 per cent. subject to a minimum of £30 for trades below £50,000 and 1 per cent. on the first £50,000 and 0.25 per cent. on the outstanding amount, subject to a minimum of £30, for trades above £50,000.

By post. Shareholders wishing to buy more or sell some or all of their Ordinary Shares can use a postal instruction. This facility will be available from the date of Admission. A postal dealing form can be obtained by calling +44 (0) 371 384 2248 (lines open 8:30am to 5:30pm (UK Time) Monday to Friday (excluding public holidays in England and Wales). Dealing will normally take place the next Business Day following receipt of your instruction. The cost for using this service will be 1.9 per cent. of the sales proceeds subject to a minimum of £70 and will be deducted from the sale proceeds or investment amount.

The charges referred to above are correct as at the date of this Prospectus. More information, including Terms and Conditions of the relevant share dealing service, up-to-date charges after the date of this Prospectus, can be obtained by contacting Equiniti Financial Services Limited on +44 (0) 371 384 2696.

9. UNDERWRITING ARRANGEMENTS

The Sole Global Co-ordinator, the Company (for itself and for and on behalf of the Selling Shareholders) and the Directors have entered into the Underwriting Agreement and related arrangements pursuant to which, on the terms and subject to certain conditions contained therein (which are customary in agreements of this nature), the Sole Global Co-ordinator has agreed, on the terms and subject to the conditions of the Underwriting Agreement, to procure subscribers for the New Shares to be issued and to procure purchasers for the Existing Shares in the Institutional Offer, or failing which, to subscribe for or purchase such Ordinary Shares, as the case may be, at the Offer Price. To the extent that New Shares to be issued pursuant to the Customer Offer are not subscribed for by Eligible Customers, the Sole Global Co-ordinator has agreed, on the terms and subject to the conditions of the Underwriting Agreement, to procure subscribers for the New Shares to be issued, or failing which, to subscribe for New Shares at the Offer Price. Details of the terms of the Underwriting Agreement are set out in paragraph 18.3 of Part XII (*Additional Information*).

10. LOCK-UP ARRANGEMENTS

10.1 Company lock-up arrangement

Pursuant to the Underwriting Agreement and subject to the exemptions set out in the paragraph immediately below, the Company undertakes that it will not, without the prior written consent of KBW, during the period commencing on the date of this Prospectus and ending on the date which is 180 days after Admission:

(a) undertake any consolidation or sub-division of its share capital or any capitalisation issue; or

(b) directly or indirectly, allot, issue, offer, sell, lend, pledge, contract to sell or issue, grant any option, right or warrant to purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to receive Ordinary Shares or any such substantially similar securities; or

(c) otherwise enter into any transaction (including any derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares; or

(d) undertake any other transaction with the same economic effect as any of the foregoing or announce an offering of Ordinary Shares or any interest therein; or

(e) announce publicly any intention to enter into any transaction described in paragraphs (a) to (d) above.

The undertaking in the paragraph above shall not apply to:

(a) the granting or exercise of options or other rights to subscribe for Shares or rights related to Shares pursuant to the share option or other incentive schemes of the Group in existence at the date of this Prospectus and described in paragraph 13 of Part XII (*Additional Information*) of this Prospectus;

(b) the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security in existence on the date of this Prospectus; or

(c) the issue and offer by the Company of Ordinary Shares pursuant to the Offers.

10.2 **Directors, Existing Shareholders and Optionholders lock-up arrangements**

The following lock-up arrangements have been entered into by the Directors, the Existing Shareholders and the Optionholders (each a "**Locked-up Person**") (the "**Director, Existing Shareholder and Optionholder Lock-up Arrangements**").

Executive Directors

Subject to the exceptions set out in the paragraph entitled "*Exceptions to the Director, Existing Shareholder and Optionholder Lock-up Arrangements* " below, pursuant to the Underwriting Agreement, each Executive Director undertakes, for the benefit of the Company and KBW, that he or she will not, without the prior written consent of the Company and KBW during the period commencing on the date of this Prospectus and ending on the date falling 720 days following the date of Admission (the "**Group A Lock-up Period**"):

(a) directly or indirectly, offer, sell, contract to sell, transfer, charge, lend, pledge, distribute, grant any option, right or warrant to purchase or otherwise dispose, directly or indirectly, of any Ordinary Shares or other securities which are exchangeable for, convertible into or representing the right to receive Ordinary Shares or any substantially similar securities; or

(b) otherwise enter into any transaction (including any derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares; or

(c) undertake any swap or other transaction with the same economic effect as any of the foregoing or announce an offering of any Ordinary Shares or any interest therein; or

(d) announce publicly any intention to enter into any transaction described in subclauses (a) to (c) above,

(each a "**Disposal**").

Independent Non-Executive Directors, Senior Managers and major Existing Shareholders

Subject to the exceptions set out in the paragraph entitled "*Exceptions to the Director, Existing Shareholder and Optionholder Lock-up Arrangements*" below, pursuant to lock-up agreements entered into on the date of this Prospectus on their behalf, in the case of each of the Senior Managers, Joseph Suddaby, Rowanmoor Trustees Limited and SSGA, and the Underwriting Agreement, in the case of each Independent Non-Executive Director (each a "**Group B Shareholder**"), each such person undertakes, for the benefit of the Company and KBW, that it, he or she will not, without the prior written consent of the Company and KBW during the period commencing on the date of this Prospectus and ending on the date falling 90 days following the

date of publication of the Company's trading update announcement for the three month period ending 30 September 2022 (the "**Group B Lock-up Period**"), effect a Disposal.

Certain other Existing Shareholders and Optionholders

Subject to the exceptions set out in the paragraph entitled "*Exceptions to the Director, Existing Shareholder and Optionholder Lock-up Arrangements*" below, pursuant to lock-up agreements entered into on the date of the Prospectus on behalf of the Existing Shareholders, each holding less than 3 per cent. of the Company's issued share capital immediately prior to Admission, and the Optionholders (each a "**Group C Shareholder**"), each such person undertakes, for the benefit of the Company and KBW, that it, he or she will not, without the prior written consent of the Company and KBW during the period commencing on the date of this Prospectus and ending on the date falling 90 days following the date of publication of the Company's trading update announcement for the three month period ending 31 March 2022 (the "**Group C Lock-up Period**" and together with the Group A Lock-up Period and the Group B Lock-up Period, the "**Lock-up Periods**" and each a "**Lock-up Period**"), effect a Disposal.

Exceptions to the Director, Existing Shareholder and Optionholders Lock-up Arrangements

The undertakings in the Director, Existing Shareholder and Optionholders Lock-up Arrangements shall not apply to:

(a) any Disposal notified in writing in advance to KBW and the Company and to which each of KBW and the Company gives its prior consent in writing;

(b) in the case of a Group B Shareholder, any Disposal carried out after the publication of the Company's:

  (i) trading update announcement for the three month period ending 31 March 2022, for up to 50 per cent. of the Group B Shareholder's Admission Shareholding as at the time of the relevant Disposal (the "**First Group B Permitted Selldown**"); and

  (ii) trading update announcement for the three month period ending 30 September 2022, for up to 100 per cent. of the Group B Shareholder's Admission Shareholding as at the time of the relevant Disposal, less any Shares sold by them in the First Group B Permitted Selldown,

provided that any such Disposal is carried out with the prior consent in writing of each of KBW and the Company, through the Company's corporate broker(s) as may be appointed from time to time (the "**Broker(s)**") in the volumes, on the terms, at the times and in the manner as the Broker(s), in consultation with the Company, in its absolute discretion (acting in good faith) may allow so as to ensure an orderly market for the Ordinary Shares taking into account the then market price of the Ordinary Shares, the daily average volume of Ordinary Shares traded, the daily average value of Ordinary Shares traded and the likely impact on the market price of the proposed Disposal;

(c) in the case of a Group C Shareholder, any Disposal carried out after the publication of the Company's:

  (i) trading update announcement for the three month period ending 30 September 2021, for up to a third of the Group C Shareholder's Admission Shareholding as at the time of the relevant Disposal (the "**First Group C Permitted Selldown**");

  (ii) full year financial statements for the year ending 31 December 2021 for up to two thirds of the Group C Shareholder's Admission Shareholding as at the time of the relevant Disposal, less any Ordinary Shares sold by them in the First Group C Permitted Selldown (the "**Second Group C Permitted Selldown**"); and

(iii) trading update announcement for the three month period ending 31 March 2022 for up to 100 per cent. of the Group C Shareholder's Admission Shareholding as at the time of the relevant Disposal, less any Ordinary Shares sold by them in the First Group C Permitted Selldown and Second Group C Permitted Selldown,

provided that any such Disposal is carried out, with the prior consent in writing of each of KBW and the Company, through the Broker(s) in the volumes, on the terms, at the times and in the manner as the Broker(s), in consultation with the Company, in its absolute discretion (acting in good faith) may allow so as to ensure an orderly market for the Ordinary Shares taking into account the then market price of the Ordinary Shares, the daily average volume of Ordinary Shares traded, the daily average value of Ordinary Shares traded and the likely impact on the market price of the proposed Disposal,

for the purposes of paragraphs (b) and (c) above, the term "**Admission Shareholding**" shall mean the number of Ordinary Shares held by the relevant Existing Shareholder at the time Admission takes place (following any sale of Existing Shares by them in the Institutional Offer if they are a Selling Shareholder), together with any Ordinary Shares received by them following Admission and for the duration of their Lock-up Period as a result of the exercise of any options granted to them by the Company before Admission under the Historic Employee Share Option Plans;

(d) either:

(i) an acceptance of a general offer for the Ordinary Shares made in accordance with the Code; or

(ii) the provision of an irrevocable undertaking to accept such an offer;

(e) any Disposal pursuant to an offer by the Company to purchase its Ordinary Shares which is made on identical terms, is open for acceptance by, all holders of Ordinary Shares and otherwise complies with the Companies Act, UK MAR, the High Growth Segment Rulebook, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules and (as applicable) the Admission and Disclosure Standards of the London Stock Exchange;

(f) any Disposal in connection with any sale or arrangement pursuant to section 110 of the Insolvency Act 1986, or any amalgamation, merger, consolidation, reorganisation or similar arrangement entered into in relation to the Company;

(g) any Disposal required by law or by the London Stock Exchange and is expressed to be required in relation to the Ordinary Shares;

(h) any Disposal of Ordinary Shares pursuant to a compromise or arrangement under the Companies Act providing for the acquisition by any person (or group of persons acting in concert, as such expression is defined in the Code) of 50 per cent. or more of the ordinary share capital of the Company;

(i) any Disposal by the relevant Locked-up Person of such number of Ordinary Shares as is necessary to produce sufficient funds to discharge fully a liability for employee National Insurance contributions and income tax in respect of the exercise of, or in connection with, options giving rise to a holding of Ordinary Shares or to produce funds equal to the purchase price paid or payable in respect of Ordinary Shares the subject of options (provided such funds are used for the payment or repayment of such purchase price); or

(j) any Disposal of rights to new Ordinary Shares to be issued by way of rights issue to fund the relevant Locked-up Person's take-up of the balance of his or her rights;

(k) in the case of a Locked-up Person who is an individual, any Disposal by way of gift:

(i) to the relevant Locked-up Person's spouse (or any former spouse), parent, widow, widower, cohabitee, adult sibling, child or grandchild (including such child or grandchild by adoption or step child) (each a "**Family Member**");

(ii) to any person or persons acting in the capacity of trustee or trustees of a trust created by the relevant Locked-up Person or, upon any change of trustees of a trust so created, to the new trustee or trustees, provided that the trust is established for charitable purposes only or there are no persons beneficially interested under the trust other than the relevant Locked-up Person and his or her Family Members; or

(iii) by the trustee or trustees of a trust to which paragraph (k) (ii) applies to any person beneficially interested under that trust,

provided that, prior to the making of any such Disposal, the relevant Locked-up Person or the trustee(s), shall have satisfied KBW and the Company that the transferee falls within one of the categories in (k) (i) to (iii) above;

(l) in the case of a Locked-up Person who is an individual, any Disposal to or by personal representatives of the relevant Locked-up Person should he or she die during their relevant Lock-up Period;

(m) any Disposal of Ordinary Shares subscribed for by the relevant Locked-up Person in the Offers or otherwise subscribed for or purchased by the relevant Locked-up Person after Admission during their relevant Lock-up Period; or

(n) in the case of SSGA only, any Disposal to remedy a failure by SSGA to comply with the Bank Holding Company Act of 1956, as amended, and as implemented by the Board of Governors of the Federal Reserve System, whether pursuant to regulation or interpretations of a kind or nature customarily relied upon in industry practice or any other relevant banking laws, regulations, interpretations and guidance (a "**BHCA Compliance Failure**") as a result of its ownership of capital stock of the Company (including Ordinary Shares), as reasonably determined in good faith by SSGA in consultation with its internal and external counsel, provided that any such Disposal shall only be for the minimum number Ordinary Shares required to be disposed of by SSGA in order to remedy such BHCA Compliance Failure.

11. WITHDRAWAL RIGHTS

If the Company is required to publish a supplementary prospectus, applicants who have applied for the Ordinary Shares in the Offers will have at least two business days commencing on the first business day after the day on which the supplementary prospectus is published (or such later date as may be specified in the supplementary prospectus) within which to withdraw their application to acquire Ordinary Shares in the Offers in its entirety. The right to withdraw an application to acquire Ordinary Shares in the Offers in these circumstances will be available to all investors in the Offers. In such circumstances, the Pricing Statement would not be published until the deadline for exercising such statutory withdrawal rights has ended.

If the Company is required to publish a supplementary prospectus, it will make an announcement via a Regulatory Information Service. The arrangements for withdrawing applications to purchase Ordinary Shares would be made clear in this announcement. In such circumstances, Eligible Customers who have submitted an application to apply for New Shares in the Customer Offer will also receive an email from PrimaryBid notifying them of the fact that the supplementary prospectus has been published and where such supplementary prospectus can be accessed and informing them of how they can withdraw their application through the PrimaryBid website. The email will also set out the period during which Eligible Customers may withdraw their application. Notice of withdrawal given by any other means or which is submitted through the PrimaryBid website after the expiry of such period will not constitute a valid withdrawal and any application to apply for New Shares in the Customer Offer will remain valid and binding.

12. SELLING RESTRICTIONS

The distribution of this Prospectus and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of the Ordinary Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Australia

No prospectus or any other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**") in relation to the Offers has been, nor will they need to be, lodged with the Australian Securities & Investments Commission, or ASIC. This Prospectus is not a "prospectus" under Chapter 6D of the Corporations Act. Any offer of Ordinary Shares in Australia is made only to persons to whom it is lawful to offer Ordinary Shares without disclosure under one or more of certain of the exemptions set out in section 708 of the Corporations Act, or an "exempt person". This Prospectus has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if investors receive this Prospectus in Australia:

(a) confirm and warrant that they are either:

  (i) a "sophisticated investor" under section 708(8) of the Corporations Act; or

  (ii) a "professional investor" within the meaning of section 708(11) of the Corporations Act; and

to the extent that they are unable to confirm or warrant that they are an exempt sophisticated investor or professional investor under the Corporations Act, any offer made to them under this Prospectus is void and incapable of acceptance; and

warrant and agree that they will not offer any of the Ordinary Shares for resale in Australia within 12 months of the Ordinary Shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 or 708A of the Corporations Act.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Ordinary Shares have been offered or will be offered pursuant to the Offers to the public in that Relevant State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Ordinary Shares may be offered to the public in that Relevant State at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Sole Global Co-ordinator for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Ordinary Shares shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For these purposes of this provision, the expression "offer to the public" in relation to any Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offers and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscriber for any Ordinary Shares.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 1(4) of the Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the Ordinary Shares acquired by it in the Offers has not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public, other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Sole Global Co-ordinator has been obtained to each such proposed offer or resale. The Company, the Sole Global Co-ordinator and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

In this context, the expression "Prospectus Regulation" means Regulation (EU) 2017/1192.

Japan

The Ordinary Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, no Ordinary Shares will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

South Africa

In South Africa, the Offers will only be made to, and be capable of acceptance by: (i) selected persons falling within one of the specified categories set out in section 96(1)(a) of the South African Companies Act, No. 71 of 2008 (as amended) (the "**South African Companies Act**"), or (ii) selected persons who acquire, as principal, Ordinary Shares at a minimum aggregate contemplated acquisition price of ZAR1 000 000, as envisaged in section 96(1)(b) of the South African Companies Act (all such persons in (i) and (ii), each a "**Qualifying Investor**"), and this Prospectus is only being made available to, and specifically addressed to, such Qualifying Investors. Accordingly: (i) the Offers are not an "offer to the public" as contemplated in the South African Companies Act; (ii) this Prospectus does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", in each case as contemplated in the South African Companies Act; (iii) no prospectus has been filed with the South African Companies and Intellectual Property Commission in respect of the Offers; and (iv) persons in whose possession this Prospectus comes should consult their professional advisors concerning any applicable South African legal restrictions, so as to inform themselves about, and to observe, any such restrictions.

Any investment in the Ordinary Shares pursuant to this Prospectus may be subject to: (i) foreign investment restrictions under the South African Exchange Control Regulations, 1961 (as amended); and/or (ii) other regulatory restrictions or approvals in South Africa. Accordingly, all potential investors should consult their professional advisors to obtain appropriate advice (whether legal or otherwise) before making investments, and potential investors shall at all relevant times be responsible for ensuring compliance with legal restrictions in South Africa and for obtaining their own exchange control approvals and/or other regulatory approvals.

Information made available in this Prospectus should not be construed as constituting the canvassing of, or the marketing or advertising of, financial services in South Africa. This Prospectus constitutes objective information about PensionBee and nothing contained herein should be construed as constituting any form

of investment advice (of a financial nature or otherwise) or any recommendation, guidance or proposal of a financial nature in respect of any investment in the Ordinary Shares offered pursuant to this Prospectus.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (the "**Companies (WUMP) Ordinance**"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Ordinary Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (i) to "professional investors" (as defined in the SFO and any rules made under that ordinance) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies (WUMP) Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the Ordinary Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Ordinary Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance).

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Purchasers outside the United States

Each purchaser who acquires Ordinary Shares outside the U.S., by accepting delivery of this Prospectus and the Ordinary Shares, will be deemed to have represented, agreed and acknowledged each of the following matters:

(a) The Ordinary Shares have not been, nor will they be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, pledged, delivered or transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, "U.S. persons" as defined in Regulation S ("**U.S. Persons**"), 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 of the United States.

(b) It is acquiring such Ordinary Shares in an offshore transaction meeting the requirements of Regulation S.

(c) It is not an affiliate of the Company as defined in Rule 405 under the U.S. Securities Act or a person acting on behalf of such an affiliate.

(d) It is not acquiring the Ordinary Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or any directed selling efforts (as that term is defined in Regulation S) and that its acquisition of the Ordinary Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act.

The Company, its affiliates and others will rely upon truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Ordinary Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Other overseas territories

Investors in jurisdictions other than Australia, the European Economic Area, Japan and South Africa, should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase Ordinary Shares under the Offers.

PART X
TERMS AND CONDITIONS OF THE CUSTOMER OFFER

This Part X contains the terms and conditions of the Customer Offer, pursuant to which terms Eligible Customers may apply to buy New Shares in the Customer Offer. Each applicant under the Customer Offer agrees with the Company and the Sole Global Co-ordinator to be bound by these terms and conditions of the Customer Offer, as being the terms and conditions upon which the New Shares will be sold under the Customer Offer.

1. **Introduction**

For the purposes of these Customer Offer Terms and Conditions only, references to "you" are to the person applying to buy New Shares in the Customer Offer using the Online Application.

If you apply for New Shares in the Customer Offer you will be agreeing with the Company, and the Sole Global Co-ordinator to the Customer Offer Terms and Conditions set out below.

2. **Offer to purchase New Shares**

Applications must be made by an Online Application (albeit that the Company and the Sole Global Co-ordinator reserve the right to accept (at their absolute discretion) hardcopy applications, in certain circumstances). By completing and submitting an Online Application, you as the applicant shall:

(A) offer to acquire at the Offer Price the maximum number of New Shares (rounded down to the nearest whole New Share) that may be acquired with the amount that you have specified in your Online Application as the amount which you wish to invest, subject to the provisions of this Prospectus, the terms and conditions of the Customer Offer, the terms of the Online Application, the Pricing Statement, any supplementary prospectus and the Articles of Association;

(B) agree that your application to acquire New Shares must be for a minimum investment in New Shares of £250, and for an amount that complies with the maximum application amount of £5,000.

(C) acknowledge and agree that your status as an Eligible Customer was determined by the Company and the Company's determination in this regard shall be conclusive in all respects and final;

(D) acknowledge and agree that if the Offer Price is set above the Offer Price Range or the Offer Price Range is revised higher and/or the number of Ordinary Shares to be issued or sold pursuant to the Offers is set above or below the Offers Size Range by the Company, prospective investors would have a statutory right to withdraw their offer to purchase New Shares pursuant to Article 23(2) of the UK Prospectus Regulation, but if the application for New Shares is not withdrawn within the period stipulated in any supplementary prospectus or announcement (as described in paragraph 3 of Part IX (*Details of the Offers* - (*Offers Size, Offer Price, Bookbuilding and Conditions of the Customer Offer*), any offer to apply for Ordinary Shares in the Customer Offer will remain valid and binding;

(E) acknowledge and agree that: (i) applications for New Shares in the Customer Offer may be subject to scale back as described in paragraph 6 of this Part X (*Terms and Conditions of the Customer Offer*) below; (ii) there is no minimum allocation of New Shares in the Customer Offer; and (iii) in the event your application for New Shares in the Customer Offer is scaled back by the Company, you may not receive New Shares representing the full value (based on the Offer Price) of the amount you applied to invest in the Customer Offer;

(F) authorise PrimaryBid, on behalf of the Company to refund any monies returnable back to the debit card account used for payment in accordance with paragraph 5 of this Part X (*Terms and Conditions of the Customer Offer*); and to do all things and, where applicable, to take all actions necessary to procure that your name is placed on the register of

members of the Company or in the books of the PensionBee Nominee Service, as applicable, in respect of the New Shares for which your application is accepted;

(G) in consideration of the Company agreeing that it will not, prior to the date of Admission (or such later date as the Company may determine), sell to any person or assist in the sale to any person of any of the Ordinary Shares comprised in the Offers other than by means of the procedures referred to in this Prospectus and as a collateral contract between you, the Company and the Sole Global Co-ordinator which will become binding on you on submission to PrimaryBid of your Online Application, you;

(i) agree that, subject to any statutory rights of withdrawal, your application may not be revoked or withdrawn by you until after 26 April 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree) in the event that Admission has not taken place by that date;

(ii) undertake to pay the Offer Price for the New Shares (payable in full on application) in respect of which your application to purchase (as the case may be) New Shares from the Company is accepted (in the manner indicated in paragraph 3 below);

(iii) acknowledge that if the U.K. debit card payment accompanying your Online Application is declined, you will not be allocated any New Shares and you agree that no claim will be made against the Company, PrimaryBid or the Sole Global Co-ordinator or any of their respective officers, agents, or employees in respect of the non-receipt of Ordinary Shares by you, or loss arising from such non-receipt of Ordinary Shares;

(iv) agree, on request by the Company, PrimaryBid or the Sole Global Co-ordinator, to disclose promptly in writing to the Company, PrimaryBid or the Sole Global Co-ordinator such information as they may request in connection with your application and authorise the Company, PrimaryBid and the Sole Global Co-ordinator to disclose any information relating to your application which it may consider appropriate;

(v) agree that any Ordinary Shares to which you may become entitled, and monies returnable to you may be retained pending investigation of any suspected breach of the terms and conditions of the Customer Offer and any verification of identity which is, or which the Company or PrimaryBid in their absolute discretion consider may be required for the purposes of the U.K. Money Laundering Regulations and that any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

(vi) agree that, if evidence of identity satisfactory to the Company and/or PrimaryBid is not provided prior to the date of Admission (or such later date as the Company and the Sole Global Co-ordinator may agree), the Company may terminate your contract of allocation and may reallocate or sell such Ordinary Shares and, in such case, your application monies, less any amount retained by the Company (or its agents) as compensation for breach of contract, or an amount equal to the proceeds of reallocation or sale net of all expenses, will be returned to the bank or other account from which the payment was made in accordance with paragraph 5 of this Part X (*Terms and Conditions of the Customer Offer*), and you agree that, in such event, you will have no claim against the Company, PrimaryBid, EFSL or the Sole Global Co-ordinator or any of their respective officers, agents or employees in respect of the balance of your application monies, if any, retained by the Company (or its agents), or for any loss arising from the price, the timing or the manner of reallocation or sale, or otherwise in connection therewith;

(vii) agree that any future communications sent by the Company to you in your capacity as a Shareholder will be in the English language;

(viii) acknowledge that: (i) by submitting an Online Application, your personal data may be held and used by the Company and PrimaryBid for purposes relating to

the Offers; and (ii) if you are allocated New Shares under the Customer Offer, your personal information will be shared with the Company and PrimaryBid and held and used by the Company and PrimaryBid, as described in paragraph 9 of this Part X (*Terms and Conditions of the Customer Offer*);

(ix) agree that the Company reserves the right to alter any arrangements in connection with the Customer Offer (including the timetable and terms and conditions of application); and

(x) agree that the contract arising from acceptance of all or part of your application under the Customer Offer will be, or will be deemed to be, entered into you by you, the Company on the terms and conditions of the Customer Offer and that any changes, additions or alterations made to the Online Application (save for correction of the relevant pre-printed details, as expressly permitted on the Online Application) will have no effect.

If:

(a) your Online Application is not completed correctly;

(b) your Online Application is completed with any information other than as specifically required on the relevant Online Application;

(c) your Online Application is submitted so as to be received after the Customer Offer Closing Date;

(d) the payment accompanying your Online Application is for an amount different to that specified on your Online Application;

(e) your debit card payment is declined;

(f) the surname of the holder of the U.K. debit card used for payment is different to the surname provided on the Online Application;

(g) you submit, or are suspected to have submitted, more than one application to invest in the Customer Offer; or

(h) the address shown on your Online Application differs from the address at which your U.K. debit card is registered,

your application may be rejected by PrimaryBid on behalf of the Company. In these circumstances, the Company's decision as to whether to reject or treat your application as valid (which could occur before or after Admission) shall be final and binding on you. None of the Company, PrimaryBid, the Sole Global Co-ordinator nor any of their respective officers, agents or employees will accept any liability for any such decision and no claim may be made against any such persons in respect of the non-delivery of Ordinary Shares, or for any loss resulting from such non-delivery.

Notwithstanding the above, any application may be rejected in whole or in part by the Company in its absolute discretion without being required to give any reasons for such rejection.

The Company and those acting on its behalf (including PrimaryBid) reserve the right to treat as valid any application which does not comply fully with the terms and conditions of the Customer Offer or is not completed in all respects or is not submitted in accordance with the instructions on the Online Application. This decision could occur before or after Admission. The Company and those acting on its behalf (including PrimaryBid reserve the right to waive in whole or in part any of the provisions of the terms and conditions of the Customer Offer, either generally or in respect of one or more applications. In these circumstances, the decision of the Company as to whether to treat the application as valid and how to construe, amend or complete it shall be final. You will not, however, be treated as having offered to invest a higher amount than is indicated in the Online Application.

3. **Acceptance of your offer**

Your application may be accepted if your application is received, validated or treated as valid (including passing any anti-money laundering checks), processed and not rejected either:

(A) by the Company notifying, publishing or announcing the Offer Price and the Offers Size; or

(B) by the Company notifying acceptance to PrimaryBid.

No fractional entitlements to New Shares will be allocated and therefore allocations will be satisfied by rounding down to the nearest whole number of New Shares.

4. **Conditions**

The contract arising from acceptance of an application in the Customer Offer will be entered into by you, the Company and PrimaryBid. Under this contract, you will be required to acquire the New Shares at the Offer Price. This contract will be conditional upon: (i) the Underwriting Agreement becoming unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission; and (ii) Admission occurring on or prior to 26 April 2021 (or such later time and/or date as the Company and the Sole Global Co-ordinator may agree).

Subject to applicable law, you will not be entitled to exercise any remedy of rescission or for innocent misrepresentation (including pre-contractual misrepresentation) at any time after acceptance of your application. This does not affect any other rights you may have, including, for the avoidance of doubt, any statutory withdrawal rights.

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Customer Offer or any part of it. If the Customer Offer or any part of it is terminated prior to Admission, applications received up to the date of termination will automatically lapse, applications received after that date will be of no effect and any application monies relating thereto will be returned to applicants in accordance with paragraph 5 of this Part X (*Terms and Conditions of the Customer Offer*).

5. **Return of applicable monies**

If any application is invalid or not accepted or if any contract created by acceptance does not become unconditional or if any application is accepted for an amount lower than that offered, subject as hereinafter provided, the application monies or the balance of the amount paid on application (as the case may be) will be refunded, without interest by a refund back to the debit card used for payment. Any such debit refund instruction will be made by no later than five business days after Admission. Prior to that time, application monies will be retained by PrimaryBid in an account designated for these purposes and any interest accrued on the application monies will be retained by, and for the benefit of, the Company.

6. **Allocation**

The Company has absolute discretion to decide on any individual allocation for New Shares in the Customer Offer.

7. **Representations and warranties**

By completing and submitting an Online Application, you:

(A) confirm that, in making an application, you are not relying on any information or representation in relation to the Company or PBL other than as is contained in this Prospectus, the Pricing Statement and any supplementary prospectus and agree that none of the Company, the Directors or PrimaryBid or any person acting on behalf of them (including the Sole Global Co-ordinator) or any person responsible solely or jointly for the Prospectus, the Pricing Statement and/or any supplementary prospectus, or any part of any of them, shall have any liability for any such information or representation (excluding for fraudulent misrepresentation);

(B) agree that, having had the opportunity to obtain and read the Prospectus, the Pricing Statement and any supplementary prospectus you shall be deemed to have read and understood (and including in particular the risk and investment warnings contained in this Prospectus) all such documents in their entirety and to have noted all information concerning the Company or PBL and the Offers contained in the Prospectus, the Pricing Statement and/or any supplementary prospectus;

(C) agree that no person is authorised in connection with the Offers to give any information or make any representation other than as contained in the Prospectus, the Pricing Statement and any supplementary prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Directors, the Sole Global Co-ordinator, the Sole Global Co-ordinator or any other person;

(D) agree that you are liable for any U.K. stamp duty and/or SDRT arising under sections 67, 70, 93 or 96 Finance Act 1986 (including any interest, fines or penalties relating thereto) and/or any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes arising outside the U.K. (including any interest, fines or penalties relating thereto), in each case payable by you or any other person on the acquisition by you of any New Shares or the agreement by you to acquire any New Shares;

(E) agree that all documents in connection with the Offers and any returned monies may be sent by post to you at your address set out in your Online Application and any such documents and return monies will be sent at your own risk;

(F) represent and warrant that you are not under the age of 18 as at the date of your application and that: (i) you are eligible to participate in the Customer Offer as an Eligible Customer to whom the offer of New Shares was made in the U.K.; and (ii) the relevant Online Application is completed and submitted solely for and on behalf of the applicant and not directly or indirectly, in whole or in part, for or on behalf of any other person;

(G) represent and warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (concerning depositary receipts and clearance services);

(H) confirm that, if the laws of any jurisdiction outside the U.K. are relevant to your agreement to purchase New Shares, you have complied with all such laws and neither the Company nor the Sole Global Co-ordinator will infringe any laws of any jurisdiction outside the U.K. as a result of your rights and obligations under your agreement to purchase New Shares (and, in making this representation and warranty, you confirm that you have reviewed the selling and transfer restrictions set out in paragraph 12 (*Selling Restrictions*) of Part IX (*Details of the Offers*) and, to the extent relevant, that you comply or have complied with such provisions);

(I) represent and warrant that the offer of New Shares in the Customer Offer was made to you in the U.K. and you are a person located and resident in the U.K. and, in all cases, that you are not applying for New Shares with a view to the reoffer, resale or delivery of the Ordinary Shares, directly or indirectly in or into the U.S., Australia, Canada, Japan or any other jurisdiction or to a person located or resident in the U.S., Australia, Canada, Japan or any other jurisdiction or to any person who you believe is purchasing the Ordinary Shares for the purpose of such resale, reoffer or delivery;

(J) represent and warrant that you are the person or legal entity named in the Online Application pursuant to which you are applying to purchase New Shares;

(K) represent and warrant that only one application is being made for your benefit in the Offers (whether directly or through other means);

(L) represent and warrant that your application to purchase New Shares is not and will not be funded using funds provided by another person under an arrangement whereby any

New Shares allocated to you or all or substantially all of the value of such New Shares are to be transferred to that other person;

(M) represent, warrant and undertake that you are not, and you are not applying on behalf of a person engaged in, or whom you know or have reason to believe is, engaged in money laundering;

(N) agree that any material downloaded from the PensionBee website or PrimaryBid website in relation to the Offers: (i) is done at your own risk and that you will be solely responsible for any damage or loss of data that results from the download of any material; and (ii) will be used solely for personal use and will not be distributed in or into the U.S., Australia, Canada, Japan or to any other person wherever located or resident; and

(O) agree that none of the Company, the Sole Global Co-ordinator or PrimaryBid is liable for any loss of data in the course of receiving and/or processing of your Online Application or responsible for the loss or accidental destruction of your Online Application or personal data relating to you or any financial or other loss or damage which may result, directly or indirectly, therefrom, including any loss in relation to the non-allocation or non-delivery of any New Shares as a result of such loss or destruction.

8. **Money laundering**

You agree that in order to ensure compliance with any applicable money laundering regulations (including, without limitation, the U.K. Money Laundering Regulations), PrimaryBid may at its absolute discretion, require verification of identity from any person submitting an Online Application. Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the despatch of documents.

You agree that in any of the circumstances set out in the paragraphs above, PrimaryBid may make a search using one or more credit reference agencies of electronic databases in order to verify your identity. Where deemed necessary by PrimaryBid in its sole and absolute discretion, a copy of the search will be retained. Applications may not be accepted until all anti-money laundering checks have been completed.

9. **Data protection**

The personal data relating to an Eligible Customer provided in an Online Application or subsequently by whatever means will be held and processed by the Company and/or PrimaryBid (acting as a data processor on behalf of the Company) in compliance with: (a) Data Protection Legislation and the relevant U.K. legal and regulatory requirements; and (b) the Company's privacy notice, a copy of which is available for review on the Company's website at www.pensionbee.com and/or PrimaryBid's privacy notice, a copy of which is available for review at https://primarybid.com/home/privacy-policy.

The personal data of Eligible Customers who acquire New Shares in the Customer Offer and elect for these to be held via the PensionBee Nominee Service will be processed in accordance with: (a) Data Protection Legislation and the relevant U.K. legal and regulatory requirements; and (b) the PensionBee Nominee Service privacy notice, a copy of which is available for review at privacy.equiniti.com/privacy-notices.

Without limitation to the foregoing, each Eligible Customer acknowledges that it has been informed that such information will be held and processed by the Company and/or PrimaryBid in accordance with the applicable privacy notice, including for the following purposes:

- providing Eligible Customers' details to third parties for the purpose of performing credit reference checks, money laundering checks and making tax returns;
- keeping a record of applicants under the Offers for a reasonable period of time;
- carrying out the business of the Company and the administering of interests in the Company;

- meeting the legal, regulatory, reporting and/or financial obligations of the Company and/or PrimaryBid in the U.K. or elsewhere; and

- disclosing personal data to agents of, functionaries of, or advisers to, the Company and/or PrimaryBid and other relevant third parties to operate and/or administer the Company.

The aforementioned processing of personal data is necessary: (a) for the performance of the contract between the Company and/or PrimaryBid and the Eligible Customers; (b) for compliance by the Company and/or PrimaryBid with its legal and regulatory obligations; and/or (c) for the purposes of the legitimate interests pursued by the Company and/or PrimaryBid.

If the Company and/or PrimaryBid transfers personal data to an agent, functionary, advisor or other third party and/or transfers personal data outside of the U.K. to territories which do not offer the same level of protection for the rights and freedoms of Eligible Customers' personal information as the U.K., it will use reasonable endeavours to ensure that such transfer is subject to appropriate safeguards and otherwise in accordance with Data Protection Legislation.

Eligible Customers have certain rights in relation to their personal data; such rights and the manner in which those rights are capable of exercise are set out in the applicable privacy notices.

10. **Miscellaneous**

Persons applying for Ordinary Shares under the Offers may rely only on the information contained in this Prospectus and, to the fullest extent permitted by law, any liability for representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent misrepresentations), are expressly excluded in relation to the Ordinary Shares and the Offers.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being sold under the Offers in jurisdictions outside of the U.K. are described in paragraph 12 of Part IX (*Selling Restrictions*) above.

Save where otherwise stated or where the context otherwise requires, terms used in the terms and conditions of the Customer Offer are as defined in this Prospectus (as supplemented by any supplementary prospectus issued by the Company in relation to the Offers).

The rights and remedies of the Company, the Sole Global Co-ordinator and PrimaryBid under the terms and conditions of the Customer Offer are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of any one will not prevent the exercise of others or full exercise.

The Company (with the agreement of the Sole Global Co-ordinator) reserves the right to delay the Customer Offer Closing Date by giving notice through a Regulatory Information Service. In this event, the revised closing time will be published in such manner as the Company in its absolute discretion determines, subject, and having regard, to the requirements of the FCA.

The Offers may be terminated without any obligation to you whatsoever at any time prior to Admission. If the Offers are terminated, the Customer Offer will lapse and any monies received in respect of your application will be returned to you without interest.

You agree that all applications, acceptances of applications and contracts resulting from them under the Customer Offer shall be exclusively governed by and construed in accordance with English law and that you irrevocably submit to the exclusive jurisdiction of the English courts in respect of any matter, claim or dispute arising out of or in connection with the Offers, whether contractual or non-contractual, and agree that nothing shall limit the right of the Company, PrimaryBid or the Sole Global Co-ordinator to bring any action, suit or proceedings arising out of or in connection with any such application, acceptances or contracts in any other manner permitted by law or in any court of competent jurisdiction.

You authorise the Company, and its agents, on your behalf, to make any appropriate returns to HMRC in relation to U.K. stamp duty chargeable on a transfer on sale of the Ordinary Shares under paragraph 1, Schedule 13 Finance Act 1999 or SDRT chargeable on an agreement to transfer the

Ordinary Shares under section 87 Finance Act 1986 (if any) (currently at a rate of 0.5 per cent.) on any contract arising on acceptance of your application or on any transfer of New Shares as a result of such contract (as applicable).

You agree and acknowledge that the Sole Global Co-ordinator neither act for you nor will it treat you as its customer by virtue of an application being accepted under the Customer Offer and you agree that the Sole Global Co-ordinator is acting exclusively for the Company and no one else in connection with the Offers and will not regard any other person as a client in relation to the Offers and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offers or any transaction or arrangement referred to in this Prospectus. You agree and acknowledge that the Sole Global Co-ordinator does not owe you any duties or responsibilities concerning the price of the New Shares or the suitability of the New Shares for you as an investment or otherwise in connection with the Customer Offer.

You authorise the Company, PrimaryBid and their respective agents to do all things necessary to effect registration into your name of any Ordinary Shares acquired by you and authorise any representative of the Company or PrimaryBid to execute and/or complete any document of title required therefor.

The dates and times referred to in the terms and conditions of the Customer Offer are based on the expectation that Admission will occur on 26 April 2021 and may be altered by the Company in its absolute discretion (with the agreement of the Sole Global Co-ordinator) where the Company considers it necessary to do so.

All correspondence, documents and remittances sent or delivered to or by applicants under the Customer Offer will be sent or delivered at the applicant's own risk.

Any enquiries in relation to the Customer Offer should be directed to PrimaryBid at https://primarybid.com/contact. Live chat is available from 9.00 a.m. to 6.00 p.m. (U.K. time) Monday to Friday (excluding English and Welsh public holidays). For legal reasons the Company and PrimaryBid will only be able to provide information contained in the Prospectus and will be unable to provide advice on the merits of the Customer Offer or to provide personal legal, financial, tax or investment advice.

PART XI
TERMS AND CONDITIONS OF THE PENSIONBEE NOMINEE SERVICE

Risk warnings

Investments made under this agreement are in one company only and should therefore be considered as only one part of a balanced portfolio. The value of shares and any income from them can go down as well as up and you may not get back the amount of money you invest. Past performance is no guide to future performance.

Suitability and Appropriateness

If you are in any doubt about the suitability of this service or investments held on your behalf under it, you should consult an authorised financial adviser. We will not assess the suitability or appropriateness of investments held for you or other services provided to you under these Terms and Conditions and you are not subject to the FCA Rules on assessing suitability and appropriateness. You agree that you have not asked for or received any advice from us and it is your decision to accept this nominee service is suitable to your requirements.

About this agreement

This document sets out the terms and conditions under which we will act as your service provider in providing the nominee service in connection with your shares in the Company. These Terms and Conditions will come into effect once we have accepted your application to hold the shares in our nominee service. We reserve the right to refuse an application, and you must be aged 18 or over and resident in the U.K. or EEA in order to use this service.

Protecting your personal data

Our privacy notice explains how we use and protect your information within Equiniti FS, and how your enhanced rights apply from 25 May 2018. To read the latest version of our privacy notice and understand more about how Equiniti FS safeguards your data, please visit our privacy centre at:

www.privacy.equiniti.com

or contact us using the contact details in paragraph 1 below.

List of Charges

Transfer into PensionBee Nominee Service	FREE
Transfer out of PensionBee Nominee Service	
(a) within 90 days of transfer into PensionBee Nominee Service	FREE
(b) more than 90 days after transfer into PensionBee Nominee Service	£10
Duplicate Statement (in the post)	£10 + VAT
Confirmation of holding	
(a) on the internet / telephone	FREE
(b) in writing	£10 + VAT
Annual management fee for unclaimed payments where share balance is zero (see paragraph 16 for further information)	Max £5 (incl. VAT) per annum

1. **Contact Details and Definitions**

1.1 When contacting Equiniti, you can telephone the Shareholder Helpline on:

+44 (0) 371 384 2696 (please use the country code when calling from outside the UK)

Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Or write to us at:

The Manager, Equiniti Corporate Nominees Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom

Or you email us:

customer@equiniti.com

1.2 In these Terms and Conditions, the following words have particular meanings:

- **the Company** means PensionBee Group plc.
- **CREST** means the computerised system for the transfer of uncertificated securities operated by Euroclear UK & Ireland Limited (under the Uncertificated Securities Regulations 2001).
- **EEA** means countries in the European Economic Area.
- **Equiniti FS** means Equiniti Financial Services Limited, which is authorised and regulated by the **Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN, United Kingdom** (under reference 468631). The main business of Equiniti Financial Services Limited is investment and general insurance services, and its registered office is in the UK at **Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA**, registered in England and Wales no. 06208699. References to Equiniti Financial Services Limited also include any company to whom it transfers its rights and obligations in accordance with paragraph 12.
- **the Equiniti Group** means Equiniti FS, its subsidiaries and parent companies and any subsidiary of any of its parent companies.
- **FCA and FCA Rules** means respectively, the Financial Conduct Authority and rules made by the FCA which apply to the services provided by us to you, as amended from time to time.
- **NomineeCo** means Equiniti Corporate Nominees Limited or any other company (whether or not in the Equiniti Group) on which we may decide in the future.
- **nominee service** means the service provided by us to eligible shareholders of the Company under these Terms and Conditions.
- **shares** means any class of fully paid up shares in the Company held from time to time by NomineeCo on behalf of you and/or other participants.
- **Shareview Portfolio** means the online portfolio service provided by the Equiniti Group where quarterly statements will be made available to you. Further information can be found at:

  www.shareview.co.uk
- **Unclaimed** payments means any payments over twelve (12) months old that have been issued to you in accordance with this agreement but have not been cashed.
- **we, our, us** means Equiniti FS References to "we, our, us" also include any company to which we may transfer our rights and obligations in accordance with paragraph 12.
- **you**, your, **customer** means:
  - you, the beneficial holder of shares in the Company, and
  - if there is more than one of you, all the joint holders jointly and individually, and/or

- your personal representative(s).

2. **The nominee service we will provide**

2.1 Your shares will be registered and held in the name of NomineeCo, a company that will hold your shares as we direct and for whose acts and omissions we will be responsible.

2.2 You will remain the 'beneficial owner' of the shares. In other words, although the shares will be registered in the name of NomineeCo, it will hold them for you, so that they really belong to you. This means that they continue to belong to you even if NomineeCo becomes insolvent.

2.3 Your shares will be held by NomineeCo in a pooled or omnibus account. We will keep a record of your shares but your individual holding may not be identifiable via separate share certificates or other paper or electronic proof of title. This means that in the event of a default (for example, if NomineeCo improperly fails to retain all of the assets entrusted to it), any shortfall in the investments registered in the name of NomineeCo may be shared pro rata by all the investors whose holdings are so registered.

2.4 You will be classified for the purposes of the FCA Rules as a Retail Client. If however you would otherwise be classified under the FCA Rules as an eligible counterparty or a professional client, you may not necessarily have the rights of a Retail Client under the Financial Services Compensation Scheme.

2.5 For more information on complaints/compensation, please see paragraph 23.

2.6 The decision to join the nominee service is your responsibility. If you are a citizen or resident outside the UK you should consult a professional adviser if you are in any doubt about whether you are going to need any governmental or other consent or to observe any other formalities in order to hold shares via our nominee service.

3. **Your dividends and other shareholder entitlements**

The terms here in paragraph 3 will always apply except where a change in any laws or regulations, or agreements between us and the Company prevent it.

3.1 Provided we have received the necessary funds from the Company, we will, subject to any instruction from you to the contrary as set out in paragraph 3.2, pay any amounts due to you in connection with your shares on the dividend payment date or other due date or as soon as reasonably practicable thereafter. Equiniti FS will hold the cash on your behalf with a bank in a client money account which is segregated from any money belonging to Equiniti FS in our own right. You will not be paid interest on cash balances, and we will be entitled to keep any interest earned or any equivalent fee that the bank in question pays us. We will send you the money in sterling (unless we make available a Company facility to receive the payment in a different currency) by electronic payment, or by other payment methods we may decide on from time to time, which could include a cheque if we do not have up-to-date bank details for you. If for any reason we receive money for you in a foreign currency, we may convert it into sterling at the applicable exchange rate on the day we make the conversion. Unless you instruct us otherwise, we will continue to observe any bank mandates or other instructions you have given us or Equiniti Limited concerning your shares.

3.2 We may make available a service to enable you to:

- reinvest any sums receivable on your shares by way of a distribution of dividend by purchasing more shares in the Company; or
- receive new shares instead of a cash dividend if declared by the Board of the Company; or
- receive any sums receivable on your dividend by way of a distribution in any alternative payment method made available by the Company.

Provided your instruction as to how you wish to receive your dividend has been processed (subject to the Terms and Conditions of that service), and the necessary shares or funds have been received by us, we will reallocate them to you, subject to these Terms and Conditions.

Where a transaction results in you being entitled to a fraction of a penny which cannot be remitted to you at the time we would normally remit money to you, you consent to us releasing any such amount to a registered charity of our choice, for or on your behalf. Accordingly, you agree that we will not remit that amount to you, nor hold it as client money for you, and you shall not have any claim, proprietary or otherwise, over such amount following payment to the charity.

3.3 All cash balances will be held by us as client money under the FCA Rules and as follows:

- we will deposit the cash in a bank, or other financial institution that is either regulated within the UK to hold client money or is regulated in another EEA country to hold deposits and permissions extend to offering these services within the UK;
- the bank will hold the cash on our behalf in a trust account separate from any account used to hold money belonging to us or NomineeCo in our own right. Client monies will be pooled with client money of our other customers. Equiniti is committed to holding its client money with banks which are well capitalised as this better spreads the risk of any default by these institutions which could impact our customers;
- we will not, however, be responsible for any acts or omissions of the bank; and
- if the bank becomes insolvent, we will have a claim on behalf of our clients against the bank. If, however, the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them.

If we are holding cash, we may withdraw the cash, any withdrawal will be applied towards paying fees, charges and other sums due and payable to us, as set out in these Terms and Conditions and in accordance with FCA Rules.

If there has been no movement on your balance for at least six (6) years (notwithstanding any payments or receipts of charges, interest or similar items), then provided we have taken reasonable steps to trace you and to return the monies we may cease to treat that money as client money and pay to a charity of our choice. We undertake to make good any valid claims against any released monies.

In accordance with FCA Rules, we are able to deposit some client monies with banks under unbreakable term deposit arrangements or notice periods of up to ninety five (95) days. In the unlikely event of any issues experienced by us or any banks holding your client money it may take longer to return money to you. This does not in any way affect your ability to withdraw funds from your account or undertake any transactions under normal conditions.

3.4 If the law obliges us to deduct tax from any payment owing to you, we will only send you the net amount after the required deduction has been made. If you are in any doubt as to your taxation position you should consult your own professional adviser immediately.

3.5 If you need us to send a replacement payment there may be a fee to pay.

Details of our standard fees when issuing replacement payments can be found at:

www.shareview.co.uk/clients/paymentreissue

Any fee will be deducted from the replacement payment being sent to you.

3.6 If there is a rights issue in the Company or similar corporate action, we will, if possible, make arrangements for you to take up your rights in the Company in return for the necessary payment and/or provide instructions to us as to whether those rights should be held or sold. We will write to you if the Company proposes to issue such rights and explain the procedure you should follow

if you wish to participate, as well as any costs or fees you may be charged for doing so. If you would like us to take up those rights on your behalf, we must receive your cleared payment of that sum, whether in £s sterling or another currency, in time for the due payment date or any other deadline we notify you about. Where it is not practicable for you to take up your rights, we will where practicable and possible make arrangements for the sale of such rights in the market (or off market to the Company or third party at our discretion) and the distribution of the proceeds of such a sale.

3.7 If there is a capitalisation issue, or other distribution made up of additional shares in the Company, we will, if possible, make arrangements for you to accept. We will write to you if the Company proposes to make such a distribution and explain the procedure you should follow if you wish to participate.

3.8 In the event of a demerger, capital reorganisation or restructuring of the Company, we will assess what to do and contact you at the time. We will not be obliged to take any action unless the Company gives us reasonable notice and pays any costs we may incur. These are two possible courses of action:

- if the resulting company offers a nominee service, we will normally send you their terms and conditions and, unless you tell us otherwise, include your shares in that alternative nominee service; or
- if no nominee service is offered, we will normally try to arrange for you to hold shares in the resulting company under the terms governing the demerger or restructuring.

3.9 If there is a takeover or other offer for your shares, we will not accept it unless we have your specific instructions to do so, or if the shares are being acquired compulsorily. On your behalf we will accept any compulsory purchase notices concerning your shares. In these circumstances we will accept a cash offer if this is one of the available alternatives. We will not, however, be liable for any resulting tax or other financial liability.

3.10 If for any reason, any Shares in the Company are allocated to NomineeCo, we will reallocate them to eligible customers, who qualify on the Company's determined qualifying date. Reallocation will be on a pro rata basis whereby the eligible customer's share balance will be divided by all eligible customers' share balances and multiplied by the number of Company allocated shares. If there are any fractional shares, less than whole shares, these will be aggregated and sold with the net proceeds being paid in cash to eligible customers with fractions using the same pro rata method described above.

3.11 Where after the application of paragraph 3.10 any fractional shares or fractional amounts of cash of less than a penny remain which cannot be remitted to you at the time we would normally remit money to you, you consent to us releasing any such amount to a registered charity of our choice, for or on your behalf. Accordingly, you agree that we will not remit that amount to you, nor hold it as client money for you, and you shall not have any claim, proprietary or otherwise, over such amount following payment to the charity.

3.12 We will supply to you any other information required to be sent to you by us under applicable law or regulation.

3.13 The Company may send you the summary financial statements they send to all their shareholders. If they fail to do so, we cannot be held responsible. But if you contact us, we will do our best to send you a copy of the full annual review and accounts – so long as we can get enough copies from the Company.

3.14 **Our policy on correcting any shortfalls in money or assets held on behalf of customers**

3.15 Regardless of all the controls and measures we have, there can be instances when shortfalls in money or assets can occur, sometimes just during a working day or sometimes for a longer period.

In accordance with the principles and rules set by the FCA we will ensure there is adequate protection for customers' assets when we are responsible for them. A key measure in ensuring and demonstrating such protection is the reconciliation of all money and assets due to our customers. Such reconciliation includes the correction of any shortfalls in the money and/or assets due to customers that may be identified, using our own funds and resources where necessary. This policy ensures that no customer would be disadvantaged should they request an immediate return of their money and/or assets or if it becomes necessary for us to return all money and assets to customers.

For all money held on behalf of customers we use controls, during each business day, to monitor these balances and provide same day funding for any identified shortfalls (i.e. we ensure that the total amount of money actually held for customers in a segregated 'client money' bank account is equal to the total amount of money due to customers as per our internal customer account records). The funding by us of any shortfalls that may occur will remain in place until such time as the reason for the shortfall has been identified and corrected.

We also monitor all assets (i.e. stock) held in custody for customers during the normal course of business each day to ensure these equal the total assets due to customers as per our internal customer account records. In the event a shortfall is identified, we will instigate the following actions:

(a) Establish if this has arisen as a result of a routine timing issue which will address the shortfall in due course and monitor this through to completion.

(b) If the shortfall is not as a result of a routine timing issue, we will establish the most recently available market valuation of the asset and credit the 'client money' bank account with the equivalent cash value of the shortfall.

(c) Ensure that our records clearly show which customers may be impacted by the asset shortfall (these customers will be entitled to claim against this cash provision in the event that Equiniti FS were to become insolvent before the asset shortfall is resolved).

(d) Where we ascertain that the delivery of assets will occur in due course to address the shortfall, then we will maintain an equivalent cash position in the 'client money' bank account until such time as these assets are delivered. This cash amount will be reviewed during each business day against the relevant market value of the assets and adjusted accordingly. We may apply an additional and appropriate margin to this valuation where the asset type is held on an overseas market which is open outside of normal UK business hours.

(e) Where we ascertain that the delivery of the stock to correct the shortfall is unlikely to occur or will not occur then we will arrange to purchase the relevant asset in the market to correct the shortfall. The equivalent cash value placed into the 'client money' bank account will remain in place until the trade has settled and the stock amount is represented in the overall customer asset position.

4. Voting at Company General Meetings

4.1 We will endeavour to arrange for you to attend and vote at general meetings of the Company, so far as this is reasonably practicable and possible.

4.2 You may also authorise NomineeCo to vote for you at a Company general meeting in the way you wish. Any instructions you want to give us regarding your vote must reach us at least five (5) working days before the meeting in question – unless we notify you otherwise. We may, at our absolute discretion, agree to accept voting instructions electronically or by telephone. In the absence of specific instructions from you, the votes attached to your shares will not be used at all.

5. Keeping you informed about your holding

We will send you a paper statement as soon as you join the nominee service.

On a quarterly basis we will make available a statement within your Shareview Portfolio. If you would like this in paper format details of how to request this will be made available on your

statement notification. You can also request more frequent paper statements, please contact us using the contact details in paragraph 1 for details of the charge for this service.

If you need us to confirm your holding in writing at any other time, there may be a fee to pay. But you are welcome to check your holding at any time on our website at:

www.shareview.co.uk

6. **Adding to your holding**

If you have bought or become entitled to more shares in the Company, you may transfer them to our nominee service – for us to hold under these same Terms and Conditions – at any time.

7. **Dealing in your shares**

7.1 A share dealing service may be made available to you in respect of your shares. If you want to use it to sell your shares, we will act on the instructions of the share dealing service providers nominated on your behalf by the Company. For further details, please contact us. In this case, the share dealing will be governed by the terms and conditions between you and the share dealing service providers – you can send for a copy of the share dealing terms and conditions by getting in touch with them direct.

7.2 If you want to use the services of a share dealing service provider other than that of those nominated by the Company, we will first need to transfer your shares back to you in the form of a paper certificate or to a third party of your choice.

There may be a fee for this transfer. So if you plan to use an alternative share dealing service provider, please let us know and we will send you the transfer form to complete, along with details of any fee and how to pay it.

7.3 Share dealing charges will vary from time to time. Please contact the share dealing service providers individually for their up-to-date fees and charges.

8. **Tax**

8.1 You will be responsible for paying any taxes or duties due in connection with your shares, including but not limited to, any tax on the income received in respect of your shares or on any capital gains from disposing of your shares, we will not be liable for them in any way. If you are in any doubt as to your taxation position you should consult your own professional adviser immediately. Your own tax treatment will depend on your individual circumstances.

9. **Joint holders and trusts**

9.1 NomineeCo may hold shares for up to four joint holders.

9.2 Normally we will only accept instructions with the consent of all joint holders.

9.3 We and NomineeCo cannot and will not take formal notice of any trust affecting the shares, whether express, implied or constructive.

10. **The security in your shares**

10.1 Your shares will not be lent to, nor deposited as collateral with, a third party. No money will be borrowed by us against the security of your shares.

10.2 You must not assign or transfer your interest in the shares to anyone else or borrow money against the security of your shares. Neither we nor NomineeCo will be bound to take notice of, nor arrange to carry out, any trust, mortgage, charge, pledge or claim in favour of anyone else.

We may decline any notice we receive concerning the right, title, interest or claim of anyone else to an interest in your shares, except when that interest has arisen through bankruptcy, court order or death.

11. **Communications between you and us**

11.1 Any communication or agreement between you and us under these Terms and Conditions must be in the English language. We will always communicate with you in English.

11.2 Please address all letters, instructions, notices, and other documents for us to the address detailed in paragraph 1.

Until your communication actually reaches us at this address, we will not be able to treat it as officially received, nor to act on it.

You must send us any instructions or notices in writing – and we need an original paper document please, not a fax or email. In a few special circumstances and at our sole and absolute discretion we may be able to waive the requirement for your instructions to be in writing.

11.3 All quarterly statements will be added to your Shareview Portfolio and will not be sent by post (unless you have instructed us in accordance with paragraph 4).

In addition, we will have discretion to make available to you through your Shareview Portfolio any other notices or documents related to this service.

For example, we may advise you via the Shareview Portfolio of dividend payment confirmations or amendments to our Terms and Conditions, rather than sending this information to you (and all other users of our nominee service) individually by post. An exception to this is where amendments to our Terms and Conditions are material and we are required to contact you directly giving you prior notice as per paragraph 17.

All email notifications will be sent to holders using the latest valid email address provided. Where we choose to use paper communication we will continue to address all payments, notices and other documents to the sole or first-named joint holder at the address on our register, or the holder and address given to us most recently for correspondence purposes.

If you provide us with an email address but subsequently decide that you do not want us to communicate with you by email or using a website, please send us a letter in the post stating this and we will resume using the last postal address we have for you.

We may choose not to send out a document if you are not resident in the UK or the address you have given us for posting documents is not in the UK, for example if we have reason to believe its distribution in your country may be forbidden by law.

11.4 Everything we send you is at your own risk, including any cheque or electronic payments. If we are unable for any reason to send you a payment electronically, we will send it by cheque instead.

11.5 We cannot take any part in, nor take any responsibility for, arrangements between joint holders over sharing information or accounting among themselves.

11.6 If there should be any dispute or court proceedings concerning your shares or your beneficial interest in them, you must let us know straightaway. If we become aware of a dispute between you and a third party, or between any joint holders, over ownership of the shares, we may decide that we must see an agreement signed by the disputing parties or a court order before we can act on any more instructions. If an agreement or court order of this kind is ever made affecting your shares, you agree to supply us with a copy as soon as possible afterwards.

11.7 If communications from us to you are returned by the Post Office marked 'Gone Away', or if, for any other reason, it is our reasonable belief that you no longer live at the address that you have registered with us, we will stop sending communications to you and will attempt to re-establish contact.

In order to do this, we will write to your last known address seeking information about your current whereabouts. If you have a dividend mandate instruction in place, we will also write to your bank asking them to forward our contact details on to you.

If we are still unable to re-establish contact with you, we may instruct a professional tracing agent to locate and make contact with you. If the tracing agent is successful, and you contract with them to use their services, they may charge you.

If we have reason to believe your email address is invalid we will stop sending electronic communications and will resume using the last postal address we have for you. Your quarterly statements will continue to be made available to you in accordance with paragraph 5.

12. **Transferring our obligations**

In accepting these Terms and Conditions you agree that we may transfer our obligations under this agreement to any other company, if that other company writes to you and undertakes to carry out all our duties and obligations under this agreement. If it does so, you agree that we will be released from all those duties and obligations that such company has undertaken to carry out. We shall satisfy ourselves that any such company is competent to carry out those functions and duties transferred and is regulated to do so by the FCA, if such regulation is required. As part of transferring our rights and obligations to a third party, we may transfer all of the cash, investments and information we hold under these Terms and Conditions to that third party or its nominee. Where funds are held by us as client money the third party will continue to hold this as client money. If you receive a written notice under this paragraph, and you decide you wish to end this agreement, you may do so by sending us instructions as explained in paragraph 13. No charge will be payable by you for this if your instructions reach us within one month of the date of the written notice.

13. **Ending this agreement**

13.1 You may cancel this agreement at any time by letting us know in writing. This is in addition to your legal right to cancel this agreement within fourteen (14) days of the agreement between us being made. Your cancellation letter will take effect as soon as we receive it, although this will not prevent the completion of any transactions that are already under way. The normal charges will be made for these transactions.

13.2 If you have asked to cancel this agreement, or you are no longer eligible to hold your shares in our nominee service (i.e. you change address to outside the EEA), or our nominee service is cancelled by us in accordance with paragraph 12, we will, unless you instruct us otherwise, transfer any Shares being held in our nominee service into your own name, and then send you a share certificate.

All transactions are subject to the usual fees unless otherwise notified.

13.3 This agreement will only end once your shares are no longer held in our nominee service, and any outstanding dividends or other entitlements have been cashed in accordance with your instructions.

14. **Notification of death**

The rights to your shares pass to your legal representatives on your death.

To register the death we will need to see the original UK Grant of Representation, or a sealed office copy (we are not able to accept certified copies). This could be:

- Grant of Probate;
- Letters of Administration; or
- Certificate of Confirmation (Scotland).

If the relevant shares are held on behalf of more than one person, and after the event the shares are to be held on behalf of the other person(s) then we will arrange for the shares to be transferred into their name(s) to remain in the nominee service.

In order to complete the transfer of shares into new name(s) after the event, we may need to request additional information and until this information is available the shares will continue to be held in the original name(s).

15. **Terminating our nominee service**

This agreement may be brought to an end at any time by us giving you three (3) months' notice or automatically if the agreement between us and the Company under which we provide this nominee service comes to an end.

In either case, the completion of transactions already under way will not be affected.

16. **Charges for our nominee service**

Details of fees are set out in these Terms and Conditions.

We may review these charges from time to time.

We may charge other fees for services provided under this agreement.

We may charge an annual management fee if we no longer hold any Shares on your behalf under this agreement but continue to hold unclaimed payments which have been previously notified to you. We will withdraw this from your unclaimed payments up to the maximum stated in these Terms and Conditions.

We may waive fees at our sole discretion.

We will let you know in writing before we change any of them (see also paragraph 17). If at any time you would like an update on our fees they are available from us on request.

In addition to the charges outlined above, we receive fees from the Company sponsoring the service. The Company sponsors this service so that you can benefit from holding your shares in an electronic account at low cost. The fees are negotiated regularly with the Company, with the actual charge made to the Company reflecting the size, complexity and value of the service and the overall relationship with the Company. We also receive fees from brokers with whom the Company has set up arrangements for you to sell your shares or buy additional shares. These fees are charged by us for trade settlement and register access administration. The broker should give you details of these fees at the time of your trade. More information about these fees is available on request.

17. **Changing this agreement**

We may change these Terms and Conditions from time to time in order to:

- comply with changes in law or regulation;
- correct inaccuracies, errors or ambiguities;
- take account of any corporate reorganisation inside our group of companies or a transfer of our rights, benefits and/or obligations under these Terms and Conditions to a third party; and/or
- reflect changes in the scope and nature of the service we are able to provide, having regard to:
    - our agreement with the Company;
    - the CREST rules and regulations, and our CREST membership;
    - our computer or database systems;
    - our administrative procedures and routines; and/or
    - market practice and overall customer requirements.

If we intend to change the Terms and Conditions and the alteration is material we will give you at least thirty (30) days' advance written notice of the alteration, unless such changes are required by law or regulation to be effected earlier, or it is otherwise impracticable to do so.

See also paragraph 11.3 as to when we may use email or a website to provide you with such notice.

Remember also, if you do not like an alteration that we propose to make to these Terms and Conditions, that you have a right to leave the nominee service at any time by following the procedure in paragraph 13.

18. **The extent of our liability**

18.1 We will not be responsible for any losses or expenses you incur under this agreement, unless caused by our breaching FCA Rules, or our fraud, wilful default or negligence.

Even in the event of our wilful default or negligence, we will not be liable for any loss attributable to a failure by you to let us know about address or name changes, other changes in personal details, or bankruptcy, or any problem or defect in your ownership or title to the shares (unless caused by us).

18.2 Neither we nor NomineeCo act as agent for the Company or accept any responsibility for anything the Company does or does not do.

18.3 Neither we nor NomineeCo will be responsible for:

- acting in accordance with a court order (of whatever jurisdiction) or failing to act in accordance with a court order about which we have not been notified;
- forged or fraudulent instructions. So long as we have shown all due care, we will be entitled to assume:
  - that signatures that purport to be yours are genuine; and
  - if we have agreed to accept a particular instruction over the phone or by email, that the caller's or emailer's identity is genuine – unless it ought to be obvious to anyone that it is not.
- any kind of loss or damage you suffer in the event of 'force majeure' – meaning any failure, interruption or delay in the performance of our obligations because of:
  - industrial disputes;
  - the malfunction or failure of any telecommunications or computer service, or CREST;
  - the failure of third parties to carry out their obligations;
  - the activities of government or international authorities, including changes in law or regulations; and/or
  - any other event or circumstance not within our reasonable control provided, where relevant, that we have complied with the FCA Rules on business continuity. If this type of situation arises, however, we will remedy the situation as soon as reasonably possible.
- any indirect, special or consequential loss (including direct or indirect loss of profit),other than where this results from fraud or a breach of the conduct of business sourcebook or client assets sourcebook in the FCA Rules on our part.

18.4 We and NomineeCo reserve the right to delay acting on any particular instruction you give us, in order that we can get additional information from you, and/or comply with any law or regulations,

and/or investigate the validity or any other aspect of the instruction. Neither we nor NomineeCo will be responsible for any financial loss resulting from such a delay.

18.5 Neither we nor NomineeCo will be responsible in any way to anyone for any shortfall that might arise because we are accountable for tax on any of the shares, or any part of the shares, or on any income or capital distribution or other payment they produce, or from any sale proceeds. In order to comply with any tax liabilities of this kind that might arise, we will be entitled to recover the money by making deductions from the income arising from your shares, or by selling any or all of the shares and making deductions from the proceeds.

18.6 We and NomineeCo will be entitled to make any agreement with, or give any undertakings to, any tax authority as regards the taxation status of the transactions made under this agreement, and do everything necessary to abide by any such agreement or undertakings.

18.7 We and NomineeCo may do, or stop doing, anything that, in our reasonable opinion, is necessary in order to comply with any laws, rules, regulations or the requirements of any regulatory or other body that are binding on us.

18.8 We reserve the right to correct your shareholding, at our expense, without reference to you, if we discover we have made an error, and will notify you (where relevant) of any correction made. In the event that we make an error on your shareholding and realise a financial gain in putting your shareholding back in the correct position we will be entitled to retain this.

19. **Indemnifying us**

19.1 You agree to indemnify us and NomineeCo and our respective agents, officers and employees for any liabilities we incur arising from anything done by us in the proper performance of our duties in accordance with this agreement in relation to your shares, except for liabilities that are the result of our or NomineeCo's wilful default, negligence or fraud or a breach of the FCA Rules.

19.2 Your obligations under this indemnity will survive even in the event of:

- complete or partial termination of this agreement, or
- our or NomineeCo's resignation or replacement.

19.3 If you are liable under the terms of this agreement to pay us a sum of money and the law requires tax to be deducted or withheld from that sum, you must pay us enough to cover both your liability and the tax sum involved in full. We and you agree to make any payments and adjustments necessary to achieve this.

20. **Conflicts of interest**

20.1 We have organisational and administrative arrangements in place, that are intended to prevent conflicts of interest from adversely affecting the interests of our clients. So, we take all appropriate steps to identify and prevent or manage conflicts of interest:

(a) between us and our clients; and

(b) between one client and another, that arise in the course of providing an investment and/ or ancillary service.

If these arrangements are not sufficient to ensure, with reasonable confidence, that the risk of damage to you will be prevented, we will tell you about the nature and/or sources of conflicts of interest, and the steps we have taken to mitigate these risks, in providing these services.

20.2 You will find full details of our conflicts policy on our website at:

www.shareview.co.uk/info/policies

or you can request a printed copy by contacting us using the contact details in paragraph 1.

20.3 At the time of the issue of this document no material conflicts of interest were identified which could not be managed in accordance with paragraph 20.1.

21. **Governing law**

These Terms and Conditions are governed by English law. Any disputes relating to the agreement between us will be subject to the jurisdiction of the courts of England and Wales.

22. **No third party rights**

This agreement is only between you and us. It will not give any benefits to, nor be enforceable by, a third party.

23. **Complaints and compensation**

If you have a complaint of any kind, please be sure to let us know. We will do our utmost to resolve the issue. You can put your complaint in writing to us at:

Complaint Resolution Team, Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom

or email us at:

concerns@equiniti.com

or call us using the contact details in paragraph 1.

If we cannot resolve the issue between us, you may – so long as you are eligible – ask the independent Financial Ombudsman Service to review your complaint.

A leaflet with more details about our complaints procedure is available – you are welcome to ask us to supply you with a copy at any time.

We are a member of the Financial Services Compensation Scheme, set up under the Financial Services and Markets Act 2000.

If we cannot meet our obligations, you may be entitled to compensation from the Scheme. This will depend on the type of agreement you have with us and the circumstances of the claim. For example, the Scheme covers corporate sponsored nominees, individual savings accounts and share dealing.

Most types of claims for FCA regulated business are covered for 100 per cent. of the first £85,000 per person.

This limit is applicable to all assets with Equiniti FS.

For more details about the Financial Services Compensation Scheme, you can call their helpline:

0800 678 1100 or +44 207 741 4100

or go to their website at:

www.fscs.org.uk

or write to them at:

Financial Services Compensation Scheme 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU United Kingdom

Alternative Formats

To request these Terms and Conditions in an alternative format, for example, large print, braille, or an audio tape, please contact us using the contact details in paragraph 1 above.

PART XII
ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Company and the Directors, whose names appear in the section entitled "*Directors, Company Secretary, Registered Office and Advisers*", accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2. COMPANY DETAILS

2.1 The Company is incorporated under the laws of England and Wales. The Company was incorporated on 2 February 2021 under the Companies Act 2006 as a private company limited by shares in England and Wales with registered number 13172844. On 9 April 2021, the Company re-registered as a public limited company with the name PensionBee Group plc. The principal legislation under which the Company operates, and under which the New Shares will be issued, is the Companies Act and the regulations made thereunder.

2.2 The registered office of the Company is at City Place House, 55 Basinghall Street, London EC2V 5DX, United Kingdom.

2.3 The telephone number of the Company is +44 (0) 20 3457 8444.

2.4 The legal entity identifier of the Company is 2138008663P5FHPGZV74.

2.5 The website of PensionBee is www.pensionbee.com. The contents of PensionBee's website do not form part of this Prospectus.

3. ISSUED SHARE CAPITAL

3.1 The issued and fully paid share capital of the Company as at the date of this Prospectus is as follows:

	Issued and fully paid		
	Nominal Value (£)	**Number**	**Amount (£)**
Ordinary Shares	£0.001 each	180,054,400	180,054.40

3.2 The issued and fully paid share capital of the Company immediately following Admission is expected to be as follows (assuming that the Offer Price is set at the mid-point of the Offer Price Range and the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021):

	Issued and fully paid		
	Nominal Value (£)	**Number**	**Amount (£)**
Ordinary Shares	£0.001 each	221,213,333	221,213.33

None of the capital of the Company has been paid for with assets other than cash within the period covered by the Historical Financial Information included in this Prospectus.

3.3 Between the date of its incorporation and the date of this Prospectus, there have been the following changes in the issued share capital of the Company:

(a) on 24 March 2021, the Company allotted 180,054,399 Ordinary Shares pursuant to the Share Exchange (as described in paragraph 4 below);

(b) on 24 March 2021, the Company allotted the Special Share (as described in paragraph 4 below); and

(c) on 26 March 2021, the Company undertook a capital reduction to cancel the Special Share and reduce its share premium account, in order to create distributable reserves (as described in paragraph 4 below).

3.4 Pursuant to the Offers, Existing Shareholders will experience between a 14.33 per cent. and 15.89 per cent. dilution of their holdings of Ordinary Shares as a result of the issue of between 31,428,571 and 35,483,870 New Shares (that is, his or her proportionate interest in Ordinary Shares of the Company will decrease by between 14.33 per cent. and 15.89 per cent.), following which they will hold between approximately 84.11 per cent and 85.67 per cent. of the enlarged issued share capital of the Company, depending on the determination of the Offer Price and the Offers Size and excluding the effect of any sale of Existing Shares. Existing Shareholders will also experience a 4.17 per cent. dilution of their holdings of Ordinary Shares as a result of the issue of 7,825,600 Ordinary Shares by the Company to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

3.5 Save for the options over Ordinary Shares disclosed in paragraph 13.1 of this Part XII (*Additional Information*), there are no convertible securities, exchangeable securities or securities with warrants in the Company.

4. REORGANISATION

4.1 In connection with Admission, the Company and PBL have each undertaken certain steps as part of a reorganisation of its corporate structure and will undertake certain further steps immediately prior to Admission (the "**Reorganisation**").

4.2 Reorganisation steps carried out as at the date of this Prospectus

(a) Prior to the Reorganisation, the Company was incorporated as a private limited company under the laws of England and Wales on 2 February 2021 with Romi Savova as its sole shareholder.

(b) On 24 March 2021, the Company and the shareholders of PBL entered into a share exchange agreement, pursuant to which the shareholders agreed to transfer their entire shareholdings in PBL to the Company in exchange for the allotment of a proportionate number of Ordinary Shares in the Company, with the exception of Romi Savova who received one fewer Ordinary Share given she already held the initial subscriber share in the Company (the "**Share Exchange**"). Following completion of the Share Exchange the Company became the direct holding company of PBL.

(c) On 6 April 2021, the Company and all holders of options over shares in PBL entered into an option rollover agreement pursuant to which the option holders agreed to release their options over shares in PBL granted under the Historic Employee Share Option Plans in exchange for the grant of an option of equivalent value in respect of Ordinary Shares in the Company. The options over Ordinary Shares remain subject to the terms of the Historic Employee Share Option Plans.

(d) On 24 March 2021, the Company issued a bonus share (the "**Special Share**") to Romi Savova, paid up as to nominal value and share premium by the entire amount standing to the credit of the Company's merger reserve.

(e) On 26 March 2021, the Company undertook a capital reduction to cancel the Special Share and reduce its share premium account, in order to create distributable reserves.

(f) On 9 April 2021, the Company re-registered as a public company limited by shares with the name PensionBee Group plc and adopted amended articles of association.

4.3 Admission Reorganisation steps

Upon Admission, the New Articles of Association, a summary of which is set out in paragraph 7 of this Part XII (*Additional Information*), will be adopted as the articles of association of the Company.

5. **SHARE CAPITAL AUTHORITIES**

The authorisations relating to the share capital of the Company are as follows:

(a) by resolution passed by written resolution of the Company on 24 March 2021, it was resolved that the Company adopt new articles of association;

(b) by resolution passed by written resolution of the Company on 24 March 2021, it was resolved that:

(i) the directors be authorised to exercise all the powers of the Company to allot the Special Share for a period commencing on the date of the passing of the resolution and ending on 31 December 2021;

(ii) subject to the Share Exchange having become effective, the directors of the Company be authorised to capitalise the merger reserve arising as a result of the Share Exchange and to apply the capitalised sum in paying up the Special Share;

(iii) subject to the Special Share having been allotted and issued, the Special Share be cancelled and the share premium account of the Company be reduced from £304,584,856.18 to £0 and that the nominal value of the Special Share and the amount of such reduction be credited to the reserves of the Company;

(iv) the Company be re-registered as a public company with the name of PensionBee Group plc;

(v) with effect from the Company's re-registration as a public limited company, the company adopt new articles of association;

(vi) with effect from Admission, the New Articles of Association be adopted as the articles of association of the Company;

(vii) the pre-emption rights set out in Article 6 of the Company's Articles of Association shall not apply to the allotment of the Special Share;

(c) by resolutions expected to be passed at a general meeting of the Company shortly prior to Admission, it is proposed that:

(i) the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot shares or grant rights to subscribe for or to convert any security into Ordinary Shares:

(A) upon Admission, up to an aggregate nominal amount of £35,483.87 in connection with the Offers;

(B) following Admission, up to an aggregate nominal amount equal to one-third of the aggregate nominal value of the Company's issued share capital immediately following Admission; and

(C) following Admission, up to an aggregate nominal amount equal to two-thirds of the aggregate nominal value of the Company's issued share capital immediately following Admission (such amount to be reduced by the extent the authority granted by paragraph 5(c)(i)(A) is utilised) in connection with an offer by way of a rights issue to ordinary shareholders in proportion to their existing shareholdings (and holders of any equity securities entitled to participate or as the directors otherwise consider necessary),

such authorities to expire on the earlier of the conclusion of the first annual general meeting of the Company or the close of business on the date falling 15 months after the resolution conferring such authorities is passed (save that the Company may, before the expiry of such periods, make offers or agreements

which would or might require shares to be allotted or rights to be granted after expiry of these authorities, and the directors may allot shares or grant rights in pursuance of any such offer or agreement notwithstanding the authorities conferred have expired);

(ii) the directors be empowered to allot equity securities (within the meaning of section 560 of the Companies Act 2006) as if section 561 of the Companies Act 2006 did not apply to any such allotment pursuant to the authority granted as described in 5(c)(i)(A);

(iii) the directors be generally empowered to allot equity securities (within the meaning of section 560 of the Companies Act 2006) as if section 561 of the Companies Act 2006 did not apply to any such allotment:

(A) pursuant to the authorities granted as described in 5(c)(i)(A) and 5(c)(i)(C)in connection with a pre-emptive offer; and

(B) up to an aggregate nominal amount equal to 10 per cent. of the aggregate nominal value of the Company's issued share capital immediately following Admission,

(C) such powers to expire on the earlier of the conclusion of the first annual general meeting of the Company or the close of business on the date falling 15 months after the resolution conferring such powers is passed (save that the Company may, before the expiry of such periods, make offers or agreements which would or might require equity securities to be allotted or rights to be granted after expiry of these powers and the directors may allot equity securities or grant rights in pursuance of any such offer or agreement to subscribe for or convert any security into a share notwithstanding the powers conferred have expired). For the purposes of this paragraph 5(c)(iii), a "pre-emptive offer" means an offer of equity securities to ordinary shareholders in proportion to their existing holdings, but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

(iv) the Company be authorised to make market purchases of ordinary shares pursuant to section 701 of the Companies Act 2006, subject to the following conditions:

(A) the maximum number of Ordinary Shares authorised to be purchased is equal to 10 per cent. of the Ordinary Shares in issue on Admission;

(B) the minimum price which may be paid for an Ordinary Share is the nominal value of an Ordinary Share at the time of such purchase;

(C) the maximum price which may be paid for an Ordinary Share shall be the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five Business Days immediately preceding the day on which an Ordinary Share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venues where the trade is carried out, in each case exclusive of expenses;

(D) the authority shall expire on the earlier of the conclusion of the first annual general meeting of the Company or the close of business on the date falling 15 months after the resolution conferring such authority is passed;

(E) a contract to purchase ordinary shares under this authority may be made prior to the expiry of this authority, and concluded in whole or in part after expiry of this authority; and

(F) any Ordinary Shares purchased pursuant to this authority may either be held as treasury shares or cancelled by the Company, depending on which course of action is considered by the Directors to be in the best interests of shareholders at the time; and

(v) the Company and its subsidiaries be authorised to make political donations and incur political expenditure until the conclusion of the first annual general meeting of the Company;

(vi) a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

The Board considers the authorities and powers set out above to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company for the duration of this authority and 7.5 per cent. of the total issued ordinary share capital of the Company within a rolling three-year period (in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotments) without prior consultation with shareholders.

The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. As at the date of this Prospectus, the Company does not hold any Ordinary Shares in treasury. There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share and incentive plans.

The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash. The provisions of section 561(1) of the Companies Act 2006 (which confer on shareholders rights of pre- emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in Section 1166 of the Companies Act 2006) apply to the issue of Ordinary Shares in the capital of the Company except to the extent such provisions have been disapplied (as set out in this section 4.4).

6. INFORMATION ON THE ORDINARY SHARES

6.1 Description of the type and class of securities to be admitted

The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of £0.001 each. The ISIN of the Ordinary Shares will be GB00BNDRLN84. The Ordinary Shares have been, and the New Shares will be, created under the Companies Act and the articles of association of the Company (the "**Articles of Association**"). On Admission, the Company will have one class of ordinary shares.

The New Shares will be credited as fully paid and free from all liens, equities, charges, encumbrances and other interests, and will rank in full for all dividends and distributions on the ordinary share capital of the Company declared, made or paid with reference to a record date falling on or after the date of Admission.

6.2 **Admission**

Application will be made for the entire issued and to be issued Ordinary Share capital to be admitted to trading on the High Growth Segment of the Main Market of the London Stock Exchange.

Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 21 April 2021. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 26 April 2021.

No application will be made for the Ordinary Shares to be admitted to listing or dealt with on any other stock exchange. The Ordinary Shares will not be admitted to trading on any stock exchange other than the London Stock Exchange's main market for listed securities.

6.3 **Form and currency of the Ordinary Shares**

The Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Ordinary Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

New Shares will be issued in registered form and will be capable of being held in certificated form and being recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST ("**uncertificated**" or being held in "**uncertificated form**").

Title to the certificated New Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Shares will be evidenced by entry in the operator register maintained by Euroclear UK & Ireland Limited, the operator of CREST ("**Euroclear**") (which forms part of the register of members of the Company). Equiniti Limited with its registered office at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom (the "**Registrar**") is the Registrar of the Company.

The Ordinary Shares are, and the New Shares will be, denominated in pounds sterling.

6.4 **Dates of issue and settlement**

The New Shares are expected to be issued and allotted on Admission, which is expected to occur on 26 April 2021 and those entitled to the New Shares are expected to be entered on the Company's register of members on that day.

6.5 **Description of restrictions on free transferability**

Save as set out in this Prospectus, the Ordinary Shares are, and the New Shares will be, freely transferable.

The Company may, under the Articles of Association and the Companies Act send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can apply to the court for an order directing, amongst other things, that any transfer of the shares which are the subject of the statutory notice is void.

The Directors may also, without giving any reason, refuse to register the transfer of any Ordinary Shares which are not fully paid.

7. NEW ARTICLES OF ASSOCIATION

7.1 The new Articles of Association adopted pursuant to a written resolution of the Company passed on 24 March 2021 subject to and conditional upon Admission (the "**New Articles of Association**") contain provisions to the following effect:

(a) **Objects**

The objects of the Company will not be restricted by the New Articles of Association. Accordingly, pursuant to s.31(1) of the Companies Act, the Company's objects will be unrestricted.

(b) **Limited Liability**

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.

(c) **Rights Attaching to Ordinary Shares**

(i) *Dividends*

Subject to the Companies Act, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors and no dividend may be declared or paid unless it is in accordance with members' respective rights.

Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each members' holdings of shares on the date of the resolution or decision to declare or pay it.

Subject to the provisions of the Companies Act and rights attached to shares, the Company or the directors may fix any date as the record date for a dividend. The record date may be on or at any time before or after a date on which the dividend is declared or paid.

Except as otherwise provided by the rights attached to, or the terms of issue of, any Shares, all dividends must be declared and paid according to the amounts paid up on the shares on which the dividend is paid and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. If 12 years have passed from the date on which a dividend or other sum became due for payment and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

The directors may pay any dividend (including any dividend payable at a fixed rate) if it appears to them that the profits available for distribution justify the payment. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or distribution payable in respect of a share by transferring

non-cash assets of equivalent value (including shares or other securities in any company).

(ii) *Return of Capital*

A liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he/she shall determine. The liquidator may, for that purpose, value any assets and determine how the division is carried out as between the members or different classes of members.

(d) **Transfer of Shares**

(i) Subject to the conditions described in this paragraph (d) and in paragraph (l) (*Failure to disclose interest*) below, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by the FCA, the directors may refuse to register a transfer of certificated shares provided that such refusal would not disturb the market in those shares.

(ii) Certificated shares may be transferred by means of an instrument of transfer in writing in any usual form or any other form approved by the directors, which is executed by or on behalf of:

(A) the transferor; and

(B) (if any of the shares is partly paid) the transferee.

(iii) Subject to the Regulations, the transferor remains the holder of a share until the transferee's name is entered in the register of members as the holder of it.

(iv) The directors may also, in their absolute discretion, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment of a share unless all of the following conditions are satisfied:

(A) it is in respect of only one class of shares;

(B) it is in favour of (as the case may be) a single transferee or renouncee or not more than four joint transferees or renouncees;

(C) it is duly stamped (if required); and

(D) it is delivered for registration to the registered office of the Company or such other place as the directors may decide, accompanied by the certificate for the shares to which it relates (except in the case of a person to whom the Company is not required by sections 769, 776, 777 or 778 of the Companies Act to issue a certificate, or in the case of a renunciation) and such other evidence as the directors may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his/her behalf, the authority of that person to do so.

(v) If the directors refuse to register the transfer of a certificated share or renunciation of a renounceable letter of allotment, the instrument of transfer or renunciation must be returned to the transferee or renouncee as soon as practicable and in any event within two months of the date on which the transfer or renunciation was lodged with the Company with the notice of refusal and reasons for refusal unless they suspect that the proposed transfer or renunciation may be fraudulent.

(vi) In accordance with and subject to the provisions of the Regulations, the operator of the relevant system ("**Operator**") shall register a transfer of title to any

uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Regulations permit the Operator of the relevant system to refuse to register such transfer in certain circumstances in which case the said Operator may refuse such registration.

(vii) In accordance with the Regulations, if the Operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it must, as soon as practicable and in any event within two months after the date on which the relevant system-member instruction or issuer instruction (as the case may be) was received by the Operator, send notice of the refusal to the relevant system-member or participating issuer (as the case may be).

(viii) In accordance with and subject to the provisions of the Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form after such transfer, the Company as participating issuer must register the transfer in accordance with the relevant Operator-instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Regulations.

(ix) In accordance with the Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form after such transfer, it must, as soon as practicable and in any event within two months after the date on which the Operator instruction was received by the Company, send notice of the refusal to the transferee.

(x) The Company (at its option) may or may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

(e) **Variation of Rights**

Subject to the Companies Act, the rights attached to a class of shares may be varied or abrogated (whether or not the Company is being wound up) either (i) with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of that class (excluding any Shares of that class held as treasury shares) or (ii) with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held.

The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Companies Act.

(f) **Company's Lien on Partly Paid Shares**

The Company has a lien (the "**Company's Lien**") over every share which is partly paid for any part of that share's nominal value and any premium at which it was issued, which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. The Company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share and (if that lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share solely for the purposes of the transfer.

(g) **Forfeiture**

If a person is liable to pay a call and fails to do so by the due date for payment the directors may issue a notice of intended forfeiture to that person and until the call is paid, that person must pay the Company interest on the call from the due date for payment to the actual date of payment (both dates inclusive) at the relevant rate. A notice of intended forfeiture must be in writing, may be sent in respect of any share in respect of which a call has not been paid as required by a call notice, must be sent to the holder of that share or a person entitled to it by reasons of the holder's death, bankruptcy or otherwise, must require payment of the call and any accrued interest (and all costs, charges and expenses incurred by the Company by reason of non-payment) by a date which is not less than 14 days after the date of the notice, must state how the payment is to be made and must state that if notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

If a notice of intended forfeiture is not complied with before the date by which payment (including interest, costs, charge and expenses) of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

If a person's shares have been forfeited, that person remains liable to the Company for all sums payable by that person under the New Articles of Association at the date of forfeiture in respect of those shares, including any interest at the relevant rate (whether accrued before or after the date of forfeiture) and costs, charges or expenses.

Failure to give notice to the relevant holder of the share will not invalidate the forfeiture. Forfeited shares shall become the property of the Company.

(h) **Redeemable Shares**

Subject to the Companies Act, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

(i) **General Meetings**

At least 21 clear days' notice must be given to call an annual general meeting. Subject to the Companies Act, at least 14 clear days' notice must be given to call all other general meetings.

The notice of a general meeting must be given to the members (other than any who has no registered address within the United Kingdom and has not supplied to the Company an address within the United Kingdom at which notice can be given, or to whom two consecutive notices in a period of at least 12 months have been sent and returned undelivered, or who under the terms of allotment or issue of shares are not entitled to receive notice), to the directors, to the beneficial owners nominated to enjoy information rights under the Companies Act and to the Company's auditors. The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to a meeting to, or the non-receipt of any such notice by, a person entitled to receive any such notice shall not invalidate the proceedings at that meeting.

All members present in person, and their duly appointed proxy or proxies shall be entitled to attend and to speak at all general meetings of the Company and, such proxy or proxies are entitled to vote instead of such member both on a show of hands and on a poll. A proxy need not also be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided each proxy is appointed to exercise the rights attached to different shares held by that member.

(j) **Notices and Communications**

(i) Save where the New Articles of Association expressly require otherwise, any notice, document or information to be sent or supplied by, on behalf of or to the Company may be sent or supplied in accordance with the Companies Act (whether authorised or required to be sent or supplied by the Companies Act or otherwise) in hard copy form, in electronic form or by means of a website.

(ii) In the case of joint holders of a share, a notice, document or information shall be validly sent or supplied to all joint holders if sent or supplied to whichever of them is named first in the register in respect of the joint holding. Anything to be agreed or specified in relation to a notice, document or information to be sent or supplied to joint holders, may be agreed or specified by the joint holder who is named first in the register in respect of the joint holding.

(iii) A notice, document or information sent by post and addressed to a member at his/her registered address or address for service in the United Kingdom is deemed to be given to or received by the intended recipient 24 hours after it was put in the post if prepaid as first class post and 48 hours after it was put in the post if prepaid as second class post. In proving such service, it shall be sufficient to prove that the envelope containing the notice, document or information was properly addressed, pre-paid and posted.

(iv) A notice, document or information sent or supplied by electronic means to an address specified for the purpose by the member is deemed to have been given to or received by the intended recipient 24 hours after it was sent, and in proving service it is sufficient to prove that the communication was properly addressed and sent.

(v) A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website or (ii) if later, when the recipient received (or, in accordance with this paragraph (j), is deemed to have received) notification of the fact that the material was available on the website.

(k) **Directors**

(i) *Number of Directors*

Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) must not be less than two and must not be more than 13.

(ii) *Appointment*

Subject to the Companies Act, a person can be appointed (or remain) a director regardless of his/her age.

Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by ordinary resolution at a general meeting, by a decision of the directors or by the sole director if the Company has only one director.

(iii) *Remuneration*

Unless otherwise determined by ordinary resolution, directors (but not alternate directors) are entitled for their services to such total fees as the directors determine. The total fees will be divided among the directors in the proportions that the directors decide or, if no decision is made, the total fees will be divided equally.

Subject to the Companies Act, the directors' fees may be payable in any form and, in particular, the directors may arrange for part of a fee payable to be provided in the form of fully-paid shares of the Company. The amount of the fee will be applied to purchase or subscribe for shares on behalf of a director.

The directors can pay additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses to any director who at the request of the directors makes a special journey for the Company, performs a special service for the Company or works abroad in connection with the Company's business.

The Company may repay any reasonable travelling, hotel and other expenses which a director properly incurs in performing his/her duties as director in connection with his/her attendance at directors' meetings, committee meetings, general meetings or separate meetings of the holders of a class of shares or debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of his/her responsibilities in relation to the Company. Subject to the Companies Act, the directors may make arrangements to provide a director with funds to meet expenditure incurred (or to be incurred) by him/her for the purposes of the Company or for the purpose of enabling him/her properly to perform his/her duties as an officer of the Company or to enable him/her to avoid incurring any such expenditure.

The directors may decide whether to pay or provide (by insurance or otherwise) pensions, retirement or superannuation benefits, death, sickness or disability benefits, gratuities or other allowances to any person who is or who was a director of (i) the Company, (ii) a subsidiary undertaking of the Company, (iii) any company which is or was allied to or associated with the Company or any of its subsidiary undertakings, or (iv) a predecessor in business of the Company or of any of its subsidiary undertakings (or, in each case, to any member of his/her family, including a spouse or former spouse, or a person who is or was dependent on him/her). For this purpose the directors may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The directors may arrange for this to be done either by the Company alone or in conjunction with another person.

(iv) *Indemnity*

To the extent permitted by the Companies Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company or an associated company (other than any person (whether or not an officer of the Company or an associated company) engaged by the Company or an associated company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him/her (whether in connection with any negligence, default, breach of duty or breach of trust by him/her or otherwise as a director or such other officer of the Company or an associated company) in relation to the Company or an associated company or their affairs, other than in respect (broadly) of any liability incurred by such person to the Company or to an associated company, any criminal or regulatory fine or the costs of defending any criminal proceedings in which such person is convicted or any civil proceedings brought by the Company, or an associated company, in which judgment is given against him/her.

(v) *Removal of Directors*

In addition to any power of removal under the Companies Act, the Company can by ordinary resolution remove a director even though his/her time in office has not ended (without prejudice to a claim for damages for breach of contract or otherwise) and by ordinary resolution appoint a person to replace a director who has been removed in this way. A person appointed to replace a director who has

been removed, will be due to retire when the director he/she replaces would have been due to retire. A director may also be removed from office by the service on him/her of a notice to that effect signed by all his/her co-directors.

(vi) *Annual retirement of directors*

At the end of every annual general meeting all the directors shall retire from office unless appointed or reappointed at the meeting.

A director who retires at an annual general meeting can be reappointed by members. If he/she is not reappointed (or deemed to be reappointed), he/she may remain a director until the meeting appoints someone in his/her place or, if it does not appoint anyone, until the end of the meeting, subject to the number of directors at the end of the annual general meeting being at least two.

(vii) *Directors' Interests*

The directors may authorise any matter proposed to them which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act. Any such authorisation will be effective only if any requirement as to the quorum at the meeting or part of the meeting at which the matter is considered is met without counting the director in question or any other director interested in the matter under consideration and the matter was agreed to without such directors voting or would have been agreed to if such directors' vote had not been counted.

A director shall be under no duty to the Company with respect to any information which he/she obtains or has obtained otherwise than as a director of the Company and in respect of which he/she owes a duty of confidentiality to another person.

A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company must declare the nature and extent of his/her interest to the other directors before the Company enters into the transaction or arrangement. Such declaration may (but need not) be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Companies Act or by general notice in accordance with section 185 of the Companies Act.

A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company must declare the nature and extent of his/her interest to the other directors as soon as is reasonably practicable (unless the interest has already been declared as above). Such declaration must be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Companies Act or by general notice in accordance with section 185 of the Companies Act.

Subject to the Companies Act and provided he/she has declared to the directors the nature and extent of his/her interest in accordance with the process set out above, a director may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested or may act by himself/herself or through his/her firm in a professional capacity for the Company (otherwise than as auditor) and in any such case on such terms as to remuneration and otherwise as the directors may decide or may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise be interested in, any body corporate in which the Company is directly or indirectly interested.

A director shall not, by reason of his/her office, be accountable to the Company for any remuneration or other benefit which he/she derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate the acceptance, entry into or existence of which has been

authorised by the directors under the New Articles of Association or which he/she is permitted to hold or enter into by virtue of the New Articles of Association.

The Company may by ordinary resolution suspend or relax the provisions in the New Articles of Association relating to directors' interests to any extent. Subject to the Companies Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of the provisions in the New Articles of Association relating to directors' interests.

(viii) *General Voting and Quorum Requirements*

Save as otherwise provided below, a director shall not vote on or be counted in the quorum in relation to a resolution of the directors or a committee of the directors concerning a matter in which he/she has a direct or indirect interest which is, to his/her knowledge, a material interest (otherwise than by virtue of his/her interest in shares, debentures or other securities of or otherwise in or through the Company). This prohibition does not apply to a resolution concerning any of the following matters:

(A) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him/her or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

(B) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(C) a transaction or arrangement concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he/she is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he/she is to participate;

(D) a transaction or arrangement to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which such director or any person connected with him/her is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise, provided that he/she and any persons connected with him/her do not to his/her knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Companies Act) representing one per cent. or more of either any class of the equity share capital (excluding any Shares of that class held as treasury shares) in the relevant company or of the voting rights available to members of the relevant company;

(E) a transaction or arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him/her a privilege or benefit not generally awarded to the employees to whom it relates; or

(F) a transaction or arrangement concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

A director shall not vote on or be counted in the quorum in relation to any resolution of the directors or committee of the directors concerning his/her own appointment (including fixing or varying the terms of his/her appointment or its termination) as the holder of an office or place of profit with the Company or any

body corporate in which the Company is directly or indirectly interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or any body corporate in which the Company is directly or indirectly interested, such proposals may be divided and a separate resolution considered in relation to each director. In which case each of the directors concerned (if not otherwise debarred from voting under the New Articles of Association) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his/her own appointment.

The directors may in their discretion exercise (or cause to be exercised) the powers conferred by shares of another company held (or owned) by the Company or a power of appointment to be exercised by the Company.

(ix) *Executive Directors*

Subject to the Companies Act, the directors may appoint one or more of the directors to hold an executive office within the Company for such term and on such other terms and conditions as (subject to the Companies Act) the directors think fit.

The directors may revoke or terminate an appointment, without prejudice to a claim for damages for breach of the contract of service between the director and the Company or otherwise.

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the New Articles of Association may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the directors, and may be in addition to or instead of a fee payable to him/her for his/her services as director pursuant to the New Articles of Association.

(l) **Failure to Disclose Interests in Shares**

Where notice is served by the Company under section 793 of the Companies Act (a "**section 793 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of service of the section 793 notice, the following sanctions apply, unless the directors otherwise decide:

(i) the member shall not be entitled in respect of the default shares to be present or to vote (either in person, by proxy or by corporate representative) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and

(ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any shares of their class held as treasury shares) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of a dividend; and no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or the member is not himself/herself in default in supplying the information required; and the member proves to the satisfaction of the directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

8. OTHER DIRECTORSHIPS

8.1 In addition to their directorships of the Company (in the case of the Directors) and its subsidiaries and subsidiary undertakings, the Directors and the Senior Managers hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

Name	Current directorships / partnerships	Past directorships / partnerships
Directors		
Mark Wood CBE	Digitalis Media Limited RAC plc Utility Bidder Limited Advent International Limited Acquis Insurance Management Limited HomeServe Labs Limited	My Policy Limited The Innovation Group Limited Carbon8 Systems Limited National Society for the Prevention of Cruelty to Children
Romi Savova	PensionBee Trustees Limited Seen on Screen Dance Limited	PensionBee Services Limited
Jonathan Lister Parsons	PensionBee Trustees Limited	-
Mary Francis CBE	Barclays Bank plc Barclays plc Valaris plc	Swiss Re Group Swiss Re Europe
Michelle Cracknell CBE	Just Retirement Limited Partnership Life Assurance Company Limited Just Group plc Lloyds Your Tomorrow Trustee Limited Lloyds Banking Group Pensions Trustees Limited Fil Holdings (UK) Limited	Omnilife Insurance Company Limited Lighthouse Group plc

Name	Current directorships / partnerships	Past directorships / partnerships
Senior Managers		
Jasper Martens	-	-
Christoph Martin	-	PSMA Luxco II SCA HSE24 Finance & Service GmbH
Tess Nicholson	-	-
Lisa Picardo	-	Polohill Limited
Clare Reilly	-	-

8.2 Save as set out below, within the period of five years preceding the date of this Prospectus none of the Directors or Senior Managers:

(a) has had any convictions in relation to fraudulent offences;

(b) has been a member of the administrative, management or supervisory bodies or a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership, liquidation or putting into administration of such company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director or member of an administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company.

In respect of paragraph 8.2(b) above, Mary Francis was a non-executive director of Valaris plc when it voluntarily filed for a Chapter 11 financial restructuring in the US Bankruptcy Court for the Southern District of Texas in August 2020. As disclosed in paragraph 8.1 above, Mary continues to be a non-executive director of Valaris plc as at the date of this Prospectus.

8.3 Save as set out below, none of the Directors or Senior Managers has any actual or potential conflicts of interests between their duties to the Company and their private interests or other duties.

As disclosed in Part IV (*Directors, Senior Managers and Corporate Governance*) and this paragraph 8, Michelle Cracknell is a non-executive director of Fidelity Holdings International, which offers, as part of its wider services, a self-invested personal pension plan product similar to PensionBee's and is therefore in competition with PensionBee. Michelle has declared the nature and extent of her interest to the Board in accordance with the requirements of Section 177 of the Companies Act 2006 and the Company's Articles of Association.

As disclosed in Part IV (*Directors, Senior Managers and Corporate Governance*) and this paragraph 8, Mary Francis is a non-executive director of Barclays Bank plc, which offers, as part of its wider services, a self-invested personal pension plan similar to PensionBee's and is therefore in competition with PensionBee. Mary has declared the nature and extent of her interest to the Board in accordance with the requirements of Section 177 of the Companies Act 2006 and the Company's Articles of Association.

9. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Set out below is information on the employment and remuneration arrangements for the Directors.

9.1 Executive Directors

Romi Savova and Jonathan Lister Parsons are the founders of PensionBee. Romi Savova is Chief Executive Officer and Jonathan Lister Parsons is Chief Technology Officer. On 16 March 2021, Romi Savova and Jonathan Lister Parsons entered into new service agreements with the Company for the positions of Chief Executive Officer and Chief Technology Officer respectively, which will come into effect on Admission.

Romi Savova and Jonathan Lister Parsons will each receive a salary of £175,000 per annum. The salaries (inclusive of Director fees) will be reviewed annually by the Remuneration Committee and any increase will be at the discretion of the Remuneration Committee.

Each Executive Director will continue to be eligible to participate in the Company's discretionary year-end bonus plan, and will be eligible to participate in such long-term incentive plans as the Company may establish in the future. Any incentives or compensation payable to the Executive Directors will be subject to limitation or modification to the extent reasonably deemed necessary by the Remuneration Committee, including to remain consistent with the Company's shareholder approved remuneration policy from time to time.

Each Executive Director is entitled to 25 days' paid holiday per annum (excluding public holidays). Each Executive Director is entitled to contributions by the Company of 5 per cent. of qualifying salary to the Company pension scheme.

Each Executive Director's service agreement will be terminable by either the Company or the Executive Director on not less than 6 months' written notice. The Company will also be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice equal to the basic annual salary the Executive Director would have been entitled to receive during the notice period, payable in equal monthly instalments which are reduced if the Executive Director secures alternative employment/engagement within that period (the Executive is contractually obliged to use his/her best endeavours to secure alternative employment/ engagement). The Executive Directors can be placed on garden leave for part or all of their notice period.

Each of the Executive Directors is subject to a confidentiality undertaking without limitation in time and intellectual property restriction and non-competition and non-solicitation restrictive covenants which seek to apply for a period of 12 months after the termination of their respective employment arrangements. The period of the post termination restrictive covenants is reduced by any time spent on garden leave.

The Executive Directors benefit from Directors' and officers' liability insurance under the policy maintained by the Company from time to time and they will be indemnified as provided for in the Articles of Association.

9.2 **Independent Non-Executive Directors**

The Company will have appointed three Independent Non-Executive Directors at the time of Admission. Each of the Independent Non-Executive Directors has entered into a letter of appointment with the Company effective from Admission as follows:

Independent Non-Executive Director	Title and Roles	Date of Appointment
Mark Wood CBE	Non-Executive Independent Chairman, member of the Remuneration Committee. Chair of the Nominations Committee and Chair of the Investment Committee.	Originally appointed to the Board of PBL on 29 January 2016. Appointed to the Board of the Company on 2 February 2021.
Mary Francis CBE	Senior Independent Non-Executive Director, member of the Audit and Risk Committee, the Investment Committee and the Nominations Committee. Chair of the Remuneration Committee and the director responsible for oversight of employee engagement.	Originally appointed to the Board of PBL on 2 November 2020. Appointed to the Board of the Company on 2 February 2021.
Michelle Cracknell CBE	Independent Non-Executive Director, member of the Investment Committee, the Nominations Committee, and the Remuneration Committee. Chair of the Audit and Risk Committee.	Originally appointed to the Board of PBL on 19 August 2019. Appointed to the Board of the Company on 2 February 2021.

Each appointment is for a fixed term ending on the Company's third annual general meeting following Admission, but each Independent Non-Executive Director may be invited by the Company to serve for a further period or periods. In any event, each appointment is subject to annual re-election by the Company at each annual general meeting, and each Independent Non-Executive Director's appointment may be terminated at any time by either party giving the other three months' written notice (no compensation continues to be payable throughout the notice period, save in circumstances of summary termination).

The base fee for each Independent Non-Executive Director is £45,000 per annum with an additional fee of £25,000 payable to the Senior Independent Director and £10,000 for chairing a key committee or for responsibility for employee engagement. The Chairman receives an all-inclusive fee of £125,000. Any remuneration payable to the Independent Non-Executive Directors will be subject to limitation or modification to the extent reasonably deemed necessary by the Remuneration Committee, including in order to remain consistent with the Company's shareholder approved remuneration policy from time to time.

In addition, the Independent Non-Executive Directors will be entitled to reimbursement of reasonable and properly incurred expenses. The Independent Non-Executive Directors may also, at the Company's expense, obtain external independent professional advice reasonably necessary to enable them to carry out their duties.

The Independent Non-Executive Directors will benefit from Directors' and officers' liability insurance under the policy maintained by the Company from time to time, and they will be indemnified as provided for in the Articles of Association.

The Independent Non-Executive Directors are subject to confidentiality undertakings without limitation in time.

9.3 **Termination benefits**

Save as set out in paragraph 9 of this Part XII *(Additional Information – Directors' Service Agreements and Letters of Appointment)*, there are no existing or proposed service agreements between any Director and any member of PensionBee providing for benefits upon termination.

10. DIRECTORS' AND SENIOR MANAGERS' INTERESTS

10.1 The tables below set out the interests of the Directors and the Senior Managers (all of which are beneficial and include interests of persons connected to them) in the share capital of the Company immediately prior to and immediately following Admission. The number of Ordinary Shares held immediately following Admission includes Ordinary Shares received on the exercise of vested options under the Historic Employee Share Option Plans. Sufficient of these Ordinary Shares will be immediately sold to cover any income tax or social security liabilities that arise on the exercise of the options.

10.2 Mid-Point of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
	Number of Ordinary Shares	per cent. of voting rights in respect of the issued ordinary share capital	Number of Ordinary Shares	per cent. of voting rights in respect of the issued ordinary share capital
Directors and Senior Managers				
Mark Wood CBE[2]	2,707,200	1.50%	2,827,200	1.28%
Romi Savova	80,000,000	44.43%	80,000,000	36.16%
Jonathan Lister Parsons[2]	12,308,000	6.84%	13,232,800	5.98%
Mary Francis CBE[3]	31,200	0.02%	31,200	0.01%
Michelle Cracknell CBE	-	-	-	-
Jasper Martens[2][4]	16,800	0.01%	2,799,200	1.27%
Christoph Martin[2]	-	-	361,600	0.16%
Tess Nicholson[2]	-	-	540,800	0.24%
Lisa Picardo[2]	24,800	0.01%	304,800	0.14%
Clare Reilly[2][5]	-	-	433,600	0.20%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) The number of Ordinary Shares disclosed immediately following Admission for each of Mark Wood, Jonathan Lister Parsons, Jasper Martens, Christoph Martin, Tess Nicholson, Lisa Picardo and Clare Reilly includes the Ordinary Shares to be received on the exercise of their respective vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021. Furthermore, certain Senior Managers have indicated an intention to apply for New Shares in the Customer Offer. The number of Ordinary Shares that the relevant Senior Manager holds immediately following Admission will depend on the size of their application and the number of New Shares that they are allocated.

(3) Mary Francis holds her shareholding jointly with her husband.

(4) Jasper Martens's partner holds 185,600 Ordinary Shares as at the date of this Prospectus.

(5) Clare Reilly's partner holds 560,000 Ordinary Shares as at the date of this Prospectus.

10.3 Bottom of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
	Number of Ordinary Shares	per cent. of voting rights in respect of the issued ordinary share capital	Number of Ordinary Shares	per cent. of voting rights in respect of the issued ordinary share capital
Directors and Senior Managers				
Mark Wood CBE[2]	2,707,200	1.50%	2,827,200	1.27%
Romi Savova	80,000,000	44.43%	80,000,000	35.82%
Jonathan Lister Parsons[2]	12,308,000	6.84%	13,232,800	5.92%
Mary Francis CBE[3]	31,200	0.02%	31,200	0.01%
Michelle Cracknell CBE	-	-	-	-
Jasper Martens[2][4]	16,800	0.01%	2,799,200	1.25%
Christoph Martin[2]	-	-	361,600	0.16%
Tess Nicholson[2]	-	-	540,800	0.24%
Lisa Picardo[2]	24,800	0.01%	304,800	0.14%
Clare Reilly[2][5]	-	-	433,600	0.19%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) The number of Ordinary Shares disclosed immediately following Admission for each of Mark Wood, Jonathan Lister Parsons, Jasper Martens, Christoph Martin, Tess Nicholson, Lisa Picardo and Clare Reilly includes the Ordinary Shares to be received on the exercise of their respective vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021. Furthermore, certain Senior Managers have indicated an intention to apply for New Shares in the Customer Offer. The number of Ordinary Shares that the relevant Senior Manager holds immediately following Admission will depend on the size of their application and the number of New Shares that they are allocated.

(3) Mary Francis holds her shareholding jointly with her husband.

(4) Jasper Martens's partner holds 185,600 Ordinary Shares as at the date of this Prospectus.

(5) Clare Reilly's partner holds 560,000 Ordinary Shares as at the date of this Prospectus.

10.4 Top of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
	Number of Ordinary Shares	**per cent. of voting rights in respect of the issued ordinary share capital**	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued ordinary share capital**
Directors and Senior Managers				
Mark Wood CBE[2]	2,707,200	1.50%	2,827,200	1.29%
Romi Savova	80,000,000	44.43%	80,000,000	36.48%
Jonathan Lister Parsons[2]	12,308,000	6.84%	13,232,800	6.03%
Mary Francis CBE[3]	31,200	0.02%	31,200	0.01%
Michelle Cracknell CBE	-	-	-	-
Jasper Martens[2][4]	16,800	0.01%	2,799,200	1.28%
Christoph Martin[2]	-	-	361,600	0.16%
Tess Nicholson[2]	-	-	540,800	0.25%
Lisa Picardo[2]	24,800	0.01%	304,800	0.14%
Clare Reilly[2][5]	-	-	433,600	0.20%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) The number of Ordinary Shares disclosed immediately following Admission for each of Mark Wood, Jonathan Lister Parsons, Jasper Martens, Christoph Martin, Tess Nicholson, Lisa Picardo and Clare Reilly includes the Ordinary Shares to be received on the exercise of their respective vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021. Furthermore, certain Senior Managers have indicated an intention to apply for New Shares in the Customer Offer. The number of Ordinary Shares that the relevant Senior Manager holds immediately following Admission will depend on the size of their application and the number of New Shares that they are allocated.

(3) Mary Francis holds her shareholding jointly with her husband.

(4) Jasper Martens's partner holds 185,600 Ordinary Shares as at the date of this Prospectus.

(5) Clare Reilly's partner holds 560,000 Ordinary Shares as at the date of this Prospectus.

10.5 The following Directors and Senior Managers have options outstanding under the Historic Employee Share Option Plans which originally related to shares in the share capital of PBL but were exchanged for equivalent options over Ordinary Shares:

Name of Director or Senior Manager	Date of grant[2]	Number of Ordinary Shares under option	Exercise price (£)	Date of vesting[1]
Mark Wood CBE	23 April 2018	120,000	0.00000125	23 April 2022
Romi Savova	11 November 2020	160,000	0.00000125	11 November 2024
Jonathan Lister Parsons	24 May 2017	924,800	0.00000125	24 May 2021
	11 November 2020	160,000	0.00000125	11 November 2024

Name of Director or Senior Manager	Date of grant[2]	Number of Ordinary Shares under option	Exercise price (£)	Date of vesting[1]
Jasper Martens	17 September 2015	2,461,600	0.00000125	17 September 2019
	28 January 2016	122,400	0.00000125	28 January 2020
	30 November 2016	80,000	0.00000125	30 November 2020
	13 December 2017	36,000	0.00000125	13 December 2021
	11 December 2018	160,000	0.00000125	11 December 2022
	11 November 2020	160,000	0.00000125	11 November 2024
Christoph Martin	16 October 2019	240,000	0.00000125	16 October 2023
	10 December 2019	24,000	0.00000125	10 December 2023
	11 November 2020	560,000	0.00000125	11 November 2024
Tess Nicholson	17 September 2015	246,400	0.00000125	17 September 2019
	28 January 2016	122,400	0.00000125	28 January 2020
	30 November 2016	120,000	0.00000125	30 November 2020
	11 December 2018	80,000	0.00000125	11 December 2022
	10 December 2019	24,000	0.00000125	10 December 2023
	11 November 2020	323,200	0.00000125	11 November 2024
Lisa Picardo	10 June 2020	200,000	0.00000125	10 June 2024
	11 November 2020	600,000	0.00000125	11 November 2024
Clare Reilly	03 March 2017	360,000	0.00000125	03 March 2021
	13 December 2017	36,000	0.00000125	13 December 2021
	11 December 2018	80,000	0.00000125	11 December 2022
	11 November 2020	324,000	0.00000125	11 November 2024

(1) The date of grant is the original date of grant for options over shares in PBL and not the date of grant for options over shares in the Company.

(2) Options over 280,000 Ordinary Shares each held by Christoph Martin and Lisa Picardo, options over 120,000 Ordinary Shares held by Mark Wood CBE and options over 924,800 Ordinary Shares Jonathan Lister Parsons will be accelerated and available to exercise immediately before Admission.

11. DIRECTORS' AND SENIOR MANAGERS' COMPENSATION

11.1 In the year ended 31 December 2020, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any description whatsoever) to each of the Directors and the Senior Managers by PensionBee was approximately £1.5 million. Of this amount, approximately £0.4 million was paid to the Directors as set out below and approximately £1.1 million was paid to the Senior Managers:

Name	Fees/basic salary	Bonus	Pension	Share-based awards[1]	Benefits	Total
			(£000's)			
Mark Wood CBE	56	-	-	27	-	83
Romi Savova	95[2]	3	2	19	-	119
Jonathan Lister Parsons	95	3	2	101	-	201
Mary Francis CBE	11	-	-	-	-	11
Michelle Cracknell CBE	25	-	1	-	-	26

(1) The share-based payments are based on the accounting costs of the amount accrued in the financial year ending 31 December 2020.

(2) £2,000 of this amount is deducted and used for childcare vouchers.

The total amount set aside or accrued by PensionBee (or the relevant employer where it is not a member of the Company) to provide pension, retirement or other benefits to the Directors or the Senior Managers in the year ending 31 December 2020 was £12,000.

12. REMUNERATION

12.1 Group Remuneration Policy

In anticipation of Admission, the Remuneration Committee undertook a review of the Company's group remuneration policy to ensure that it is appropriate for the listed company environment. As

part of this review, the Remuneration Committee assessed the company-wide remuneration policy and approved the compensation for the management team and the Directors. In undertaking this review, the Remuneration Committee sought independent, specialist advice.

The remuneration policy is underpinned by a philosophy that delivers on the Company's duty of fairness to its:

- Customers – compensation should maintain the appropriate culture that enables the Company to do what is best for its customers. It is important that compensation is always considered fair by the Company's customers and that employees are motivated first and foremost by the Company's vision to live in a world where everyone can look forward to a happy retirement.

- Employees – compensation should recognise that the time commitment and level of responsibility tend to increase with seniority, which should be reflected in the compensation structure.

The Remuneration Committee also recognises that it must consider the competitive environment and balance its desire to reward employees fairly in line with the market with the external environment and the current level of inequality that exists in society. For all employees, remuneration will typically consist of four elements: (i) salary, (ii) annual bonus, (iii) share based remuneration, and (iv) pension. Variable pay should both reflect results and behaviours consistent with the Company's values and include provision to reduce or recover payments in appropriate circumstances.

At the first annual general meeting of the Company following Admission, shareholder approval will be sought for the Directors' remuneration policy, the main features of which are described below and the approval of shareholders will then be sought at least once every three years.

12.2 **Executive Directors' Remuneration Policy**

On Admission, Executive Directors' remuneration will comprise of a base salary, pension, annual bonus, and the ability to participate in the Company's employee share plans.

(a) *Salary*

The Executive Directors' salaries will, on Admission, be £175,000.

Historically, salaries paid by the Company have been below market levels, even within the private company context, and are substantially below market in a public company context. The Company has compensated for the lower base salaries with higher levels of share ownership or share incentives. The Company will continue to set salary for the Executive Directors at a below market level but will look to off-set the impact of this through equity awards. It is intended that salary will be fixed for 2021 and 2022 and will increase to £200,000 at the start of 2023 and this will be reviewed in 2024.

(b) *Long Term Incentives*

Executive Directors will be eligible to participate in the Omnibus Plan.

Given that base salary will remain lower than market, it is proposed that long term incentive awards granted to the Executive Directors will have a face value of 125 per cent. of base salary and will be structured as "RSP awards" under the Omnibus Plan. It is intended that the first RSP awards will be granted following the announcement of results for the year-end following Admission.

A summary of the Omnibus Plan is set out below in paragraph 13.

The Company may also offer the Executive Directors the opportunity to take part in any all-employee share plans that it operates from time to time. There is currently no intention to operate any all-employee plans as all employees will initially be given the opportunity to participate in the Omnibus Plan.

(c) *Pension*

The Executive Directors will receive a pension contribution of 5 per cent. of qualifying salary annually. This contribution percentage is the same as for the wider workforce of the Company.

(d) *Annual Bonus*

The Executive Directors are eligible to receive an annual bonus.

Given the expected lower base salaries and the substantial equity component in total remuneration, the maximum bonus payable is up to 100 per cent. of base salary for the Executive Directors. The bonus will be linked to company-wide and individual performance and at least 75 per cent. will be linked to financial performance. The Executive Directors will be required to defer at least 75 per cent. of their annual bonus into Ordinary Shares as a "DSBP award" under the Omnibus Plan, described in more detail below in paragraph 13. The current intention is that 100 per cent. of any bonus linked to Company-wide performance and 40 per cent. of any bonus linked to individual performance is deferred, resulting in 90 per cent. deferral.

(e) *Malus and clawback*

Consistent with best practice, malus and clawback will be used at the Remuneration Committee's discretion in relation to annual bonus and equity awards. A summary of the principal circumstances in which malus and clawback may be operated is set out in para 13 of Part XI (*Additional Information – Employee Share Plans*).

(f) *Share ownership guidelines*

Executive Directors will be required to hold a minimum shareholding of 200 per cent. of their salary. Executive Directors will be expected to retain at least 50 per cent. of all Ordinary Shares received on the vesting of equity awards (net of tax) until the shareholding guideline is met. Progress against the shareholding requirement will be reviewed by the Remuneration Committee annually.

Unless the Remuneration Committee decides otherwise, this level would have to be retained for at least 2 years after the Executive Director left employment with the Company.

Ordinary Shares received after the vesting of DSBP or RSP awards will be required to be held in escrow until the Executive Director has sufficient Ordinary Shares to meet post-employment share ownership requirements.

13. EMPLOYEE SHARE PLANS

Historic Employee Share Option Plans

13.1 Save as disclosed below, none of the share capital of any member of the Company's group is under option or agreed conditionally or unconditionally to be put under option. The table below sets out options granted under the Historic Employee Share Option Plans that are outstanding as at the 12 April 2021, being the last practicable date, which originally related to ordinary shares in the share capital of PBL but which were exchanged for equivalent options over Ordinary Shares:

Plan	Exercise price (£)	Number of Ordinary Shares under option
EMI Option Scheme	0.00000125	11,640,000
Non tax-qualifying Option Scheme	0.00000125	552,000

13.2 PBL adopted the PensionBee Limited EMI Share Option Scheme, (the "**EMI Option Scheme**") on 23 July 2015. The EMI Option Scheme is an H.M. Revenue & Customs' tax-qualifying scheme which allowed options to be granted over ordinary shares in the share capital of PBL which have favourable tax treatment for option holders ("**EMI Options**").

13.3 The EMI Options held by 122 individuals were exchanged for options over Ordinary Shares and will continue to vest on their original vesting schedule. Immediately before Admission, vested EMI Options can be exercised but any unvested EMI Options will not become exercisable, except unvested EMI Options held by a small number of individuals which the Directors have determined will become exercisable early immediately before Admission due to exceptional circumstances. PensionBee will not grant any further EMI Options after Admission. For participants who elect to exercise their vested EMI Options immediately before Admission, new Ordinary Shares will be issued to satisfy these EMI Options immediately before Admission. To the extent that new Ordinary Shares are issued to satisfy EMI Options being exercised after Admission, the Company intends to apply for a block listing of those Ordinary Shares. The Ordinary Shares received on the exercise of the EMI Options will be subject to the lock-up restrictions described in paragraph 10 of Part IX (*Details of the Offers*).

13.4 A summary of the key terms of the EMI Option Scheme as they apply to existing EMI Options is set out below:

(a) *Exercise* – EMI Options are not exercisable before they have vested in accordance with their vesting schedule as set out in the relevant option holder's option agreement and may then be exercised only on an exit event and within ten years of being granted. Option holders must pay the relevant exercise price for their EMI Options.

(b) *Issue or transfer of shares* – As EMI Options now relate to Ordinary Shares, the Company will issue or procure the transfer of Ordinary Shares to the option holder on the exercise of an EMI Option.

(c) *Leavers* – Subject to the Directors' discretion to allow a leaver to keep their EMI Option, an EMI Option lapses immediately upon the option holder's employment with PensionBee ending or, for any option holder dismissed for misconduct, on the date the misconduct occurred.

(d) *Admission* – An exit event includes the Company's Ordinary Shares being admitted to trading on the Main Market of the London Stock Exchange. The default position is that EMI Options can be exercised to the extent vested upon Admission but the Directors have discretion to accelerate vesting and allow all EMI Options to be exercised on Admission.

(e) *Adjustments* – On a variation of share capital, the Directors can adjust the exercise price and the number of Ordinary Shares under EMI Options, provided that the exercise price cannot be reduced below the nominal value of an Ordinary Share.

(f) *Amendment* – The Directors can amend the EMI Option Scheme from time to time except that no amendment can be made which applies to EMI Options granted before that amendment and materially adversely affects the interests of option holders other than with the option holder's consent.

(g) *Internal Reorganisation* – Options do not become exercisable if an offer is made for PensionBee as part of an internal reorganisation. In these circumstances, EMI Options can be exchanged for equivalent options over shares in the acquiring company. Relying on this power, when the Company acquired PBL, option holders could exchange their EMI Options were exchanged for equivalent options over Ordinary Shares.

13.5 The share options referred to in Note 20 of Section B of Part VIII (*Historical Financial Information*) were granted under the EMI Option Scheme on the terms described above. The share options referred to under the heading "*PensionBee 2015 EMI Share Option Scheme*" in Notes 20 of Section B of Part VIII (*Historical Financial Information*) were reported separately as they had a different vesting schedule to the schedule that applied to all other share options granted under the scheme.

13.6 PBL also first granted non tax qualifying options under a non-tax qualifying options scheme on 28 April 2018 ("**Non tax-qualifying Option Scheme**").

13.7 Options held by 28 individuals under this scheme were exchanged for options over Ordinary Shares and will continue to vest their original vesting schedule. Immediately before Admission, vested Options can be exercised but any unvested Options will not become exercisable, except unvested

Options held by a small number of individuals which the Directors have determined will become exercisable early immediately before Admission due to exceptional circumstances. On the exercise of the Options on Admission, to the extent the individual has a tax liability to pay, sufficient Ordinary Shares will be sold on behalf of the option holder to meet this liability. PensionBee will not grant any further options under this scheme. For participants who elect to exercise their vested Options immediately before Admission, new Ordinary Shares will be issued to satisfy these Options immediately before Admission. To the extent that new Ordinary Shares are issued to satisfy non tax-qualifying Options being exercised after Admission, the Company intends to apply for a block listing of those Ordinary Shares. The Ordinary Shares received on the exercise of the Options will be subject to the lock-up restrictions described in paragraph 10 of Part IX (*Details of the Offers*).

13.8 The key terms of the scheme as they apply to existing options are the same as those for the EMI Option Scheme, the difference being that the terms do not provide for the Directors to unilaterally amend the scheme from time to time.

New Employee Share Plans

13.9 Conditional on Admission, the Remuneration Committee has adopted the following plans:

- the Omnibus Plan;
- the Sharesave; and
- the SIP (together, the "**Employee Share Plans**")

The Company currently has no intention to offer SIP or Sharesave to employees.

(a) **Terms common to the Employee Share Plans**

Overall plan limits

In any 10-year period, not more than 10 per cent. of the Company's issued share capital may be issued under the Employee Share Plans and all other employees' share plans adopted by the Company from time to time. This limit does not include awards which lapse, but will include awards satisfied with Ordinary Shares held in treasury as if they were newly issued Ordinary Shares.

Source of shares

Awards under the Employee Share Plans may be granted over newly issued Ordinary Shares, Ordinary Shares held in treasury or Ordinary Shares purchased in the market.

Timing of awards

Awards will normally be made within six weeks following the announcement of annual or interim results or, for DSBP awards only, of the Remuneration Committee's decision to award any annual bonus. Awards may be granted outside these periods in exceptional circumstances, as determined by the Remuneration Committee. No awards may be granted more than 10 years after the date on which the relevant plans were adopted by the Remuneration Committee.

Amendments

The Board can amend the Employee Share Plans in any way, provided that no changes may be made which would impact the tax-advantaged nature of Sharesave and SIP. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash comprised in awards, the adjustment of awards on any variation in the Company's share capital and the amendment powers.

Minor amendments can however be made without shareholder approval to benefit the administration of the Employee Share Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

General

Any Ordinary Shares issued under the Employee Share Plans will rank equally with Ordinary Shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

Options and awards granted under the Employee Share Plans are personal to participants and, except on death, may not be transferred.

Awards will not form part of pensionable earnings.

(b) **The Omnibus Plan**

The Omnibus Plan is an umbrella plan under which two different types of awards can be granted:

- Restricted Share Plan awards (the "**RSP**"); and
- Deferred Share Bonus Plan awards (the "**DSBP**").

There are terms which will apply to both types of awards:

Form of award

Awards can be in the form of conditional awards or nil-cost options.

Dividend equivalents

The Board may grant an award on terms that the number of Ordinary Shares under award will increase by assuming that dividends that would have been paid on those Ordinary Shares during the vesting period would have been used to buy further Ordinary Shares.

Malus and clawback

Malus and clawback may be applied at any time before an award vests or for 3 years after vesting (or would have vested but for the operation of any holding period) in the following circumstances: material misstatement of the results of the company, errors or inaccuracies or misleading information leading to incorrect grant or vesting of the award, gross misconduct, material failure of risk management by the Company, corporate failure (e.g. administration or liquidation) or any other circumstance which in the opinion of the Remuneration Committee could have a significantly adverse impact on the Company's reputation.

Malus permits the Company to reduce the amount of any unvested award, including awards in holding periods. Clawback permits the Company to reduce the amount of any vested award or any future salary or bonus and also require the employee to pay back amounts.

Takeovers and re-organisation

Normally, awards will vest in the event of a change of control of the Company. An internal reorganisation will not automatically trigger the early vesting of awards and certain other events may lead to existing awards being exchanged for equivalent awards in another company.

RSP awards will vest subject to the measurement of the underpin at the time of the event and, unless the Remuneration Committee determines otherwise, time pro-rating. DSBP awards will vest in full.

Employer national insurance contributions and apprenticeship levy

As part of the terms of any award, employees will be required to accept liability for employers' national insurance contributions and any apprenticeship levy.

DSBP awards

Eligibility

The Remuneration Committee may select any employee or former employee of, or contractor providing services to, the Company's group, including any Executive Director, to receive a DSBP award if the employee, former employee or contractor has received an annual bonus and is required to defer a certain percentage of that bonus.

Individual Limits

Executive Directors will be required to defer at least 75 per cent. of their annual bonus into DSBP awards.

Vesting of awards

Awards normally vest after three years.

Leaving the Company's group

If a participant leaves employment with the Company's group, or ceases to provide services, as a result of dismissal for cause or voluntary resignation, the award will lapse unless the Remuneration Committee determines otherwise. In all other cases, the participant will keep their awards and the awards will continue to vest on the normal vesting date. The Remuneration Committee has discretion to allow an award to vest before the normal vesting date in exceptional circumstances.

RSP awards

RSP awards are designed to reward the long-term performance of senior employees or contractors by focusing on granting awards over a lower percentage of salary than traditional long-term incentive plan awards but without explicit performance conditions. As these type of awards are less geared to certain performance metrics, they lead to greater risk management and involve less dilution of share capital.

Eligibility

The Remuneration Committee may select any employee of, or contractor providing services to, the Company's group, including any Executive Director, to receive an RSP award.

Individual limits

For Executive Directors only, the Remuneration Committee will determine the value of awards to be granted to any Executive Director in a financial year over Ordinary Shares then worth up to a maximum award of 125 per cent. of base salary.

Vesting of awards

If the Remuneration Committee is satisfied that vesting is appropriate, then the current intention is that vesting will in normal circumstances occur in thirds on the third, fourth and fifth anniversaries of grant.

Performance underpin

The current intention is that vesting of RSP awards will be subject to a performance underpin tested three years after grant. The Remuneration Committee will assess whether vesting is appropriate, taking into consideration the Company's current share price, its

financial performance over vesting period and the participant's adherence to the Company's values and its standards on risk and environmental, social and governance. On the basis that the RSP awards are intended to provide greater certainty of vesting in return for lower quantum, the default will be for vesting to occur, unless the Remuneration Committee decides otherwise.

Holding period

The Remuneration Committee can grant awards which are subject to a holding period of two years after the vesting date during which period no vested Ordinary Shares may be sold. Except in the case of gross misconduct, the Ordinary Shares subject to the holding period cannot be forfeited. RSP awards granted to the Executive Directors will be subject to a holding period.

Leaving the Company's group

If a participant leaves employment with the Company's group, or ceases to provide services, their awards will lapse unless they are a "good leaver". If the participant is a good leaver, their awards will continue to vest on the normal vesting date, subject to time pro-rating (unless the Remuneration Committee determines otherwise) and the performance underpin. Any holding period will normally continue to apply. The Remuneration Committee will have discretion to allow awards to vest early, subject to time pro-rating and with the performance underpin measured at the date of leaving.

A good leaver is a participant who leaves the Company's group because of death, injury, ill health, disability, redundancy, sale of their employer or business unit, retirement or other cases at the Committee's discretion. In the case of retirement, the participant must confirm that they are still retired at the date of vesting.

(c) **SIP**

Eligibility

When the SIP is offered, all UK tax-resident employees of the Company and any participating subsidiaries must be offered the opportunity to join. The Board can set a minimum qualifying period of employment which may not exceed 18 months or, in certain circumstances, six months.

Free Shares

Free Shares ("**Free Shares**") up to the maximum set from time to time by HMRC (currently £3,600) can be awarded to each participant in any tax year. Free Shares must be awarded on similar terms, although the number may be varied by reference to remuneration, length of service and hours worked. An award of Free Shares can be subject to performance targets.

Free Shares must be held in the SIP for a period of between three and five years at the discretion of the Board and will be free of income tax if held in the SIP for five years. During this period the participant cannot withdraw the Free Shares unless they leave employment or a change of control event occurs.

The Board can provide that the Free Shares will be forfeited if the employee leaves employment, other than where they leave due to injury, disability, redundancy, transfer of the employing business or company out of the Company's group, retirement or on death (as a "**Good Leaver**").

Partnership Shares

The Board may invite participants to buy Ordinary Shares using contributions from pre-tax salary ("**Partnership Shares**") up to the maximum set by the Board which cannot exceed the lower of the limits set by HMRC from time to time (currently £1,800 or 10 per

cent. of pre-tax salary in any tax year). A participant may stop and start deductions at any time.

Participants' contributions can be used to buy Partnership Shares immediately or can be accumulated for up to 12 months before being used to buy Partnership Shares.

Partnership Shares may be withdrawn from the SIP by the participant at any time and are not forfeitable in any circumstances but the participant will have to pay income tax if the Partnership Shares are taken out of the SIP within five years of being bought (unless the participant is a Good Leaver).

Matching Shares

Where a participant buys Partnership Shares, the Board may award the participant free, additional Ordinary Shares (known as "**Matching Shares**"). Participants may be awarded Matching Shares up to the ratio as set by HMRC from time to time (currently a maximum of two Matching Shares for every Partnership Share purchased).

There is a holding period of between three and five years during which the participant cannot withdraw the Matching Shares from the SIP unless the participant leaves employment or a change of control event occurs.

The Board can provide that Matching Shares will be forfeited if the participant leaves employment, other than where they leave as a Good Leaver.

Dividends

The Board may allow a participant to reinvest any dividends paid on Free Shares, Partnership Shares or Matching Shares in buying additional Ordinary Shares ("**Dividend Shares**") which must be held in the SIP for three years, unless the participant leaves employment or a change of control event occurs. Dividend Shares are not forfeitable in any circumstances.

Voting rights

Participants may direct the trustees of the SIP on how to exercise the voting rights on the Ordinary Shares held on their behalf.

(d) **The Sharesave**

Invitations and Eligibility

The Board may at any time (but subject to any relevant regulatory restrictions) invite all eligible employees to apply for options. An eligible employee is any employee or any director who, in the case of a director, is obliged to devote not less than 25 hours a week to their duties who:

- is employed by the Company or a participating subsidiary and is tax resident in the UK on the date that options are granted; and
- has been continuously employed by the Company or a participating subsidiary for a qualifying service period (not exceeding five years) set by the Board.

The Board can nominate employees who do not satisfy these conditions to participate and can decide which subsidiaries participate.

Savings Contracts

An eligible employee who applies for an option under the Sharesave must also enter into a savings contract for a period of three or five years. The Board has discretion to determine which savings contract will be made available under any invitation to apply for options. Under the savings contract, the employee will agree to make monthly savings

contributions within limits set by HMRC from time to time (currently at least £5 but not more than £500 per month). Ordinary Shares can only be bought using the amount saved plus any bonus or interest paid under the savings contract.

Option Price

The option price must not be less than 80 per cent. of the market value of the Ordinary Shares on the date specified in the invitation.

Scaling Down

Applications to participate in the Sharesave may be scaled down by the Board if they exceed the number of Ordinary Shares available for the grant of options. The ways in which scaling down may be carried out are set out in the rules of the Sharesave.

Exercise of options

Options are normally exercisable for a period of six months after the third or fifth anniversary of the start of the savings contract (or such other period as may be specified from time to time). Special provisions allow early exercise in the case of a Good Leaver. If a participant leaves for any other reason within three years of the grant date, their option will lapse.

Change of control, merger or other re-organisation

Options may generally be exercised early in the event of a change of control, scheme of arrangement, other re-organisation or on the winding up of the Company. Internal re-organisations do not automatically trigger the early exercise of options.

Variation of capital

Options may be adjusted in the event of any variation in the share capital of the Company.

(e) **Employee Benefit Trust**

The Company will operate an employee benefit trust, (the **Company Employee Benefit Trust**), which is intended to be used alongside the Company Plans.

14. MAJOR SHAREHOLDERS

14.1 As at the date of this Prospectus, in so far as the Company is aware, the following persons (other than Directors and Senior Managers) are, or immediately following Admission will be, directly or indirectly, interested in 3 per cent. or more of the voting rights of the Company (being the threshold for notification of voting rights under Rule 5 of the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA (as set out in the FCA's handbook of rules and guidance (the "**FCA Handbook**")), as amended from time to time (the "**Disclosure Guidance and Transparency Rules**")):

Mid-point of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
Name	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**
State Street Global Advisors, Inc.	8,757,600	4.86%	8,757,600	3.96%
Joseph Suddaby[2]	5,865,600	3.26%	5,945,600	2.69%

[1] Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) As at the date of this Prospectus, Joseph Suddaby's aggregate holding of Ordinary Shares is held both directly by him and indirectly through his self-invested personal pension. The number of Ordinary Shares disclosed immediately following Admission for Joseph Suddaby includes the Ordinary Shares to be received on the exercise of his vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

14.2 Bottom of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
Name	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**
State Street Global Advisors, Inc.	8,757,600	4.86%	8,757,600	3.92%
Joseph Suddaby[2]	5,865,600	3.26%	5,945,600	2.66%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) As at the date of this Prospectus, Joseph Suddaby's aggregate holding of Ordinary Shares is held both directly by him and indirectly through his self-invested personal pension. The number of Ordinary Shares disclosed immediately following Admission for Joseph Suddaby includes the Ordinary Shares to be received on the exercise of his vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

14.3 Top of the Offer Price Range

	Immediately prior to Admission		Immediately following Admission[1]	
Name	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**
State Street Global Advisors, Inc.	8,757,600	4.86%	8,757,600	3.99%
Joseph Suddaby[2]	5,865,600	3.26%	5,945,600	2.71%

(1) Assuming that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

(2) As at the date of this Prospectus, Joseph Suddaby's aggregate holding of Ordinary Shares is held both directly by him and indirectly through his self-invested personal pension. The number of Ordinary Shares disclosed immediately following Admission for Joseph Suddaby includes the Ordinary Shares to be received on the exercise of his vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021.

14.4 Save as disclosed above, the Company is not aware of any person who holds, or will immediately following Admission hold, as shareholder (within the meaning of the Disclosure Guidance and Transparency Rules), directly or indirectly, 3 per cent. or more of the voting rights of the Company.

14.5 Save as set out above, the Company and the Directors are not aware of any persons who, immediately following Admission, directly or indirectly, jointly or severally, exercise 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.

14.6 None of the Shareholders referred to in this paragraph has different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

15. SELLING SHAREHOLDERS

In addition to the New Shares that will be issued by the Company pursuant to the Offers, Existing Shares will be sold by the Selling Shareholders pursuant to the Institutional Offer. The aggregate interests in Ordinary Shares of the Selling Shareholders immediately prior to Admission and immediately following Admission are as follows:

	Immediately prior to Admission		Immediately following Admission[1]	
Name	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**	**Number of Ordinary Shares**	**per cent. of voting rights in respect of the issued share capital**
The Selling Shareholders[2].....	31,197,600	17.33%	28,985,704	13.10%

(1) Assuming (i) the Offer Price is set out the mid-point of the Offer Price Range; (ii) the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before the expected date for Admission of 26 April 2021; and (iii) the Maximum Number of Sales Shares are sold.

(2) For the purposes of the Offers, the business address of each of the Selling Shareholders is City Place House, 55 Basinghall Street, London EC2V 5DX, United Kingdom. There are expected to be up to 54 Selling Shareholders. The Selling Shareholders comprise certain minority Existing Shareholders of the Company including certain current and former employees of the Group.

16. SUBSIDIARY

16.1 As at the date of this Prospectus, the Company's sole subsidiary is PBL.

17. UNITED KINGDOM TAXATION

17.1 General

Prospective Shareholders should be aware that the tax legislation of the investor's jurisdiction and/or the tax legislation of the United Kingdom may have an impact on the income received from the Ordinary Shares. Prospective Shareholders who are in any doubt as to their tax position should seek independent professional advice on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their jurisdiction and/or state of citizenship, domicile or residence.

The following paragraphs are intended as a general guide only for the beneficial owners of Ordinary Shares who are resident in the United Kingdom for tax purposes. However, all prospective subscribers for, or purchasers of, Ordinary Shares should note the comments at paragraph 17.5 of this Part XII (*Additional Information*).

Any prospective subscriber for, or purchaser of, Ordinary Shares who is in any doubt about his or her tax position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his or her own professional adviser immediately.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares that are held as capital assets and does not apply to all categories of Shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment. Furthermore, the following paragraphs do not apply to:

(a) potential investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement or otherwise with a purpose of avoiding tax; or

(b) persons with special tax treatment such as pension funds or charities.

This summary is not exhaustive and Shareholders and investors should consult their own tax advisers as to the tax consequences in the United Kingdom or other relevant jurisdictions of this offering, including the acquisition, ownership and disposition of Ordinary Shares.

Unless otherwise stated, the information in these paragraphs is based on current tax law and published tax authority practice in the United Kingdom as at the date of this Prospectus. Prospective Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) and that, in particular, the rates, basis of, and reliefs from, taxation may change. Such changes may alter the tax treatment of an investment in the Company.

17.2 **The Company**

It is expected that the Company will be subject to UK corporation tax at a rate of (currently) 19 per cent. (and, if the Finance (No. 2) Bill 2019-21 is enacted in its current form, increasing to 25 per cent. with effect from 1 April 2023) on income and gains less relief for allowable expenses and losses, subject to the availability of certain exemptions.

17.3 **Shareholders**

Taxation of Dividends

UK resident and domiciled or deemed domiciled individual shareholders

Individual Shareholders have the benefit of an annual dividend allowance of £2,000 (for the fiscal year ending 5 April 2022, "**2021/2022**") (the "**Nil Rate Amount**"), meaning that they will pay no UK income tax on the first £2,000 of dividend income received in the 2021/2022 tax year.

Dividend income in excess of this allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2021/2022: 7.5 per cent. to the extent that it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the Nil Rate Amount count towards an individual's basic and higher rate limits for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

Corporate shareholders within the charge to UK corporation tax

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of the UK taxation of dividends legislation, will not generally be subject to UK tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company, provided the dividends fall within an exempt class and certain conditions are met. Most dividends received by corporate Shareholders should fall within an exempt class. Examples of dividends that fall within exempt classes include dividends paid on shares that are non-redeemable ordinary shares, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the Company and who would be entitled to less than 10 per cent. of the profits or assets of the Company available for distribution.

However, the exemptions are not comprehensive and are subject to anti-avoidance rules and other conditions. If the conditions for exemption are not met, a Shareholder within the charge to corporation tax will be subject to UK corporation tax on dividends received from the Company (currently at 19 per cent and, if the Finance (No. 2) Bill 2019-21 is enacted in its current form, increasing to 25 per cent. with effect from 1 April 2023). Such Shareholders should seek independent advice with respect to their tax position.

Withholding tax

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

Taxation of Capital Gains

The amount paid for the Ordinary Shares will generally constitute the base cost of a Shareholder's holding.

UK resident individual Shareholders

Where an individual Shareholder who is tax resident in the UK disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds (taking into account any other taxable gains realised in that tax year) the annual exemption (£12,300 for 2021/2022), and after taking account of any capital losses or exemptions available to the individual.

For such individuals, capital gains tax will be charged at 10 per cent. (to the extent the gains, when aggregated with the Shareholder's taxable income for the tax year, fall within the basic rate band) or 20 per cent. (to the extent the gain, when aggregated with the Shareholder's taxable income for the year, falls within the higher or additional rate band).

Where an individual Shareholder who is resident in the UK disposes of Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

UK resident corporate Shareholders

A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a branch, agency or permanent establishment, and whose investment in the Company is used for the purposes of the branch, agency or permanent establishment give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

Corporation tax is charged on chargeable gains at the rate applicable to that company (currently 19 per cent., and, if the Finance (No. 2) Bill 2019-21 is enacted in its current form, increasing to 25 per cent. with effect from 1 April 2023, as stated above).

17.4 **Inheritance Tax**

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile).

Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift, and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing the trustees of settlements or (as applicable) the participators in close companies within the charge to inheritance tax.

Holders of Ordinary Shares should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Ordinary Shares through such a company or trust arrangement, or in a situation where there is potential for a charge both to United Kingdom inheritance tax and to a similar tax in another jurisdiction, or if they are in any doubt about their United Kingdom inheritance tax position.

17.5 **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Investors should note that certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

The Offers

No stamp duty or SDRT will arise on the issue of the Ordinary Shares. Where Ordinary Shares are credited to CREST, no liability to stamp duty or SDRT will generally arise.

The transfer of, or agreement to transfer, Ordinary Shares by the Selling Shareholders will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5 per cent. of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). The Selling Shareholders have agreed to meet such liability.

Subsequent Transfers of Shares Registered on the Principal Share Register

Subject to an exemption for certain low value transactions, the transfer on sale of Ordinary Shares held outside CREST will generally give rise to a liability, usually met by the purchaser, to stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of consideration paid. An agreement to transfer such shares which is or becomes unconditional will generally give rise to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid, such SDRT generally being payable by the transferee or purchaser. The liability to SDRT will generally be cancelled or any SDRT paid refunded if the agreement is completed by a duly stamped transfer within six years of either the date of the agreement or, if the agreement was conditional, the date when the agreement became unconditional.

No stamp duty or SDRT will arise on a transfer of Ordinary Shares into CREST, **provided that**, in the case of SDRT, the transfer is not for money or money's worth. A transfer of Ordinary Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, which will be collected and accounted for to Her Majesty's Revenue and Customs ("**HMRC**") by CREST (such SDRT generally being payable by the transferee or purchaser). If the transferee is a company connected with the seller (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the shares acquired.

Shares Held Through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts or a person providing a clearance service, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent., with subsequent transfers within the clearance service or transfers of depositary receipts then being free from SDRT or stamp duty. However, following decisions of the Court of Justice of the European Union and the First-Tier Tribunal, HMRC accepts that this charge is in breach of EU law in so far as it applies to new issues of shares that are an integral part of raising new capital, although this view has not yet been reflected in a change in UK tax legislation. The UK has passed legislation, the EUWA, to preserve the effect of the decisions referred to above following the UK's exit from the European Union, and the UK Government has previously stated that it does not propose to reintroduce the 1.5 per cent. charge and that this will remain the position unless stamp taxes on shares legislation is amended.

HMRC's published view is that the 1.5 per cent. SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt arrangement, although this has been disputed. Further litigation indicates that certain transfers to clearance services in connection with listing, which are integral to raising new capital, are also not chargeable. In view of the continuing uncertainty, specific professional tax advisers should be engaged before incurring a 1.5 per cent. stamp duty or SDRT charge in any circumstances.

The statements in paragraph 17.5 of this Part XII (*Additional Information*) apply to Shareholders irrespective of their residence and are intended to be a general guide to the current stamp duty and SDRT position.

Shareholders should obtain their own independent tax advice if they are in any doubt as to their tax status.

18. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the period of two years immediately preceding the date of this Prospectus which are or may be material to PensionBee.

18.1 Investment Agreements

PBL, the Chief Executive Officer, the Chief Technology Officer and certain of PBL's other shareholders are party to various investment agreements dated 19 June 2015, 22 March 2016, 15 September 2016, 3 March 2017, 15 September 2017, 8 December 2017, 6 November 2018 and 31 July 2020, (each as amended or supplemented from time to time, each an "**Investment Agreement**" and, together, the "**Investment Agreements**"). The Investment Agreements contain provisions governing:

(a) the right for relevant shareholders to appoint and maintain in office a nominated director (the "**Investor Director**") provided such shareholders hold not less than 15 per cent of the shares in the Company from time to time;

(b) decisions requiring consent from a majority of relevant shareholders;

(c) information rights of the shareholders;

(d) in the case of the Investment Agreements entered into with SSGA only, a put option in favour of SSGA allowing it to direct PBL to purchase its shares or to assist SSGA in finding a buyer for the shares, if SSGA would otherwise breach certain banking laws and regulations by holding shares in PBL;

(e) restrictive covenants from the Chief Executive Officer and the Chief Technology Officer; and

(f) in the case of certain Investment Agreements only, the right for relevant shareholders to agree board observation rights with the Chief Executive Officer and Investor Director.

The parties to the Investment Agreements terminated each Investment Agreement and released each other from all the accrued rights and obligations thereunder. The Investment Agreements were governed by English law.

18.2 Warrant Instruments

PBL issued warrants over its ordinary shares (the "**Warrants**") pursuant to ordinary share warrant instruments with each of Kathaka Holdings Limited ("**Kathaka**") and State Street Global Advisors, Inc. ("**SSGA**") dated 20 November 2020 and 29 January 2021 respectively (the "**Warrant Instruments**"). The Warrants would have entitled Kathaka and SSGA to subscribe in cash for ordinary shares in the capital of PBL in certain circumstances, including if PBL made an issuance of new securities or sold any of its shares such that the purchaser of those shares acquired a controlling interest in PBL. The Warrants terminated on 22 March 2021, being the business day immediately prior to the date the Registration Document was filed with the FCA for approval and none were exercised during the period from when they first issued up until their termination.

Furthermore, the parties to each Warrant Instrument have terminated each Warrant Instrument and released each other from all accrued rights and obligations thereunder.

18.3 **Underwriting Agreement**

On 12 April 2021, the Company, the Directors and the Sole Global Co-ordinator entered into an underwriting agreement (the "**Underwriting Agreement**") pursuant to which, on the terms and subject to the conditions contained therein:

- the Company has agreed, subject to certain conditions, to allot and issue the New Shares to be issued in connection with the Offers at the Offer Price;

- the Sole Global Co-ordinator has agreed, subject to certain conditions, (i) to procure subscribers for, and failing which, to subscribe for itself, the New Shares to be issued pursuant to the Institutional Offer and (ii) to the extent that New Shares to be issued pursuant to the Customer Offer are not subscribed for by Eligible Customers, to procure subscribers for, and failing which, to subscribe for itself, such New Shares;

- the obligations of the Company to issue the New Shares to be issued in connection with the Offers and the obligations of the Sole Global Co-ordinator (i) to procure subscribers for, or failing which, to subscribe for itself, the New Shares to be issued pursuant to the Institutional Offer and (ii) to the extent that New Shares to be issued pursuant to the Customer Offer are not subscribed for by Eligible Customers, to procure subscribers for, and failing which, to subscribe for itself, such New Shares, are conditional upon certain conditions that are customary for an agreement of this nature; in addition, the Sole Global Co-ordinator has the right, exercisable in certain circumstances, to terminate the Underwriting Agreement prior to Admission. The termination rights for the Sole Global Co-ordinator in the Underwriting Agreement are customary for an agreement of this nature;

- the Company has agreed to pay the Sole Global Co-ordinator a commission of 3.0 per cent. of an amount equal to the Offer Price multiplied by the aggregate number of New Shares to be issued in connection with the Offers;

- the Company may, at its absolute discretion, pay to the Underwrite an additional commission of up to 1.0 per cent. of an amount equal to the Offer Price multiplied by the aggregate number of New Shares to be issued in connection with the Offers;

- the Company has agreed to pay all costs, charges, fees and expenses in connection with or incidental to the Offers (including any value added tax payable in accordance with the Underwriting Agreement);

- the Selling Shareholders have, pursuant to the Deeds of Election, agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of Existing Shares to purchasers procured by the Sole Global Co-ordinator or, where relevant, to the Sole Global Co-ordinator as principal, of their Existing Shares;

- the Company and the Directors have each given certain customary representations, warranties and undertakings to the Sole Global Co-ordinator on customary terms, and the Company has given an indemnity to the Sole Global Co-ordinator on customary terms; the liability of the Company pursuant to the Underwriting Agreement is unlimited by time and amount, whereas the liability of the Directors is several and limited by both time and amount;

- the Selling Shareholders have, pursuant to the Deeds of Election, each given certain customary representations, warranties and undertakings to the Sole Global Co-ordinator on customary terms for a deed of this nature; the liability of the Selling Shareholders pursuant to the Deeds of Election is several and limited by both time and amount; and

- the Company and each of the Directors has agreed to certain lock-up arrangements; further details of the lock-up arrangements are set out in paragraph 10 of Part IX (*Details of the Offers*).

The Underwriting Agreement will become unconditional on Admission. If any of the above-mentioned conditions are not satisfied (or waived, where capable of waiver) by, or the Underwriting Agreement is terminated prior to, Admission, the application for Admission will be withdrawn from the London Stock Exchange and Admission will not occur (and the Offers will not proceed as a result).

18.4 **Share Exchange Agreement**

The Share Exchange Agreement between the Company and the Shareholders was entered into on 24 March 2021 as part of the Reorganisation in order to transfer the Shareholders' shares in PBL to the Company in exchange for the allotment of a proportionate number of Ordinary Shares.

18.5 **RCF Agreement**

PBL entered into a revolving credit facility agreement (the "**RCF Agreement**") dated 22 March 2021 with National Westminster Bank Plc (the "**Lender**").

Under the RCF Agreement, a sterling revolving credit facility in an aggregate amount of up to £10 million (the "**Revolving Credit Facility**") has been made available to the Company. The commitment in respect of the Revolving Credit Facility reduces over time as set out below (and PBL will be required to prepay the loans if necessary to ensure that the outstanding loans do not exceed the applicable reduced commitment):

Date	**Commitment following reduction (£)**
1 March 2022	£9,304,000
1 June 2022	£8,261,000
1 September 2022	£7,217,000
1 December 2022	£6,174,000
1 March 2023	£5,130,000
1 June 2023	£4,087,000
1 September 2023	£3,043,000
1 December 2023	£2,000,000
Loan Term	All remaining commitment shall be cancelled and all outstanding loans shall be repaid in full.

All loans under the Revolving Credit Facility must be applied towards general corporate and working capital purposes of PBL and its future subsidiaries (if any) (the "**PBL Finance Group**") not including any business or share acquisitions.

Each loan made under the Revolving Credit Facility will be repayable on the last day of its interest period. The interest period of a loan made under the Revolving Credit Facility can be one or three months. The termination date of the Revolving Credit Facility is the date which falls 36 months after the date of the RCF Agreement.

Interest will be payable under the RCF Agreement at a percentage rate per annum which is the aggregate of the margin of 8.50 per cent. per annum and a reference rate (in most circumstances calculated on the basis of SONIA), subject to the terms of the RCF Agreement.

The following fees are payable by PBL:

- a commitment fee on unutilised available commitment under the Revolving Credit Facility at a rate of 3.40 per cent. per annum;
- an upfront arrangement fee equal to 2.50 per cent. of the Revolving Credit Facility commitment;
- an end of facility fee equal to 8.50 per cent. of the Revolving Credit Facility commitment as at the date of the RCF Agreement.

The RCF Agreement will be guaranteed by any future material subsidiaries (with revenue, cash balances and/or gross assets representing 5 per cent or more of the consolidated revenue, cash balances and/or gross assets of the PBL Finance Group) of PBL, which are required to accede to

the RCF Agreement as guarantors. As at the date of this Prospectus, PBL has no such material subsidiaries.

All amounts owed under the Revolving Credit Facility (as well as any other amounts PBL or a member of the PBL Finance Group owes to NatWest in the future) are secured by security over all or substantially all assets of PBL and any future guarantors and are covered by PBL's guarantee.

The RCF Agreement contains customary prepayment and cancellation provisions, including:

- mandatory prepayment and cancellation upon:
    - a change of control of PBL, any member of the PBL Finance Group or the Company;
    - a listing on any stock exchange of PBL, any member of the PBL Finance Group or the Company (other than as a result of Admission or following Admission, the Company's subsequent admission to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities),
    - a disposal of all or substantially all assets of PBL, any member of the PBL Finance Group or the Company;
    - a merger or reorganisation of PBL any member of the PBL Finance Group or the Company (other than as a result of the Reorganisation); and
    - an exclusive licence of all or material portion of the PBL Finance Group intellectual property being granted to any other entity or person other than another member of the PBL Finance Group;
- mandatory prepayment and cancellation as a result of illegality.

PBL is required to make other customary payments under the RCF Agreement, including payments in relation to indemnities, tax gross-up and the Lender's costs.

The RCF Agreement also sets out a number of events that, if they occurred, would allow the Lender to refuse a drawdown or a rollover loan under the Revolving Credit Facility. The RCF Agreement contains customary representations and warranties and various undertakings, including without limitation:

- restrictive covenants (including in relation to mergers, acquisitions, joint ventures, disposals, incurring indebtedness, making loans, granting security or guarantees, issuing shares, changing the nature of the business and other matters) and restrictions on treasury transactions;
- a restriction on dividends, distributions and share redemption (including payments to the Company), subject to limited exceptions;
- other customary undertakings;
- various information undertakings, including the requirement to notify of certain events, deliver financial information and budgets and attend monthly update calls.

The RCF Agreement includes various events of default customary for a financing of this nature including, but not limited to, non-payment, failure to comply with obligations, misrepresentation, insolvency, insolvency proceedings, cross default, creditors' process, unlawfulness and invalidity, cessation of business, change of ownership, change of senior management (either Romi Savova or Jonathan Lister Parsons), audit qualification, expropriation, repudiation and rescission of the finance documents, litigation and material adverse change.

The RCF Agreement includes the following financial covenants:

- a minimum consolidated revenue for the PBL Finance Group in respect of each 12 month period ending on the last day of each quarter;
- a minimum cash balance requirement of £3,000,000 (tested as at the last day of each accounting month). For the purposes of calculating the cash balance, "Cash" must meet the requirements specified in the RCF Agreement and does not include any funds held by PBL to meet its regulatory capital requirements or any funds ring-fenced to cover payments made to customers of PensionBee Access.

19. RELATED PARTY TRANSACTIONS

Save as described in Note 22 of Section B of Part VIII (*Historical Financial Information*), there are no related party transactions between the Company or PBL and related parties for the years ended 31 December 2018, 2019 and 2020.

Since 31 December 2020 and the date of this Prospectus, 100 share options were granted to a member of PensionBee's key management personal and the following transactions occurred between PBL and PensionBee Trustees Limited:

- payment of bank fees amounting to £500;
- compensation payments as a gesture of goodwill to customers that prefer to be compensated via a pension contribution or the purchasing of additional units amounting to £7,400;
- other payments to customers (e.g. referral rewards). Payments were made from PBL and invested into the customers fund from the PensionBee Trustees Limited account. These payments amounted to £31,500; and
- a one-off ex-gratia payment of £664,000 as described in Note 23 of Section B of Part VIII (*Historical Financial Information*).

20. LEGAL AND ARBITRATION PROCEEDINGS

There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the last 12 months prior to the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

21. WORKING CAPITAL

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the subscription of New Shares in the Offers and the Revolving Credit Facility available to the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

22. NO SIGNIFICANT CHANGE

Save as disclosed below, there has been no significant change in the financial position or financial performance of the Group since 31 December 2020, being the date to which the audited historical financial information set out in Part VIII (*Historical Financial Information*) of this Prospectus, was prepared, to the date of this Prospectus.

In January and February 2021, PBL issued, in aggregate, 3,762 ordinary shares in its share capital resulting in an increase in share premium of £4.8 million.

On 26 March 2021, the Company, following completion of the Share Exchange, carried out a capital reduction resulting in a reduction in the Group's share premium by £304,584,856 and an increase in retained earnings of £304,584,856.

23. MANDATORY TAKEOVER BIDS, SQUEEZE-OUT RULES, SELL-OUT RULES AND TAKEOVER BIDS

23.1 Mandatory takeover bids

The Code applies to the Company. Under the Code, if an acquisition of interests in shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, persons acting in concert with it, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interest in shares by the acquirer or his/her concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise when a person who (together with any persons acting in concert) was interested in shares which in aggregate carried not less than 30 per cent. of the voting rights of the Company but did not hold shares which carried more than 50 per cent. of such voting rights acquired an interest in any other shares which increased the percentage of shares carrying voting rights in which he/she was interested.

If any person (together with persons acting in concert), is interested in shares which in the aggregate carry more than 50 per cent. of the voting rights in the Company, such person (or any person acting in concert), may acquire further interests in shares of that company without incurring any obligation under the Code to extend any offers.

Through the disclosure provided in this Prospectus, the Panel has confirmed that any obligation on the Concert Party to make a general offer pursuant to Rule 9 of the Code that would otherwise arise through the increase in the percentage of shares carrying voting rights in which the members of the Concert Party are interested as a result of (i) the exercise of options; and/or (ii) the Company exercising the Buyback Authority in full over the Ordinary Shares not held by members of the Concert Party (assuming that the number of Ordinary Shares held by the Concert Party does not increase as a result of the exercise of the Buyback Authority), is waived.

23.2 Squeeze-out rules

Under the Companies Act, if a "takeover offer" (as defined in section 974 of the Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

23.3 Sell-out rules

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror would be required to give any shareholder notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

23.4 **Takeover bids**

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

24. THE CONCERT PARTY

Concert Party

24.1 Under the Code, a "concert party" arises, *inter alia*, when persons, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. "Control" in this context means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control. In this context, "voting rights" means all the voting rights attributable to the capital of the company which are currently exercisable at a general meeting.

24.2 Under the Code, shareholders in a private company, who, following the re-registration of that company as a public company in connection with an initial public offering, or who otherwise become shareholders in a company to which the Code applies, are additionally presumed to be acting in concert in respect of that company unless the contrary is established.

24.3 Applying this presumption, all of the Company's current shareholders would be presumed to be acting in concert with the Founder Shareholders and each other. However, the Company has agreed with the Panel that a number of the Company's shareholders should not be considered part of the Concert Party. The members of the Concert Party, their respective expected holdings following Admission, and details of the reason for their membership of the Concert Party are set out in the table below. The figures in the table below are calculated on the basis that Admission takes place on the expected date of 26 April 2021 and that the Offer Price is set at the top of the Offer Price Range and on the assumption the total number of New Shares subject to the Offers represents 14.33 per cent. of the total number of Ordinary Shares in issue immediately following Admission. The Pricing Statement will include updated figures in relation to the Concert Party's respective actual holdings following Admission, based on the Offer Price.

Concert Party		Maximum Ordinary Shares held immediately after Admission[1]		Maximum Ordinary Shares held following exercise of options[2]		Maximum Ordinary Shares held following exercise of Buyback Authority[3]	
Name	**Reason for inclusion**	**Number of Ordinary Shares**	**Percentage of Issued Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of Issued Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of Issued Ordinary Shares**
Romina Savova	CEO and a Founder Shareholder	80,000,000	36.48%	80,160,000	35.84%	80,160,000	38.03%
Jonathan Lister Parsons	CTO and a Founder Shareholder	13,232,800	6.03%	13,392,800	5.99%	13,392,800	6.35%
Mimi Savova	Close relative of Ms Savova	307,200	0.14%	307,200	0.14%	307,200	0.15%
Maria Montserrat Francesca Brescó	Close relative of Ms Savova	60,800	0.03%	60,800	0.03%	60,800	0.03%
Jérémy Parisot	Friend of Ms Savova	382,400	0.17%	382,400	0.17%	382,400	0.18%
Virginia Wilkinson	Friend of Ms Savova	200,000	0.09%	200,000	0.09%	200,000	0.09%
Lee Ann Wilkinson	Friend of Ms Savova	147,200	0.07%	147,200	0.07%	147,200	0.07%
TOTAL		**94,330,400**	**43.01%**	**94,650,400**	**42.32%**	**94,650,400**	**44.91%**

[1] Assuming that Admission takes place on the expected date of 26 April 2021 and that the Company, in addition to the New Shares to be issued pursuant to the Offers, issues 7,825,600 Ordinary Shares to satisfy the exercise of all vested options granted under the Historic Employee Share Option Plans which become exercisable immediately before Admission.

[2] Assuming no further Ordinary Shares issued or sold since Admission and the Buyback Authority has not been exercised.

[3] Assuming no further Ordinary Shares issued or sold since Admission and the exercise of all options.

24.4 Accordingly, on Admission the Concert Party would hold, in aggregate 94,330,400 Ordinary Shares (representing 43.01 per cent. of the issued share capital).

24.5 After Admission, if the options are exercised (and assuming that no member of the Concert Party had otherwise sold any Ordinary Shares to a third party and no further Ordinary Shares had been issued since Admission, and assuming further that the Buyback Authority has not been exercised), the Concert Party would hold in aggregate a maximum of 94,650,400 Ordinary Shares (representing 42.32 per cent. of the Company's issued Ordinary Shares).

24.6 Additionally, the Company proposes to request authority from Shareholders at a general meeting of the Company to be held shortly prior to Admission to make purchases of up to 10 per cent. of its share capital (the "**Buyback Authority**"). If the Company were to exercise the Buyback Authority in full over the Ordinary Shares not held by members of the Concert Party (and, assuming that no member of the Concert Party had otherwise sold any Ordinary Shares to a third party, no further Ordinary Shares had been issued since Admission, and assuming exercise of options in full), the Concert Party would hold in aggregate a maximum of 44.91 per cent. of the Company's issued Ordinary Shares.

Application of Rule 9

24.7 Under Rule 9 of the Code, if an acquisition of interests in shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, persons acting in concert with it, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interest in shares by the acquirer or his/her concert parties during the previous 12 months.

24.8 A similar obligation to make such a mandatory offer would also arise when a person who (together with any persons acting in concert) was interested in shares which in aggregate carried not less than 30 per cent. of the voting rights of the Company but did not hold shares which carried more than 50 per cent. of such voting rights acquired an interest in any other shares which increased the percentage of shares carrying voting rights in which he/she was interested. Under Rule 37 of the Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purpose of Rule 9 of the Code. A Shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Code in these circumstances. If a person (or group of persons acting in concert) holds shares carrying more than 50 per cent. of the voting rights in the Company, that person (or any person(s) acting in concert with him) may acquire further shares without incurring any obligation under Rule 9 to make a mandatory offer, although individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold, without Panel consent.

Through the disclosure provided in this Prospectus, the Panel has confirmed that any obligation on the Concert Party to make a general offer pursuant to Rule 9 or Rule 37 of the Code that would otherwise arise through the increase in the percentage of shares carrying voting rights in which the members of the Concert Party are interested up to a maximum of 94,650,400 Ordinary Shares, equivalent to 44.91 per cent. of the Ordinary Share capital of the Company at Admission, as a result of (i) the exercise of options; and/or (ii) the Company exercising the Buyback Authority in full over the Ordinary Shares not held by members of the Concert Party (assuming that the number of Ordinary Shares held by the Concert Party does not increase as a result of the exercise of the Buyback Authority), is waived.

25. COSTS AND EXPENSES

25.1 The aggregate costs and expenses of the Offers and Admission (including the listing fees of the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) payable by the Company are estimated to amount to £6 million (inclusive of VAT).

25.2 No expenses or taxes will be charged by the Company or the Selling Shareholders to any subscribers of New Shares or purchasers of Existing Shares pursuant to the Offers.

26. CONSENTS

26.1 Deloitte is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and has given, and has not withdrawn, its written consent to the inclusion in this Prospectus of its accountant's report set out in Section A of Part VIII (*Historical Financial Information*) and has authorised the contents of this report as part of this Prospectus for the purposes of item Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules and item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 as it forms part of UK domestic law by virtue of the EUWA. Deloitte's registered address is at 1 New Street Square, London, EC4A 3HQ.

27. GENERAL AND DOCUMENTS AVAILABLE FOR INSPECTION

27.1 Save as disclosed in this Prospectus, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

27.2 Copies of the following documents are available for inspection on the Company's website at www.pensionbee.com/investor-relations/ipo-centre for a period of 12 months from the date of publication of this Prospectus:

(a) The Articles of Association;

(b) The New Articles of Association;

(c) Deloitte's accountant's report set out in Section A (*Accountant's Report in respect of the Historical Financial Information*) of Part VIII (*Historical Financial Information*);

(d) The consent letter referred to in paragraph 26 above of this Part XII (*Additional Information*); and

(e) This Prospectus.

27.3 The documents set out above in paragraph 27.2 are also available for inspection at the Company's registered office for a period of 12 months from the date of publication of this Prospectus. Any inspection of these documents in person may only take place in accordance with the measures imposed by the UK Government in connection with the COVID-19 pandemic.

PART XIII
DEFINITIONS

The definitions set out below apply throughout this Prospectus, unless the context requires otherwise.

"**Act**"	means the Pensions Act 2008;
"**Active Customers**"	means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers;
"**Active Pensions**"	means pensions into which individuals or companies are regularly or actively contributing, usually accumulated during working life;
"**Adjusted EBITDA**"	means the loss for the year before taxation, finance costs, depreciation, share based compensation and transaction costs;
"**Adjusted EBITDA margin**"	means Adjusted EBITDA as a percentage of revenue for the relevant year;
"**Admission**"	means admission of all of the Ordinary Shares to the High Growth Segment of the Main Market of the London Stock Exchange;
"**Annual AUA Churn**"	means the average of Annualised AUA Monthly Churn for each month in the relevant year;
"**Annualised AUA Monthly Churn**"	means all AUA transferred in the relevant month to other pension providers (excluding withdrawals) divided by the average of the opening and end AUA balances for the relevant month expressed as a percentage and then multiplied by 12;
"**Annual Customer Churn**"	means the average of Annualised Monthly Customer Churn for each month in the relevant year;
"**Annualised Monthly Customer Churn**"	means the number of customers who ceased to be Invested Customers during the relevant month divided by the average of the opening and end total Invested Customers numbers for the relevant month expressed as a percentage and then multiplied by 12;
"**Articles of Association**"	means the articles of association of the Company;
"**Assets under Administration**" or "**AUA**"	means the total value of pension assets within Invested Customers' pensions;
"**AUA Retention Rate**"	is calculated as 100 per cent. minus Annual AUA Churn;
"**Audit and Risk Committee**"	means the audit and risk committee of the Board;
"**Auditing Practices Board**"	means the Auditing Practices Board Limited, part of the Financial Reporting Council;
"**BeeKeepers**"	means the dedicated customer account managers at the Company;
"**BlackRock**"	means funds and accounts managed by BlackRock;
"**Board**"	means the board of directors of the Company;
"**Boring Money**"	means Boring Money Limited, a third-party consumer financial services website;

"**Brand Marketing Channels**"	means PensionBee-branded advertisements that are run on television, radio and out-of-home campaigns;
"**Business Day**"	means a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
"**Code**"	means the Code on Takeovers and Mergers;
"**Companies Act**"	means the Companies Act 2006 as from time to time amended;
"**Companies (WUMP) Ordinance**"	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong;
"**Company**"	PensionBee Group plc, a company incorporated in England and Wales, with registered number 13172844 and its registered office at City Place House, 55 Basinghall Street, London, EC2V 5DX, United Kingdom;
"**Company Employee Benefit Trust**"	means the PensionBee employee benefit trust;
"**Concert Party**"	means the concert party for the purposes of the Code;
"**Contractual Revenue Margin**"	means the weighted average contractual fee rate across the PensionBee Plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan as at 31 December of the relevant year;
"**Corporations Act**"	means the Corporations Act 2001 (Cth) of Australia;
"**Cost per Invested Customer**" or "**CPIC**"	means the cumulative advertising and marketing costs incurred by PensionBee since it commenced operations in 2016 up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time;
"**Costs**"	means Money Manager fees and Technology Platform Costs and Other Operating Expenses;
"**CREST**"	means a computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
"**CREST Regulations**"	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time;
"**Current year IC: prior year RC percentage**"	is calculated by dividing the number of Invested Customers as at 31 December of the relevant year by the number of Registered Customers as at 31 December in the prior year, expressed as a percentage;
"**Customer Offer**"	means the offer to Eligible Customers;
"**Customer Offer Closing Date**"	means 11.59 p.m. on 20 April 2021;
"**Customer Retention Rate**"	is calculated as 100 per cent. minus Annual Customer Churn;
"**Data Protection Legislation**"	means the UK Data Protection Act 2018, the UK GDPR and the EU GDPR;

"**Deeds of Election**"	means each share sale election deed entered into by a Selling Shareholder;
"**Deloitte**"	means Deloitte LLP;
"**Directors**"	means the directors of the Company as at the date of this Prospectus and "**director**" means one of them;
"**Disclosure Guidance and Transparency Rules**"	means the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook), as amended from time to time;
"**Dividend Shares**"	means the additional Ordinary Shares that (with the Board's permission) participants may buy using the dividends received on Free Shares, Partnership Shares or Matching Shares;
"**Eligible Customer**"	means PensionBee's customers (including some of its employees) who are located and resident in the United Kingdom and who, by 11.59 p.m. on 20 April 2021, either have an existing pension with PensionBee or have successfully committed to transfer at least one pension to PensionBee, or are otherwise considered to be Active Customers by PensionBee;
"**EMI Option Scheme**"	means the PensionBee Limited EMI Share Option Scheme;
"**EMI Options**"	means the options granted under the EMI Option Scheme;
"**Employee Share Plans**"	means the Omnibus Plan, Sharesave and the SIP;
"**EU GDPR**"	means EU General Data Protection Regulation 2016/679;
"**Euroclear**"	means Euroclear UK & Ireland Limited, the operator of CREST;
"**Exchange Act**"	means the US Securities Exchange Act of 1934 (as amended);
"**Excluded Territory**"	means the United States, Canada, Japan, South Africa or any other state or jurisdiction in, into or from which the release, publication or distribution, directly or indirectly, in whole or in part, of this Prospectus would be restricted, unlawful or unauthorised;
"**Executive Directors**"	means Romi Savova and Jonathan Lister Parsons;
"**Existing Shareholder**"	means any person who is a shareholder of the Company prior to Admission;
"**Existing Shares**"	means the existing Ordinary Shares that are held by the Selling Shareholders immediately prior to Admission to be sold as part of the Institutional Offer;
"**FCA**" or "**Financial Conduct Authority**"	means the Financial Conduct Authority, granted powers as a regulator under FSMA;
"**FCA Handbook**"	means the FCA's handbook of rules and guidance;
"**Financial Instruments and Exchange Act**"	means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended);
"**Founder Shareholders**"	means Romi Savova and Jonathan Lister Parsons;
"**Good Leaver**"	means an employee of the Company who leaves employment due to injury, disability, redundancy, transfer of the employing

	business or company out of the Company's group, retirement or death;
"Group"	means the Company and PBL upon the Share Exchange taking effect;
"High Growth Segment Rulebook"	means the London Stock Exchange's High Growth Segment rulebook as amended from time to time;
"Historic Employee Share Option Plans"	means the EMI Option Scheme and the Non tax-qualifying Option Plan;
"Historical Financial Information"	means the financial information of PBL for the years ended 31 December 2018, 2019 and 2020 as set out in Part VIII (*Historical Financial Information*) of this Prospectus;
"Historical Financial Period"	means the three year period ending on 31 December 2020;
"Hives"	means the small teams to which PensionBee's employees are assigned which focus on particular aspects of PensionBee's business;
"Independent Non-Executive Directors"	means Michelle Cracknell CBE; Mary Francis CBE and Mark Wood CBE;
"Institutional Offer"	means the offer to institutional investors in the UK, the EEA and elsewhere;
"Invested Customers"	means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans;
"Investment Agreements"	means the various investment agreements entered into by PBL, the Chief Executive Officer, the Chief Technology Officer and certain of PBL's other shareholders dated 19 June 2015, 22 March 2016, 15 September 2016, 3 March 2017, 15 September 2017, 8 December 2017, 6 November 2018 and 31 July 2020, (each as amended or supplemented from time to time);
"Investment Committee"	means the investment committee of the Board;
"Investor Director"	means, pursuant to the terms of the Investment Agreements; a director nominated by relevant shareholders holding not less than 15 per cent. of the shares in the Company from time to time;
"Kathaka"	means Kathaka Holdings Limited;
"Key Adviser"	means KBW, the key adviser to the Company pursuant to the High Growth Segment Rulebook;
"Legal Adviser to the Company"	means Clifford Chance LLP;
"Legal Adviser to the Key Adviser"	means Herbert Smith LLP;
"Lender"	means National Westminster Bank plc;
"Listing Rules"	means the listing rules of the FCA made under section 74(4) of the FSMA, as amended;
"London Stock Exchange"	means London Stock Exchange plc;

"**Matching Shares**"	means the free, additional Ordinary Shares that the Board may award to participants who purchase Partnership Shares;
"**Maximum Number of Sales Shares**"	means the maximum number of Existing Shares to be sold in the Institutional Offer based on indications received from Selling Shareholders at the mid-point of the Offer Price Range pursuant to the Deeds of Election. The actual number of Existing Shares to be sold in the Institutional Offer will depend on where the Offer Price is set within the Offer Price Range and the level of demand for Ordinary Shares in the Offers;
"**Member State**"	means a member state of the European Economic Area;
"**MiFID II Product Governance Requirements**"	means Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable; and (c) local implementing measures;
"**Money Laundering Regulations**"	means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692;
"**Money Manager Agreement**"	means the insurance contracts which document each of the PensionBee Plans;
"**Money Managers**"	means BlackRock, HSBC Global Asset Management, Legal & General and State Street Global Advisors;
"**New Articles of Association**"	means the articles of association adopted pursuant to a written resolution of the Company passed on 24 March 2021 subject to and conditional upon Admission;
"**New Shares**"	means up to 35,483,870 Ordinary Shares proposed to be issued by the Company pursuant to the Offers;
"**Nil Rate Amount**"	means the first £2,000 of dividend income received in the 2021/2022 tax year on which individual shareholders will pay no UK income tax;
"**Nominations Committee**"	means the nominations committee of the Board;
"**Non tax-qualifying Option Scheme**"	means PensionBee's non tax-qualifying option scheme under which consultants and non-executive directors were eligible to be granted options;
"**Offers**"	means the Institutional Offer and the Customer Offer;
"**Offer Price**"	means the price at which New Shares comprised in the Offers will be issued or sold to investors;
"**Offer Price Range**"	between 155 and 175 pence per Ordinary Share;
"**Offers Size**"	means the aggregate of the New Shares to be issued pursuant to the Offers and the Existing Shares to be sold pursuant to the Institutional Offer, to be set out in the Pricing Statement;
"**Offers Size Range**"	means the range within which the Offers Size is currently expected to be set, being between 31,428,571 Ordinary Shares and 37,190,896 Ordinary Shares;
"**Official List**"	means the official list of the Financial Conduct Authority;

"**Omnibus Plan**"	means the PensionBee Omnibus Plan;
"**Online Application**"	means the PrimaryBid website where an application for the Ordinary Shares under the Customer Offer can be made;
"**Open Banking**"	means the practice that provides third-party financial service providers with open access to consumer banking, transaction, and other financial data from banks and non-bank financial institutions through the use of APIs;
"**Open Finance**"	means the data-sharing principles that enable third-party providers to access customers' data across a broad range of financial sectors and products, including savings and investments;
"**Optionholders**"	means any individual who received Ordinary Shares as a result of the exercise of their vested options granted under the Historic Employee Share Option Plans;
"**Order**"	means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended from time to time;
"**Ordinary Shares**"	means the ordinary shares of £0.001 each in the capital of the Company, including, where the context requires, the New Shares;
"**Panel**"	means the Panel on Takeovers and Mergers;
"**Partnership Shares**"	means Ordinary Shares which the Board may invite participants to buy from their pre-tax salary up to the maximum set by the Board which cannot exceed the lower of the limits set by HMRC from time to time (currently £1,800 or 10 per cent. of pre-tax salary in any tax year);
"**PBL**"	means PensionBee Limited;
"**PBL Finance Group**"	means PBL and its future subsidiaries (if any);
"**PensionBee**"	means PBL prior to the completion of the Share Exchange and, upon the Share Exchange taking effect and the Company becoming the direct holding company of PBL, the Company and PBL;
"**PensionBee Access**"	means the Company's on-demand pension withdrawal service through a digital bank account and virtual Mastercard[41];
"**PensionBee Nominee Service**"	means the nominee service provided by Equiniti Financial Services Limited to eligible shareholders in the Company in accordance with the Terms and Conditions of the PensionBee Nominee Service (see Part XI);
"**PensionBee Personal Pension**"	means the defined contribution personal pension scheme into which PensionBee's customers save for retirement and through which all of the PensionBee Plans operate;
"**PensionBee Plans**"	means the differentiated investment plans offered by the PensionBee Personal Pension, into which Invested Customers can invest their pensions;

[41] Mastercard® is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

"**Preserved Pensions**"	means the pensions to which contributions are no longer being made, but which are not yet in payment, and which have accrued rights that will come into payment at some point in the future;
"**Principles**"	means the principles for business sourcebook of the FCA Handbook;
"**Prospectus Regulation**"	means Regulation (EU) No 2017/1129;
"**Prospectus Regulation Rules**"	means the prospectus regulation rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook) as amended from time to time;
"**QIBs**"	means qualified institutional buyers as defined in Rule 144A;
"**RCF Agreement**"	means the revolving credit facility agreement entered into between PBL and National Westminster Bank plc dated 22 March 2021;
"**Realised Revenue Margin**"	means the actual revenue generated by the Company as a proportion of the average AUA as at 31 December for the relevant and prior years;
"**Registered Customers**"	means all customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers;
"**Registrar**"	means Equiniti Limited which is registered in England & Wales with registered number 6226088 and its registered address at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
"**Registration Document**"	means the registration document published by PBL on 23 March 2021;
"**Regulation S**"	means Regulation S under the Securities Act;
"**Regulatory Information Service**"	means one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
"**Relevant State**"	means each member state of the European Economic Area;
"**Remuneration Committee**"	means the remuneration committee of the Board;
"**Reorganisation**"	means the corporate reorganisation summarised in paragraph 4 of Part XII (*Additional Information*);
"**Revenue**"	means the income generated from the asset base of PensionBee's customers, together with a minor revenue contribution from other services;
"**Revolving Credit Facility**"	means the sterling revolving credit facility in aggregate of up to £10 million made available to the Company under the terms of the RCF Agreement;
"**RSP**"	means the Restricted Share Plan awards granted under the Omnibus Plan;
"**Rule 144A**"	means Rule 144A under the Securities Act;
"**Safeguarded Benefits**"	means benefits which include some form of guarantee or promise during the accumulation phase about the rate of secure pension

	income that a member (or their survivors) will receive or will have an option to receive;
"**Same-year RC:IC conversion percentage**"	means the number of Invested Customers as at 31 December of the relevant year divided by the number of Registered Customers as at 31 December in the same year, expressed as a percentage;
"**Securities Act**"	means the United States Securities Act of 1933 as amended from time to time;
"**Selling Shareholders**"	means (i) certain Existing Shareholders who, prior to Admission, each own less than 3 per cent. of the Company's issued share capital; and (ii) certain Optionholders who will receive Ordinary Shares immediately prior to Admission as a result of the exercise of vested options granted under the Historic Employee Share Option Plans, who have, in each case, elected to sell Existing Shares pursuant to the Deeds of Election. The Selling Shareholders include certain current and former employees of the Group;
"**Senior Independent Non-Executive Director**" or "**Senior Independent Director**"	means Mary Francis CBE;
"**Senior Managers**"	means those individuals identified as such in Part IV (*Directors, Senior Managers and Corporate Governance*);
"**Share Exchange**"	means the share-for-share-exchange which took place on 24 March 2021, pursuant to which the shareholders of PBL transferred their entire shareholdings in PBL to the Company in exchange for the allotment of a proportionate number of Ordinary Shares in the Company, with the exception of Romi Savova who received one fewer Ordinary Share given she already held the initial subscriber share in the Company;
"**Shareholder Reference**"	means the unique shareholder reference number provided to applicants in the Customer Offer by the Equiniti Group;
"**Shareholders**"	means holders of Ordinary Shares from time to time;
"**Sharesave**"	means PensionBee Sharesave;
"**Sole Global Co-ordinator**"	means KBW;
"**South African Companies Act**"	means the South African Companies Act, No. 71 of 2008 (as amended);
"**Special Share**"	means the bonus share issued by the Company to Romi Savova on 22 March 2021, paid up as to nominal value and share premium by the entire amount standing to the credit of the Company's merger reserve;
"**SSGA**"	means State Street Global Advisors, Inc.;
"**Standards for Investment Reporting**"	means investment reporting standards applicable to public reporting engagements on financial information reconciliations under the Listing Rules, published by the Auditing Practices Board;
"**State Street Global Advisors**"	means funds and accounts managed by State Street Global Advisors;

"**Technology Platform Costs and Other Operating Expenses**"	means employee benefits expenses (excluding share-based payments) and other operating expenses comprising other administrative expenses (which includes external technology costs), auditor's remuneration and loss/(profit) on disposal of right of use asset;
"**Trust Deed**"	means the trust deed and rules of the PensionBee Personal Pension dated 26 February 2016, as amended and restated on 23 May 2017 and 24 January 2018
"**UK Corporate Governance Code**"	means the UK Corporate Governance Code published by the Financial Reporting Council in July 2018, as amended from time to time;
"**UK GDPR**"	means the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 No. 419;
"**UK MAR**" or "**UK Market Abuse Regulation**"	means the Market Abuse Regulation (Regulation (EU) No 596/2014) as it forms part of UK domestic law by virtue of the EUWA;
"**UK Prospectus Regulation**"	means the UK version of the Prospectus Regulation, which forms part of UK domestic law by virtue of the EUWA;
"**uncertificated**" or "**in uncertificated form**"	in relation to shares, means recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"**Underwriting Agreement**"	means the underwriting agreement entered into between the Company, the Directors and the Sole Global Co-ordinator;
"**UN Global Compact**"	means the non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation;
"**United Kingdom**" or "**UK**"	means the United Kingdom of Great Britain and Northern Ireland;
"**United States**" or "**US**"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"**US dollars**" or "**USD**" or "**cents**"	means United States Dollars, the official currency of the United States of America;
"**Warrants**"	means the warrants PBL issued over its ordinary shares pursuant to the Warrant Instruments; and
"**Warrant Instruments**"	means the ordinary share warrant instruments pursuant to which PBL issued warrants to Kathaka on 20 November 2020 and SSGA on 29 January 2021.

All times referred to are London time unless otherwise stated.

All references to legislation in this Prospectus are to the legislation of the United Kingdom unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

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

PART XIV
GLOSSARY

"2021/2022"	means the fiscal year ending 5 April 2022;
"API"	means application programming interface;
"APMs"	means alternative performance measures;
"CAGR"	means compound annual growth rate;
"CASS"	means the client assets sourcebook of the FCA Handbook;
"CBE"	means Commander of the British Empire;
"COBS"	means the conduct of business sourcebook of the FCA Rules;
"CODM"	means Chief Operating Decision Maker;
"DB"	means a defined benefit;
"DC"	means a defined contribution;
"DPA"	means the Data Protection Act 2018;
"DSBP"	means the Deferred Share Bonus Plan awards granted under the Omnibus Plan;
"DTTL"	means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee;
"EFSL"	means Equiniti Financial Services Limited, which is registered in England & Wales with No. 6208699 and is authorised and regulated by the UK Financial Conduct Authority no. 468631;
"EU"	means the European Union;
"EU GDPR"	means the General Data Protection Regulation (EU) 2016/679;
"EUWA"	means the European Union (Withdrawal) Act 2018;
"FCPA"	means the US Foreign Corrupt Practices Act of 1977;
"FRC"	means the financial reporting counsel in the United Kingdom;
"FSCS"	means the Financial Services Compensation Scheme;
"FSMA"	means the Financial Services and Markets Act 2000 as amended from time to time;
"HMRC"	means Her Majesty's Revenue and Customs;
"IFRS"	means the International Financial Reporting Standards as adopted for use by the United Kingdom;
"IFRS IC"	means the IFRS Interpretations Committee;
"ISO 27001"	means the ISO/IEC 27001 standard for information security management systems (ISMS);
"IT"	means information technology;

"KBW"	means Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods);
"KPI"	means key performance indicator;
"MiFID II"	means EU Directive 2014/65/EU on markets in financial instruments, as amended or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable;
"MPAA"	means the money purchase annual allowance, which limits the amount of money an individual can contribute to all of their DC schemes once they have already started drawing taxable income from any of their DC schemes;
"NPS"	means Net Promoter Score;
"ONS"	means The Office for National Statistics;
"PRA"	means the Prudential Regulation Authority;
"PSD 2"	means the EU's Payment Services Directive introduced in 2015;
"RSP"	means the Restricted Share Plan awards granted under the Omnibus Plan;;
"SDRT"	means stamp duty reserve tax;
"SFO"	means the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong;
"SIP"	means the PensionBee share incentive plan;
"SIPP"	means a self-invested personal pension;
"SM&CR"	means the senior managers and certification regime;
"SONIA"	means the sterling overnight interbank average rate administrated by the Bank of England;
"SSAS"	means a small self-administered scheme; and
"SYSC"	means the Senior Management Arrangements, Systems and Controls sourcebook of the FCA Handbook.

SCHEDULE OF CHANGES

The registration document published by PBL on 23 March 2021 (the "**Registration Document**") contained the information required to be included in a registration document for equity securities by Annex 1 of the UK Prospectus Regulation. The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 of the UK Prospectus Regulation and summary information for equity securities as prescribed by Article 7 of the UK Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any investor participating in the Offers should invest solely on the basis of the Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the "**Schedule of Changes**") sets out, refers to, or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

Purpose

The purpose of this Schedule of Changes is to:

(a) highlight material changes made in the Prospectus, as compared with the Registration Document;

(b) highlight the new disclosure made in the Prospectus to reflect information required to be included in a securities note; and

(c) highlight the new disclosure made in the Prospectus to reflect information required to be included in a summary.

1. **Registration Document Changes**

1.1 A new risk factor entitled "*Following Admission, PensionBee will be subject to new obligations as a result of having its Ordinary Shares admitted to trading on the High Growth Segment and will incur additional legal, accounting and other expenses which it did not incur as a private company*" has been added into the Prospectus, describing the new obligations the Company will incur as a result of having its shares admitted to trading on the High Growth Segment of the London Stock Exchange. Please see page 12 of the Prospectus.

1.2 The risk factor entitled "*PensionBee's business could be harmed if PensionBee fails to manage its growth effectively*" has been supplemented to describe the potential challenge the Company might face in maintaining its culture once it is a public company. Please see page 13 of the Prospectus.

1.3 The information under the section "*Directors, Company Secretary, Registered Office and Advisers*" on page 19 of the Registration Document has been updated in the Prospectus to reflect the details of the Key Adviser and Sole Global Co-ordinator, the Legal Adviser to the Key Adviser and Sole Global Co-ordinator and the Registrar. Please see page 33 of the Prospectus.

1.4 The information in the table under the heading "*Directors*" in Part IV ("*Directors, Senior Managers and Corporate Governance*") has been updated in the Prospectus to reflect the dates that the Company's Directors were appointed to the Board of the Company. Please see page 75 of the Prospectus.

1.5 The information under the heading "*Corporate governance*" and the description of the committees' structure on pages 63 and 64 of the Registration Document have been amended in the Prospectus to reflect the Company's expected corporate governance structure following Admission as a result of its voluntary adoption of the recommendations of the UK Corporate Governance Code. Please see pages 77 to 79 of the Prospectus.

1.6 The information under the heading "*Current Trading and Prospects*" on page 79 of the Registration Document has been updated in the Prospectus to reflect PensionBee's performance over the course of the three months ended 31 March 2021. Please see pages 95 to 96 of the Prospectus.

1.7 The going concern section in Note 2 "*Accounting Policies*" within Section B of Part VII ("*Historical Financial Information*") on pages 93 and 94 of the Registration Document has been updated to reflect the Directors' assessment of going concern as at the date of this Prospectus. Please see pages 109 to 110 of the Prospectus.

1.8 The information in Note 23 "*Non-adjusting events after the financial period*" within Section B of Part VII ("*Historical Financial Information*") on page 112 of the Registration Document has been updated in the Prospectus to reflect the fact that PBL entered into a revolving credit facility on 22 March 2021 and that in January and February 2021, PBL issued ordinary shares which resulted in an increase in share premium. Please see 128 of the Prospectus.

1.9 The paragraph entitled "*Issued Share Capital*" on pages 113 to 114 of the Registration Document has been updated in the Prospectus, to reflect the Company's expected share capital structure immediately prior to and immediately following Admission. Please see pages 168 to 169 of the Prospectus.

1.10 A new paragraph entitled "*Reorganisation*" has been added into the Prospectus to reflect the corporate reorganisation undertaken by the Company and PBL following publication of the Registration Document. Please see page 168 of the Prospectus.

1.11 A new paragraph entitled "*Share Capital Authorities*" has been added into the Prospectus to describe resolutions passed by the shareholders of the Company. Please see pages 169 to 171 of the Prospectus.

1.12 The information under the heading "*Articles of Association*" on pages 114 to 118 of the Registration Document has been amended and replaced in its entirety in the Prospectus and is entitled in the Prospectus "*New Articles of Association*", to reflect the articles of association of the Company that will take effect from Admission. Please see pages 173 to 181 of the Prospectus.

1.13 The paragraph entitled "*Directors' Service Agreements and Letters of Appointment*" on pages 119 to 121 of the Registration Document has been updated in the Prospectus, to reflect the terms of the Executive Directors' new service agreements and the Independent Non-Executive Directors' new letters of appointment that will come into effect on Admission. Please see pages 183 to 184 of the Prospectus.

1.14 The paragraph entitled "*Directors' and Senior Managers' Interests*" on page 121 of the Registration Document has been updated in the Prospectus, to reflect the interests of the Directors and the Senior Managers in the share capital of the Company at the date of this document and immediately following Admission. Please see pages 185 to 187 of the Prospectus.

1.15 A new paragraph entitled "*Remuneration*" has been added into the Prospectus, describing the Company's remuneration policies in relation to the group and the Executive Directors. Please see pages 187 to 189 of the Prospectus.

1.16 The paragraph entitled "*Employee Share Plans*" on pages 122 to 123 of the Registration Document has been updated in the Prospectus, to include the new employee share plans conditional on Admission. Please see pages 189 to 196 of the Prospectus.

1.17 The paragraph entitled "*Major Shareholders*" on page 123 of the Registration Document has been updated in the Prospectus to reflect the Company's expected major shareholders immediately prior to and immediately following Admission. Please see pages 196 to 197 of the Prospectus.

1.18 A new paragraph entitled "*Subsidiary*" has been added into the Prospectus to reflect the sole subsidiary of the Company at the date of this document. Please see page 198 of the Prospectus.

1.19 The paragraph entitled "*Investment Agreements*" on page 124 of the Registration Document has been updated in the Prospectus to reflect the fact that the parties to the Investment Agreements have terminated each Investment Agreement. Please see pages 202 of the Prospectus.

1.20 A new paragraph entitled "*Underwriting Agreement*" has been added into the Prospectus, describing the arrangements entered into between the Company, the Directors and the Sole Global

Co-ordinator, pursuant to which the Sole Global Co-ordinator agreed to underwrite the Offers. Please see pages 203 to 204 of the Prospectus.

1.21 A new paragraph entitled "*Working Capital*" has been added into the Prospectus, in relation to the Company's working capital. Please see page 206 of the Prospectus.

1.22 The information under the heading "*No Significant Change*" on page 127 of the Registration Document has been updated to reflect the Company's capital reduction which took place on 26 March 2021. Please see page 206 of the Prospectus.

2. **Securities Note Information**

2.1 A new section entitled "*Risks relating to the Offers and the Ordinary Shares*" has been added into the Prospectus to describe the risks relating to the Offers and the Ordinary Shares, including the exertion of a direct or indirect controlling influence over the Group by the Chief Executive Officer and persons considered to be acting in concert with her (including the Company's Chief Technology Officer), a lower level of regulatory protection afforded to investors, a lower minimum free float requirement , non-payment of dividends, further actual or potential sales or issues of Ordinary Shares, non-development of an active or liquid market for the Ordinary Shares, fluctuation in the trading price of the Ordinary Shares, foreign currency rate risk and unavailability of pre-emption rights for non-UK holders of Ordinary Shares. Please see pages 22 to 26 of the Prospectus.

2.2 New sections entitled "*Expected Timetable for the Offers*", "*Offer Statistics*", "*Details of the Offers*", "*Terms and Conditions of the Customer Offer"* and "*Terms and Conditions of the PensionBee Nominee* Service" have been added into the Prospectus, describing the means through which the Ordinary Shares will be offered pursuant to the Offers. Please see pages 31 and 32, pages 130 to 145, pages 146 to 153 and pages 154 to 166 of the Prospectus.

2.3 A new section entitled "*Capitalisation and Indebtedness Statement*" has been added into the Prospectus, describing the capitalisation and indebtedness of PensionBee as at 31 December 2020. Please see pages 81 to 82 of the Prospectus.

2.4 A new paragraph entitled "*Information on the Ordinary Shares*" has been added into the Prospectus, in relation to the Company's Ordinary Shares, including the creation of the New Shares, subject to and conditional upon Admission. Please see pages 171 to 172 of the Prospectus.

2.5 A new paragraph entitled "*United Kingdom Taxation*" has been added into the Prospectus to provide a general guide to certain UK tax considerations relevant to the acquisition, ownership and disposition of Ordinary Shares. Please see pages 198 to 202 of the Prospectus.

2.6 New paragraphs have been added into the Prospectus describing certain provisions under the Code as applicable to the Company from Admission. Please see paragraphs 23 and 24 of Part XII (*Additional Information*) on pages 207 to 209 of the Prospectus.

2.7 A new paragraph entitled "*Costs and Expenses*" has been added into the Prospectus, setting out the aggregate costs and expenses of the Offers and Admission. Please see page 210 of the Prospectus.

3. **Summary Information**

A new section entitled "*Summary Information*" has been added into the Prospectus, to reflect the addition of a summary as required by Article 7 of the Prospectus Regulation. Please see pages 1 to 7 of the Prospectus.