

## **Marex Financial Due Diligence Statement – Public Offer Platform**

### **1. Purpose of this statement**

This statement explains the approach Marex take to due diligence when deciding whether to facilitate a qualifying public offer through our public offer platform (“POP”).

Our role is not to endorse an investment, guarantee the success of an issuer, or determine whether an investment is suitable for any investor. Our role is to apply a structured due diligence and gatekeeping process so that we can determine whether it is appropriate for us to facilitate the relevant offer and so that investors are provided with the information they reasonably need to make an informed investment decision.

This statement describes our general due diligence framework. The specific steps we have taken in relation to any specific qualifying public offer are summarised in the relevant disclosure summary. That document will also contain offer-specific findings and key transaction information. The disclosure summary is the formal offer documentation for any relevant POP transaction and must be read carefully.

The Financial Conduct Authority rules (COBS 23) require a POP operator to publish an easily accessible and comprehensive statement describing its approach to due diligence. This statement is intended to satisfy that requirement.

### **2. Scope of offers covered**

Our POP operating model is intended for qualifying public offers of relevant securities falling within our approved business perimeter, including offers by established or scaling issuers and offers by overseas issuers where UK retail participation is being facilitated through an intermediated distribution model.

In particular, our model is designed for larger primary and follow-on equity offerings, including overseas initial public offerings and secondary offerings made available to UK retail investors through regulated retail intermediaries including the execution only business lines of platforms, brokers and wealth managers.

This due diligence framework is therefore not designed around early-stage private company crowdfunding models, nominee structures, tax-advantaged retail fundraising schemes, or direct-to-consumer platform investing journeys commonly used for private company fundraising.

### **3. Core principles of our approach**

Our due diligence approach is risk-based and proportionate, transaction-specific and tailored to the nature of the issuer, the structure of the offer, the type of security being offered, the jurisdictions involved, and the target investor base.

In applying that approach, we seek to:

- understand the issuer, its business and the securities being offered;
- identify the principal risks associated with the issuer and the offer;
- assess whether the information provided to us can reasonably be relied upon;
- assess the issuer's expected financial position after the offer closes;
- support informed and effective investor decision-making; and
- protect market integrity, including by reducing the risk that the POP is used to facilitate financial crime or foreseeable consumer harm.

Our objective is to ensure that investor-facing materials are fair, clear and not misleading, while recognising that investors must still make their own independent investment decisions.

#### **4. What we review and what we do not review**

##### **What we review**

Before facilitating an offer, we undertake a structured review of the issuer, the securities being offered and the proposed transaction.

This typically includes review of:

- the issuer's legal existence, ownership and group structure;
- fitness and propriety of key individuals;
- the issuer's business model including the products and services it offers, operations and principal commercial drivers;
- recent financial statements and relevant financial disclosures;
- the issuer's funding position, capital structure and expected use of proceeds;
- material litigation, regulatory matters and known contingent liabilities;
- the rights attaching to the securities being offered;
- the proposed terms, structure and timetable of the offer;
- investor-facing communications, disclosure materials and financial promotions;
- jurisdictional and cross-border matters, including settlement, transferability and selling restrictions where relevant; and
- information provided by the issuer's professional advisers, including legal, banking and accounting advisers where appropriate.

We also review the consistency of statements made across the offer materials and may require evidence to support material claims, including statements regarding financial position, customer relationships, commercial arrangements, market opportunity, regulatory approvals or strategic partnerships.

Where relevant, we rely on recognised third-party information sources, professional advisers and public filings to support our assessment.

### **What we do not review**

Our due diligence process does not amount to a full forensic investigation, verification, audit, valuation exercise or investment recommendation. It is not independent of the issuer because it can be based on information it and its advisers provide to us.

In particular, we do not:

- independently audit the issuer's financial statements
- guarantee the future performance, profitability or solvency of the issuer;
- verify every statement beyond doubt or independently prove every commercial assumption;
- provide investment advice or a personal recommendation to investors;
- confirm that an investment is suitable for any particular investor or any group of investors with specified characteristics;
- guarantee liquidity, transferability or the future market value of the securities; or
- remove the normal risks associated with equity investing, including:
  - market risk (the risk that the value of shares falls because of movements in the overall market);
  - issuer risk (the risk that the issuer gets into financial difficulty and cannot maintain the value of the investment);
  - FX risk (the risk of losing money because exchange rates between currencies change); and
  - execution risk (the risk that a trade is not carried out as intended – eg. because it is executed at worse price or different time than expected).

Investing in public equity securities, particularly cross-border offerings, can involve significant risk and investors should carefully review all disclosure materials and seek independent advice where appropriate.

## **5. How we assess and challenge information**

We do not treat receipt of information as sufficient in itself. We review the information obtained and take reasonable steps to satisfy ourselves that it can be relied upon for the purposes of our assessment.

That may include:

- checking that information appears materially complete and free from material inconsistencies;
- reconciling information across different issuer documents and third-party sources;
- challenging issuer responses where matters are unclear, unsupported or incomplete;
- reviewing legal, accounting, banking or other expert input where relevant;
- testing the coherence of the issuer's equity story, risk disclosures and use of proceeds;
- reviewing investor-facing materials to assess whether they are consistent with applicable regulatory standards; and
- seeking further information where the initial material is insufficient.

Where appropriate, we may rely on information from third parties, such as experts. However, any such reliance is assessed on a reasonableness basis and does not remove our responsibility for complying with our own POP obligations. It may be reasonable to take different steps in relation to different types of information and fewer steps in relation to information which relies on the occurrence of a future event such as growth forecasts or expected rates of return.

## **6. Financial viability assessment**

As part of our process, we carry out a reasonable assessment of the issuer's expected financial position after the offer closes.

This includes consideration of whether, based on the information available to us, the issuer is expected to have sufficient financial resources to continue as a going concern for at least six months following completion of the offer. This will be by reference to the monthly burn rate, current cash position and investment funds to be received

In undertaking that assessment, we may consider information contained in approved prospectuses, registration statements, offering documents, management information, working capital disclosures and relevant input from the issuer and its professional advisers.

Where, on the basis of the information available to us, we determine that the issuer would not have sufficient financial resources to continue as a going concern for at least six months after the offer closes, we would not facilitate the offer.

## **7. Ongoing obligations while an offer is open**

Our due diligence obligations do not end when an offer opens.

For so long as an offer remains open, we expect the issuer to notify us promptly of material changes to information previously provided or other material developments affecting the issuer or the offer.

We assess such developments and, where required, update disclosures and support the operation of applicable withdrawal rights in accordance with the terms of the offer and relevant regulatory requirements.

## **8. What our due diligence does not mean**

Our due diligence should not be understood as:

- investment advice or a personal recommendation;
- a statement that an investment is low risk or appropriate for all investors;
- a guarantee that the issuer will perform in line with expectations;
- a guarantee of liquidity, transferability or future market value; or
- a verification of every fact or statement.

Investors remain responsible for making their own investment decisions, considering the offer documentation carefully, and taking independent advice where appropriate.

## **9. Disclosure Summary**

In line with our requirements under FCA rules COBS 23, we are required to produce and make available a due diligence summary document when launching a qualified public offer through our POP. This is a summary of the due diligence that has been undertaken regarding the information provided by the issuer or a third party to the firm, and contains our assessment as to whether it is appropriate to facilitate the offer based on the information gathered and assessed.