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Hybridan Research Policy

Definition of Research

Hybridan LLP ("Hybridan") defines equity research as value-added content and/or financial forecasts produced by its analysts on the basis of publicly available information on companies, products and industries. Research can also be when an analyst is taken inside the information barrier on a corporate finance transaction.

Research may reflect the opinions of analysts or contain forward-looking forecasts.

Small Cap Feast
Hybridan's *Small Cap Feast* is produced by curating RNS announcements and hence does not qualify as research. *Small Cap Feast*, distributed each day and carried on Hybridan's website behind a disclaimer, is of minor non-monetary benefit and is not corporate equity research and therefore not subject to a daily product governance review.

When Hybridan writes an article for *Small Cap Feast*, it is important that the author is not in possession of inside information. In *Small Cap Feast,* we aim to only cover companies that are listed and sub £200 million market capitalisation.

Where Hybridan refers to companies that it is a retained adviser to, Hybridan marks this clearly with an*

In *Small Cap Feast*, our coverage on companies not retained as corporate clients of Hybridan is consistent with MIFID's research exemption for small and mid-caps with a market capitalisation below £200 million.

Friday Takeaway
The analyst writes *Friday Takeaway* and we do not cover House Stocks and it is important that the author is not in possession of inside information. Any other employee who is marked as Inside should refrain from providing additional commentary or suggestions to anyone else not marked as Inside, to minimise the risk of inadvertent breaches of Inside or Confidential Information not already in the public domain.

In *Friday Takeaway*, our coverage on companies not retained as corporate clients of Hybridan is consistent with MIFID's research exemption for small and mid-caps with a market capitalisation below £200 million.

Hybridan Monthly Market Commentary
Corporate Broking and Research collectively curate and compile *Hybridan Monthly.* It contains a market comment "The view from a Broker's desk". There follows several small articles on non-corporate client companies called "Company Newsflow - Our deeper reflections on recent corporate news" that we have written about in *Friday Takeaway;* we aim to only cover companies that are listed and sub £200 million market capitalisation, and we do not cover House Stocks. The Monthly then looks at one "House Report News from a house stock" .

It is important that the author are not in possession of inside information on anything on which they are writing.

Any other employee who is marked as Inside should refrain from providing additional commentary or suggestions to anyone else not marked as Inside, to minimise the risk of inadvertent breaches of Inside or Confidential Information not already in the public domain.

Our Purposed Monthly Newsletter has two sets of Disclaimers and Disclosures:

1. Disclaimer for companies mentioned with whom Hybridan does not have a corporate advisory relationship

2. Disclaimer for companies mentioned with whom Hybridan has a corporate advisory relationship
   Where Hybridan refers to companies that it is a retained adviser to, Hybridan marks this clearly with an *

In *Hybridan Monthly Market Commentary*, our coverage on companies not retained as corporate clients of Hybridan is consistent with MIFID's research exemption for small and mid-caps with a market capitalisation below £200 million.

Production and Review of Research

In order to maintain the objectivity of Hybridan's financial analysts, the following measures are in place:

- Information barriers are in place between the financial analyst and other members of Hybridan who perform different functions. There are different areas of the firm, including electronically such as Corporate Finance, Market Soundings and Research. Also the Research function can access own dedicated space physically if required as can the Market Soundings team.
- The analyst should immediately mark themselves inside on Complyportal Inside log for Inside Information when deciding to write a research note. Any other employee who is marked as Inside on the research note and maybe inside on this company on something else too should refrain from providing additional commentary or suggestions to anyone else not marked as Inside beyond being inside on the research note, to minimise the risk of inadvertent breaches of Inside or Confidential Information not already in the public domain.
- All equity research will be reviewed by the Compliance Officer to ensure legal compliance, and also this forms part of the Product Governance Review Process. The Compliance Officer will compile a Product Governance review.
- The Analyst addresses these queries from the Compliance Officer and then sends the note to the Issuer management to read once for factual accuracy. A discussion may then occur between the Analyst and Issuer on the numbers or assumptions and on anything that may be factually inaccurate.
- Financial analysts are prohibited from accepting a client order in relation to an equity research product they have been involved in the preparation of, within two weeks of the date of the release of the equity research.
- In order to comply with MiFID II (implementing CDD 2016/2398 Art 37 (2) (f)), the equity research product will not be made available to clients, or any other relevant persons prior to it being distributed other than in either the case of an IPO or where the equity research does not include an explicit recommendation or a target price. In such a case this will be a draft copy.
- Only the financial analyst will submit the draft research note to the client and the financial analyst has final discretion on what is published.
- The financial analyst will not be involved with any decision as to the pricing or volume of an offer in relation to an issuer who has been the subject of equity research prepared by that financial analyst, unless this is in respect of an IPO research note which is shared with select investors and not published more widely.
- The financial analyst is subject to **Hybridan's Remuneration Policy and Gifts and Inducements Policy.**
- All research is issued under the regulatory oversight of Hybridan. Each investment analyst of Hybridan whose name appears as the author of the research certifies that the opinions expressed in such research accurately reflects the investment analyst's personal and objective views about any and all of the companies or the Company discussed that are within such investment analyst's coverage universe.
- The investment analyst who is responsible for the preparation of the research is always an employee of Hybridan.

- Any other employee who is marked as Inside should refrain from providing additional commentary or suggestions to research or anyone else not marked as Inside, to minimise the risk of inadvertent breaches of Inside or Confidential Information not already in the public domain.

No Research recommendations:
In line with Hybridan's Conflicts of Interest Policy, Hybridan does not produce recommendations or publish target prices on companies who are corporate clients of Hybridan.

Payment for Research
Research may be offered as a minor non-monetary benefit or for free if paid for by Hybridan's corporate clients.

The cost of production of Hybridan's corporate research is met by retainers from corporate broking clients. In addition, from time to time Hybridan issues further communications as market commentary (such as our daily newsletter), which constitutes a minor non-monetary benefit which is capable of enhancing the quality of service provided by Hybridan and which is of a scale and nature which could not be judged to impair the duty of Hybridan to act in the best interest of its client falling within article 24(7)(b) of the MIFID II Regulation. Our coverage on companies not retained as corporate clients of Hybridan is consistent with MIFID's research exemption for small and mid-caps with a market capitalisation below £200 million.

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The information, tools and material presented in the research reports are for information only and not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments.

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