



Admission Document
June 2021



IMPORTANT NOTICE

The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (as amended) (“FSMA”). Reliance on this document for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. This document is an AIM admission document (“Admission Document”) that has been prepared in connection with a proposed placing of new ordinary shares by Silver Bullet Data Services Group Plc (the “Company”) (the “Placing”) and the admission of the entire issued and to be issued share capital of the Company to trading on AIM, a market operated by London Stock Exchange plc (“Admission”), and is the sole responsibility of the Directors of the Company.

This document has not been approved by London Stock Exchange plc, nor is it intended that the final version of the Admission Document will be so approved.

This document refers to certain events as having occurred which have not occurred at the date it is made available, but which are expected to occur prior to publication of the Admission Document in its final form.

This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any ordinary shares in the capital of the Company (“Ordinary Shares”), nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract. In particular, this document does not constitute, contain or form part of any offer of transferable securities to the public within the meaning attributed to that phrase by Section 102B of FSMA.

Strand Hanson Limited (“Strand Hanson”) is authorised and regulated in the UK by the Financial Conduct Authority (the “FCA”) and is acting exclusively for the Company and no one else in connection with the Placing and Admission (the “Proposals”) 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 Proposals or for any transaction or arrangement referred to in this document or in relation to the contents of this document or any other matter. Strand Hanson’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to the directors or to any other person whether in respect of his or its decision to acquire Ordinary Shares in reliance on any part of this document or otherwise. Neither Strand Hanson nor any of its connected persons or their respective professional advisers has authorised the contents of this document or on any other matter concerning the Proposals.

Oberon Investments Limited (“Oberon Capital”) Capital is authorised and regulated in the UK by the FCA and is a member of London Stock Exchange plc and is acting exclusively for the Company as its broker and no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Oberon Capital or for advising any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this document.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This document is being distributed in the United Kingdom where it is directed only at persons who are “qualified investors” within the meaning of the Prospectus Regulation and who are (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “FPO”); (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO; (iii) members of the company in accordance with Article 43 of the FPO; and (iv) persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, no person of any other description under any circumstance should rely on or act upon the contents of this document.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (“EEA”) (each, a “Relevant State”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant State, except that the Company may make an offer of Ordinary Shares to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation: (i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Relevant State means a communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

NOTICE TO ALL PROSPECTIVE INVESTORS

Investors should rely only on the information in this document. No person has been authorised to give any information or to make any representations other than those contained in this document 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, the directors, Strand Hanson or Oberon. No representation or warranty, express or implied, is made by Strand Hanson or Oberon Capital or any selling agent as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Strand Hanson or Oberon Capital or any selling agent as to the past, present or future.

Neither the delivery of this document nor any sale made under this document shall, under any circumstance, create any implication that there has been no change in the business or affairs of the Company and/or its Group since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing or the Company and its Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The contents of this document are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial, business or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

This document 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, Strand Hanson or Oberon Capital or any of their directors, officers, representatives or advisers that any recipient of this document should subscribe for or purchase any of the Placing Shares. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed “Risk Factors” in Part II of this document. Investors should ensure that they read the whole of this document 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 (or the examination of the prospective investor’s lawyers, financial advisers or tax advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor’s (or such prospective investor’s lawyers, financial advisers or tax advisers) own examination of the Company.

This document should not be distributed, published, reproduced or otherwise made available in whole or in part by recipients to any other person and, in particular, should not be distributed to persons with an address

in the United States of America (the “US”), Australia, Canada, Japan, the Republic of South Africa or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. Any failure to comply with this restriction may constitute a violation of US, Australian, Canadian, Japanese, or South African securities law. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold within the US or to, or for the account or benefit of, any US Person as that term is defined in Regulation S under the US Securities Act. The Company has not been registered and will not register under the United States Investment Company Act of 1940, as amended.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold in or into the US, Australia, Canada, Japan or the Republic of South Africa or to any resident of the US, Australia, Canada, Japan or the Republic of South Africa. Any prospective subscriber for or purchaser of Ordinary Shares is recommended to seek its own independent professional advice.

Dated: 21 June 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This document constitutes an AIM admission document relating to Silver Bullet Data Services Group plc ("Silverbullet" or the "Company") and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as, nor is it, a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the Financial Conduct Authority ("FCA") pursuant to section 85 of FSMA or any other authority which would be a competent authority for the purposes of the Prospectus Regulation.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Enlarged Share Capital will commence on AIM at 8:00 a.m. on 28 June 2021. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the Ordinary Shares to the Official List.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. 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. Each AIM company is required, pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Company and the Directors, whose names appear on page 9 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole text of this document. Your attention is drawn in particular to the "Risk Factors" set out in Part II of this document. All statements regarding the business, financial position and prospects of the Company and its subsidiaries (the "Group") should be read in light of these risk factors.



Silver Bullet Data Services Group plc

(Incorporated and registered in England and Wales with registered number 08525481)

**Placing of 3,696,498 new Ordinary Shares at £2.57 per Ordinary Share
and**

Admission of the Enlarged Share Capital to trading on AIM

STRAND
HANSON

Strand Hanson Limited

Nominated Adviser

The logo for Oberon Capital features a stylized golden bird or wing above the word "OBERON" in a bold, serif font, with "CAPITAL" in a smaller, sans-serif font below it.

OBERON
CAPITAL

Oberon Capital

Broker

The Placing is conditional, *inter alia*, on Admission taking place by 8:00 a.m. on 28 June 2021 or such other date as the Company and Oberon Investments Limited ("**Oberon Capital**") and Strand Hanson Limited ("**Strand Hanson**") may agree being not later than 8:00 a.m. on 31 July 2021. The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

Strand Hanson, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser in connection with the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of Strand Hanson or advising any other person in connection with the Placing and Admission. Strand Hanson's responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person's decision to subscribe for or acquire Placing Shares in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Strand Hanson by FSMA or the regulatory regime established under it, Strand Hanson does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Strand Hanson with respect to the accuracy or completeness of this document or any part of it.

Oberon Capital, a trading name of Oberon Investments Limited, which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the Placing. Oberon Capital are advising the Company and no one else in relation to the Placing and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for advising any other person. Oberon Capital does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Oberon Capital with respect to the accuracy or completeness of this document or any part of it.

Copies of the document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company and the offices of Strand Hanson at 26 Mount Row, Mayfair, London, W1K 3SQ for one month from Admission. This document is also available on the Company's website, www.wearsilverbullet.com.

IMPORTANT INFORMATION

General

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. The Ordinary Shares have not been and will not be registered under the US Securities Act 1933 (as amended) nor under the applicable securities laws of any State of the United States or any province or territory of Canada, Australia, New Zealand, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa, Japan, or to any resident of the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan. No public offering of securities is being made in the United States. The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas investors should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Investors should rely only on the information in this document. No person has been authorised to give any information or to make any representations other than those contained in this document 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, the Directors, Strand Hanson or Oberon Capital. No representation or warranty, express or implied, is made by Strand Hanson or Oberon Capital as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Strand Hanson or Oberon Capital as to the past, present or future. Neither the delivery of this document nor any sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial, business or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

This document 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, Strand Hanson or Oberon Capital or any of their representatives that any recipient of this document should subscribe for or purchase any Placing Shares.

Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed “Risk Factors” in Part II.

Investors should ensure that they read the whole of this document 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 (or the examination of the prospective investor’s lawyers, financial advisers or tax advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor’s (or such prospective investor’s lawyers, financial advisers or tax advisers) own examination of the Company.

Investors who subscribe for or purchase Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Strand Hanson or Oberon Capital or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision; (ii) they have relied only on the information contained in this document, and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Strand Hanson or Oberon Capital.

None of the Company, the Directors, Strand Hanson or Oberon Capital, or any of their representatives is making any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

Strand Hanson and/or Oberon Capital and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Company, for which they would have received customary fees. Strand Hanson and/or Oberon Capital and any of their respective affiliates may provide such services to the Company and any of its affiliates in the future.

Forward-looking statements

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance, achievements of or dividends paid by the Company to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the “Risk Factors” set out in Part II of this document for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Notice to prospective investors in the United Kingdom

This document is being distributed in the United Kingdom where it is directed only at persons who are “qualified investors” within the meaning of the Prospectus Regulation and who are (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”); and/or (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49(2)(a) to (d) of the FPO and at persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

Notice to prospective investors in the EEA

In relation to each Member State of the EEA (each a “Member State”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, or otherwise in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (1) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Member State; or
- (3) 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 or any other person to publish a prospectus pursuant to Article 21 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the Prospectus Regulation.

None of the Company, Strand Hanson nor Oberon Capital have authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company to publish a prospectus or a supplemental prospectus in respect of such offer.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares.

Presentation of financial and other information

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Bases and sources

Various market data and forecasts used in this document have been obtained from independent industry sources. The Company has not verified the data, statistics, or information obtained from these sources and cannot give any guarantee of the accuracy or completeness of the data. Forecasts and other forward looking information obtained from these sources are subject to the same qualifications, risks and uncertainties as above. Various figures and percentages in tables in this document have been rounded and accordingly may

not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

No incorporation of website

The contents of the Company's website (or any other website) do not form part of this document and investors shall not rely upon them.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

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PLACING AND ADMISSION STATISTICS

Placing

Placing Price (per Placing Share)	£2.57
Number of new Ordinary Shares to be issued pursuant to the Placing	3,696,498
Estimated gross proceeds of the Placing	£9.50 million
Estimated net proceeds of the Placing (receivable by the Company) ¹	£8.14 million

Admission

Number of Ordinary Shares in issue prior to Admission	9,722,484
Number of Ordinary Shares in issue immediately following Admission	13,418,982
Percentage of Enlarged Share Capital represented by the Placing Shares, immediately following Admission	27.55 per cent.
Percentage of Enlarged Share Capital held by Directors, immediately following Admission	4.50 per cent.
Percentage of Ordinary Shares not in public hands at Admission	37.44 per cent.
Estimated market capitalisation of the Company based on the Placing Price, immediately following Admission ²	£34.49 million
Warrants outstanding as a percentage of Enlarged Share Capital on Admission	2.00 per cent.
Options outstanding as a percentage of Enlarged Share Capital on Admission	13.25 per cent.
TIDM	SBDS
ISIN	GB00BNXM0Z89
Legal Entity Identifier	213800QWL83R5P2LZ811
SEDOL	BNXM0Z8

1 Net proceeds receivable by the Company are stated after deducting the total expenses of the Placing and Admission of approximately £1.36 million.

2 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 equal or exceed the Placing Price.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	21 June 2021
Admission becoming effective and commencement of dealings in the Ordinary Shares to commence on AIM	8:00 a.m. on 28 June 2021
CREST accounts credited, where applicable, in respect of the Placing Shares	8:00 a.m. on 28 June 2021
Dispatch of definitive share certificates, where applicable	By 9 July 2021

References to times and dates in the timetable above are to London, time unless otherwise stated. Each of the times and dates in the above timetable is subject to change at the absolute discretion of the Company, Strand Hanson and Oberon Capital. If any of the above times or dates should change, the revised times and/or dates will be notified by a Regulatory Information Service announcement. Temporary documents of title will not be issued.

COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS

Company	Silver Bullet Data Services Group plc
Directors	Nigel Sharrocks, <i>Non-Executive Chairman</i> Ian James, <i>Chief Executive Officer</i> Umberto Torrielli, <i>Chief Strategy Officer</i> Darren Poynton, <i>Chief Financial Officer</i> Keith Sadler, <i>Non-Executive Director</i> Martyn Rattle, <i>Non-Executive Director</i> Steven Clarke, <i>Non-Executive Director</i>
Company secretary	Darren Poynton
Registered office and head office of the Company	Studio 11 Tiger House Burton Street London WC1H 9BY United Kingdom
Website	www.wearesilverbullet.com
Nominated and financial adviser	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
Broker	Oberon Capital 65 Curzon Street London W1J 8PE United Kingdom
Legal advisers to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG United Kingdom
Legal advisers to the Nominated and Financial adviser and Broker	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL United Kingdom
Auditor and Reporting Accountant to the Company	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW United Kingdom
Public Relations adviser to the Company	IFC Advisory Limited Birchin Court 20 Birchin Lane London EC3V 9DU United Kingdom
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD United Kingdom

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“4D”	Silverbullet’s flagship product, a software product designed to assist marketers in targeting advertising through contextual analysis, as further detailed in paragraph 6 of Part 1;
“Admission”	the admission of the Enlarged Share Capital to trading on AIM, becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“Adform”	Adform A/S, a private company incorporated in Denmark that provides enterprise software solutions for the advertising industry worldwide;
“Adobe Audience Manager”	a data management platform that helps build unique audience profiles to identify the most valuable segments and use them across any digital channel;
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time;
“Articles”	the articles of association of the Company;
“BeetleDesk”	a data-driven programmatic services platform offered by Silverbullet;
“Board”	the board of Directors of the Company;
“CCPA”	California Consumer Privacy Act;
“Companies Act”	the Companies Act 2006 (as amended);
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
“Directors”	the directors of the Company as at the date of this document, whose names appear on page 9 of this document;
“Dolce & Gabbana”	Dolce & Gabbana S.r.l.;
“DoubleVerify”	DoubleVerify Inc., a company listed on the New York Stock Exchange with ticker NYSE:DV.;

“DTR” or “Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules (in accordance with section 73A(3) of FSMA) being the rules published by the FCA from time to time relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“EEA”	the European Economic Area;
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007;
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the Placing Shares;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 2878738, being the operator of CREST;
“Executive Directors”	the executive directors of the Company;
“Existing Ordinary Shares”	the 9,722,484 Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Founders”	Ian James and Umberto Torrielli;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“GDPR”	the EU General Data Protection Regulation (EU) 2016/679;
“Google Analytics”	a web analytics service offered by Google that tracks and reports website traffic, currently as a platform inside the Google Marketing Platform brand;
“Group”	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Companies Act);
“Heineken”	Heineken International B.V.;
“Historical Financial Information”	the audited consolidated financial information of the Group for the three years ended 31 December 2020, as set out in Section A of Part III of this document;
“HMRC”	Her Majesty’s Revenue and Customs;
“IFRS”	International Financial Reporting Standards as endorsed by the European Union;
“IO Technologies”	IO Technologies Group Limited;
“ISIN”	International Securities Identification Number;
“Jägermeister”	Mast-Jägermeister SE, a client of Silver bullet;
“Local Planet”	Local Planet International Limited, incorporated in England and Wales with company number 5982460;

“Local Planet Agency”	one of the individual agencies which have a joint venture in place with Local Planet;
“Local Planet JV” or “Local Planet Data Services”	Local Planet Data Services Limited incorporated in England and Wales with company number 13123941, being the joint venture company owned by the Company and Local Planet, established pursuant to the Local Planet JV Agreement;
“Local Planet JV Agreement”	the joint venture agreement between the Company, Local Planet and Local Planet Data Services in respect of the strategic partnership and joint venture between the Company and Local Planet, further details of which are set out in paragraph 15.6 of Part VI;
“Locked-In Existing Shareholders”	the existing Shareholders in the Company who have entered into the lock-in arrangements detailed in paragraph 14 of this Part I and paragraph 15.5 of Part VI of this document who will hold, in aggregate and on Admission, 2,527,995 Ordinary Shares;
“London Stock Exchange”	London Stock Exchange plc;
“MAR”	the retained EU law version of the Market Abuse Regulation (2014/596/EU) and associated delegated acts, implementing acts, technical standards and guidelines;
“Managed Services Agreement”	the Company’s standard terms and conditions of engagement, as updated from time to time, used in conjunction with specific commercial scopes of work;
“Member State”	a member state of the EEA;
“Oberon Capital”	Oberon Capital, a trading name of Oberon Investments Limited, broker to the Company;
“Oberon Warrants”	the warrants to be granted to Oberon Capital by the Company, conditional upon Admission, to subscribe for up to 134,190 Ordinary Shares in aggregate at the Placing Price as set out in paragraph 15.9 of Part VI of this document;
“Official List”	the Official List of the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA;
“Options”	the options over Ordinary Shares, as set out in paragraph 11 of Part VI of this document;
“Oracle DMP”	Oracle Data Management Platform (formerly BlueKai) is the industry’s leading cloud-based big data platform that enables companies to personalise online, offline and mobile marketing campaigns with richer and more actionable information about targeted audiences;
“Ordinary Shares”	the ordinary shares of £0.01 each in the capital of the Company;
“Placing”	the conditional placing of the Placing Shares by Oberon Capital on behalf of the Company with institutional and other investors at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement entered into on or about the date of this document between the Company, Strand Hanson, Oberon Capital and the Directors, in relation to the Placing of the Placing Shares

	and Admission, details of which are set out in paragraph 15.1 of Part IV of this document;
“Placing Price”	£2.57 pence per Placing Share;
“Placing Shares”	the 3,696,498 Ordinary Shares being issued pursuant to the Placing;
“Platform360”	a content engagement solution focused on native advertising developed and utilised by the Group;
“Pre-IPO Fundraise”	the £3,123,505 investor funds raised between 1 January 2021 and 25 May 2021, the associated costs of which comprised commissions charged at 5 per cent. equaling £150,050, in respect of which the Company issued 1,741,299 Ordinary G Shares (as defined at paragraph 4.4(j) of Part VI) on 1 March 2021;
“Prospectus Regulation”	the retained EU law version of the EU Prospectus Regulation (Regulation (EU) No 2017/1129);
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA under Part VI of the FSMA, as amended;
“Publicis Media”	Publicis Groupe S.A.;
“QCA”	the Quoted Companies Alliance;
“QCA Code”	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 published by the QCA;
“Rule 7 Locked-in Shareholders”	the Directors, Keith Morris and certain applicable employees, who have entered into the lock-in arrangements summarised in paragraph 14 of this Part I and paragraph 15.5 of Part VI of this document and who on Admission will hold, in aggregate, 2,495,877 Ordinary Shares;
“SBDS”	Silver Bullet Data Services Group Limited (incorporated in England and Wales with company number 08525481);
“SBDS Group”	SBDS and its subsidiaries;
“SBDS UK”	Silver Bullet Data Services Limited (incorporated in England and Wales with company number 10081847);
“Shareholder(s)”	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time;
“Share Option Schemes”	the share option plans to grant options to employees and executive directors of the Group, and to grant options to non-executive directors and consultants of the Group, as described in paragraph 11 of Part VI of this document;
“Silverbullet” or the “Company”	Silver Bullet Data Services Group plc (incorporated in England and Wales with company number 08525481);
“Strand Hanson” or “Nominated Adviser”	Strand Hanson Limited, nominated adviser to the Company;
“Strand Hanson Warrants”	the warrants to be granted to Strand Hanson by the Company, conditional upon Admission, to subscribe for up to 134,190 Ordinary Shares in aggregate at the Placing Price as set out in paragraph 15.9 of Part VI of this document;

“Subsidiary” or “Subsidiaries”	shall have the meaning ascribed to it in the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers published by the Takeover Panel, as amended from time to time;
“Takeover Panel”	the UK Panel on Takeovers and Mergers;
“Technobeet”	Technobeet S.r.l.;
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST;
“USA” or “United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction;
“US\$” and “US Dollar”	United States Dollar;
“Verizon Media”	Verizon Media EMEAS Limited, a client of Silverbullet;
“Videobeet”	Videobeet Italia S.r.l.;
“Warrants”	the Strand Hanson Warrants and the Oberon Warrants;
“£” and “p”	United Kingdom pounds Sterling and pence, respectively;

GLOSSARY

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

4D Analytics Tag	the 4D analytics tag is a small snippet of javascript that is included when serving media, it sends interaction events back to 4D used to evaluate the performance of the advertising context;
A/B Test	(also called split testing) is comparing two versions of a campaign or advert to determine the better performing variation;
activation services	the supply or deployment of native and digital advertising, whereby the Group deploys advertising media on behalf of clients and agencies through a number of DSPs;
ad	an abbreviation for “advertisement”;
Ad sales	when companies sell advertising space to entities on their platforms;
Ad Server	a web server that hosts information about ads and delivers advertising content to different digital platforms;
AdTech	advertising technology – AdTech is a term used to describe the software and tools that help customers to target, deliver and analyse advertising efforts;
AdTraders	an individual who manages ad campaigns through a DSP;
App Dev Platform	refers to a suite of technology that can help enterprises in designing, developing and deploying their applications;
CDP or Customer Data Platforms	a marketer-managed system that creates a persistent, unified customer database that is accessible to other systems;
CTR	click through rate;
context	the nature of the content in or around a particular advertising location;
contextual targeting	the targeting of advertising media on the basis of the content of a website using linguistic elements;
cookie	small digital files, usually text files, that are used by an external network server to identify a computer or IP address and to store information about such computer or IP address;
cost per click or CTR	cost per click is a metric used for the analysis of marketing performance calculated by dividing the total cost of a campaign or marketing spend by the total number of clicks calculated or estimated to be derived from such campaign or spending;
CPM	cost per thousand impressions;
DCO	dynamic creative optimisation, or DCO, is a display ad technology that creates personalized ads based on data about the viewer at the moment of ad serving;
Deal ID	a unique number that usually consists of 19 characters and is typically generated by the publisher’s supply-side platform (or an ad server) for a programmatic direct deal;

<i>digital transformation services</i>	services geared towards updating a client's systems and processes so as to make better use of technology and data generally for marketing purposes;
<i>DMP</i>	data management platforms, a software platform used for collecting and managing data;
<i>DSP</i>	demand side platform, an online interface that allows buyers of digital advertising inventory to manage multiple ad exchange and data exchange accounts - demand-side platforms apply software applications to manage an advertiser's bidding process on exchanges that facilitate the buying and selling of advertising inventory from multiple advertising networks;
<i>engine</i>	engine, in the context of computer software, is a subsystem of the software that performs a core essential logic function which provides functionality to the wider program or application;
<i>Euro and €</i>	the single currency used by some member states of the European Union;
<i>First Party Data</i>	information collected directly by the relevant holder;
<i>IPG Group</i>	the Interpublic Group of Companies, Inc. (NYSE:IPG) is an American publicly traded advertising company;
<i>knowledge engine</i>	a knowledge engine is part of a decision-support system that combines data with data models and inference rules to provide an interface for people who want to make decisions or discover related data. It may involve automatically extracting and structuring data from less-structured sources, using such models and rules;
<i>machine learning technology</i>	optimizes the performance of a system when handling new instances of data through user defined programming logic for a given environment;
<i>MarTech</i>	marketing technology – MarTech is a term used to describe the blending of marketing and technology;
<i>native advertising</i>	the use of paid ads that match the look, feel and function of the media format in which they appear;
<i>NLP</i>	natural language processing;
<i>RFP</i>	is the process and documentation used in soliciting bids for potential business or IT solutions required by an enterprise or government agency;
<i>ROI</i>	return on investment;
<i>SaaS</i>	software as a service;
<i>sentiment analysis</i>	text analysis combining NLP and machine learning techniques to assign weighted sentiment scores to the entities, topics, themes and categories within a sentence or phrase;
<i>SSP</i>	a technology platform to enable web publishers and digital out-of-home media owners to manage their advertising inventory, fill it with ads, and receive revenue;

technology stack

the combination of software applications, frameworks or programming languages applied to a particular digital application, objective or project;

Third-Party Cookies

cookies created by domains that are not the domain (or website) that the user is visiting and which are accessible on any domain that loads the third-party server's code; such cookies are generally used to track users or computers across different domains;

Third-Party Data

information collected by an external or 'third' party, which is then acquired by, transferred to, or accessed by the relevant user.

PART I

INFORMATION ON THE COMPANY

1 INTRODUCTION

Silverbullet is a provider of digital transformation services and products which assist brand owners and advertisers to optimise their digital marketing investment, with a particular focus on unlocking the potential of First Party Data and Contextual Intelligence. The Group's clients include global brands, such as Heineken, Dolce & Gabbana and Jägermeister, advertising marketplaces and trading desks, and the global media agency network, Local Planet, with which the Company has a joint venture partnership.

Silverbullet was founded in March 2016 by a group of senior executives working within global technology companies who identified the need to address the problems faced by advertisers and brand owners in targeting their investment in the rapidly growing and changing marketing and data landscape. Silverbullet is incorporated in the United Kingdom and has subsidiaries in the US, Italy, Australia and Germany.

The Group has operated as a provider of consultancy and activation services in the digital marketing sector, with a key element of the Group's growth strategy being the identification, acquisition and development of complementary technologies that would enhance the Group's programmatic skill set and technology suite, as well as broaden the Group's customer base. As part of this strategy, in May 2019, the Founders effected the acquisition of Silver Bullet Data Services Limited ("SBDS UK") by IO Technologies, which resulted in IO Technologies changing its name to Silver Bullet Data Services Group Limited and the board of SBDS UK replacing that of IO Technologies. This transaction provided the Group with an enhanced software development capacity and programmatic services offering, as well as access to Platform360, a proprietary content engagement solution focused on native advertising. Subsequently, in December 2019, Silverbullet acquired Technobeet and Videobeet, which had developed the Beetledesk platform, a data-driven programmatic trading desk platform, which further broadened the Group's product offering, customer base and software development capacity.

In 2019, the Board identified the fact that the online advertising market was transitioning away from the largely relied upon 'Third-Party Cookie' for the purpose of targeting and tracking online advertising. This has been evidenced by anti-tracking policies adopted or announced by Google, Apple and Firefox, which aim to block Third-Party Cookies and identifier-based data sharing. Furthermore, the management team observed that brands were not making effective use of significant volumes of the First Party Data that they had accumulated for the purpose of building an understanding of their customer bases, in order to most effectively target their advertising spend. Accordingly, the Group, led by its Chief Strategy Officer, Umberto Torrielli, began, in October 2019, developing its own proprietary contextual marketing product, 4D, which enables effective targeted marketing without any reliance on Third-Party Data and which has become the Group's flagship product.

Following a number of successful third party product testing campaigns, 4D is now available on key MarTech platforms such as The Trade Desk, Google DV360, and Xandr and is currently being trialled by a number of global brands. The Board believes that 4D provides the Group with a best-in-class product, which has a significant addressable global market, including brands, media agencies and Martech/Adtech platforms.

In 2020, the Group also entered into a strategic joint venture with Local Planet, the world's largest independent media agency network, which formalised a pre-existing data strategy partnership. The Local Planet joint venture is expected to be a key component of the Group's expansion plans, providing access to Local Planet's media agency network. Ian James, the Company's Chief Executive Officer also serves on the Board of Local Planet as Chief Data, Technology & Analytics Officer in a Non-Executive capacity.

The Board intends to continue to grow the Group's existing services business whilst rolling out its 4D product, which is expected to begin delivering material revenues over the next 12-18 months and ultimately account for a majority of the Group's revenues in the coming years. The Board intends to leverage its existing client base and partnership with Local Planet to accelerate adoption of 4D, as well as sourcing new customers through traditional sales routes.

The Board

The Board comprises three executive directors, Ian James, Umberto Torrielli and Darren Poynton, supported by four experienced non-executive directors. The Directors are based in the United Kingdom and the United States.

As a whole, the Board and the Company's senior management have significant experience establishing, financing and growing businesses within the advertising and media sectors. The Board has an appropriate mix of technical expertise, industry knowledge and corporate development experience, with a number of corporate exits/disposals successfully completed during their tenure in senior positions at previous enterprises with a combined value in excess of US\$3 billion.

The Group, was co-founded by Ian James and Umberto Torrielli. Ian acts as the Group's Chief Executive Officer and has worked in senior management positions in multiple global companies in the data technology, media and consumer goods sectors, with over 20 years of management experience including a number of corporate transactions. Umberto acts as the Group's Chief Strategy Officer and is a specialist in business and marketing technologies, having spent several years leading the development and deployment of data management platforms into multinational markets, including Bluekai Inc, which was subsequently sold to Oracle Corporation. Umberto was voted by The Drum and Stein IAS as a UK Martech Hero in 2018.

Further information on the Board and their biographies is set out in paragraph 11 of this Part I.

Placing and Admission

The Company has raised approximately £9.50 million in gross proceeds through the issue of 3,696,498 new Ordinary Shares by way of the Placing, conditional, *inter alia*, on Admission. The funds raised through the Placing are intended to accelerate Silverbullet's growth, primarily through the roll out of its 4D product and the expansion of its existing client base. A breakdown of the use of net proceeds is set out in paragraph 12 of this Part I.

2 KEY INVESTMENT PROPOSITION

- The Group is geared towards capitalising on what the Board believes is the once in a generation, permanent, global shift in consumer behavior towards digital media, with digital advertising spending forecast to reach US\$645.80 billion by 2024, accounting for to 67.8 per cent. of total media advertising spend.
- The Company has an established and growing services business with significant accumulated industry experience and a proven track record of delivering strategic projects and activation services to its clients.
- Changing regulation and corporate policy globally, as well as a desire for more reliable performance analysis in order to optimise digital marketing investments, is helping to drive the shift by brands towards 'in-housing' of the digital marketing process. Silverbullet is well positioned capitalise on this trend as well as the wider trend away from the use of Third-Party Cookies in the advertising environment.
- The Group's flagship digital marketing product, 4D, is a contextual intelligence cloud-based platform that seeks to improve brand engagement and marketing ROI, which the Board believes will enable the Group to deliver scalable revenues with low marginal costs.
- Silverbullet has established a global presence, with established offices in the United Kingdom, Italy, Germany, Australia and a recently opened office the United States. The Group also continues to look at other opportunities for expansion worldwide.
- The Group has worked, directly or via agency partners, with over 100 brands, including many household names such as Heineken, Jägermeister and Channel 4, and completed work for over 40 newly introduced brands in 2020.
- The majority of the Board have held senior positions at global software companies, including a number of transactional exits such as, Oracle BlueKai DMP, DoubleVerify, FreeWheel Media, Inc., and Acxiom, Inc. (former owner of Liveramp, Inc.), and have significant industry experience across data engineering, SAAS product development and marketing.

- The Group has close technical and commercial partnerships with Salesforce, Oracle and Adobe, all of which have existing sales channels and are already delivering to clients.
- The Group has established a joint venture and strategic partnership with Local Planet, a scaled network of over 60 agencies across the globe which transact, in aggregate, over US\$16 billion of media buying on behalf of their clients. The Local Planet joint venture, established in December 2020, which has already generated material services revenues for the Group, presents a significant opportunity to provide further data services and the 4D product to the Local Planet agency network.

3 HISTORY AND DEVELOPMENT OF THE GROUP

The Group was founded by Ian James and Umberto Torrielli in March 2016 as a specialist digital marketing services business offering consulting services designed to help clients build and activate a data strategy for marketing purposes. The Founders identified the opportunity that data driven marketing presented for businesses to maximise revenue growth, retain clients and improve the efficiency of their marketing spend. The Group continues to be focused on developing a full service offering for its clients, including digital products, data analytics and audience activation to support marketers as they seek to maximise their return on marketing spend.

Following its inception, the Founders actively sought opportunities that would boost the Group's programmatic skill set and technology suite to enhance its integrated offerings. In May 2019, IO Technologies, a data software company with an existing programmatic services and data analytics capability, acquired SBDS UK (by way of what was, in effect, a reverse acquisition of IO Technologies by SBDS UK), pursuant to which the directors of SBDS UK replaced the directors of IO Technologies which became the parent company of the Group, changing its name to Silver Bullet Data Services Group Limited on 27 November 2019. IO Technologies, through its subsidiary Iotec Native Limited, had previously acquired Breed and Craft Ltd (and its assets) in September 2018 as part of an administration process. Breed and Craft Ltd had developed 'Platform360', a content engagement solution focused on native advertising. This acquisition expanded the Group's client base and augmented its software development capacity.

In December 2019, the Group continued its expansion by acquiring Videobeet and Technobeet (which subsequently merged by incorporation into Videobeet, with the combined entity now named Silver Bullet Data Services S.r.l.). Videobeet was an Italian programmatic company with an established client base and capable technical team, and Technobeet, which had developed the 'BeetleDesk' programmatic marketing platform and had common owners with Videobeet. The acquisition of Videobeet further expanded Silverbullet's client base, technical capability and proprietary technology offering.

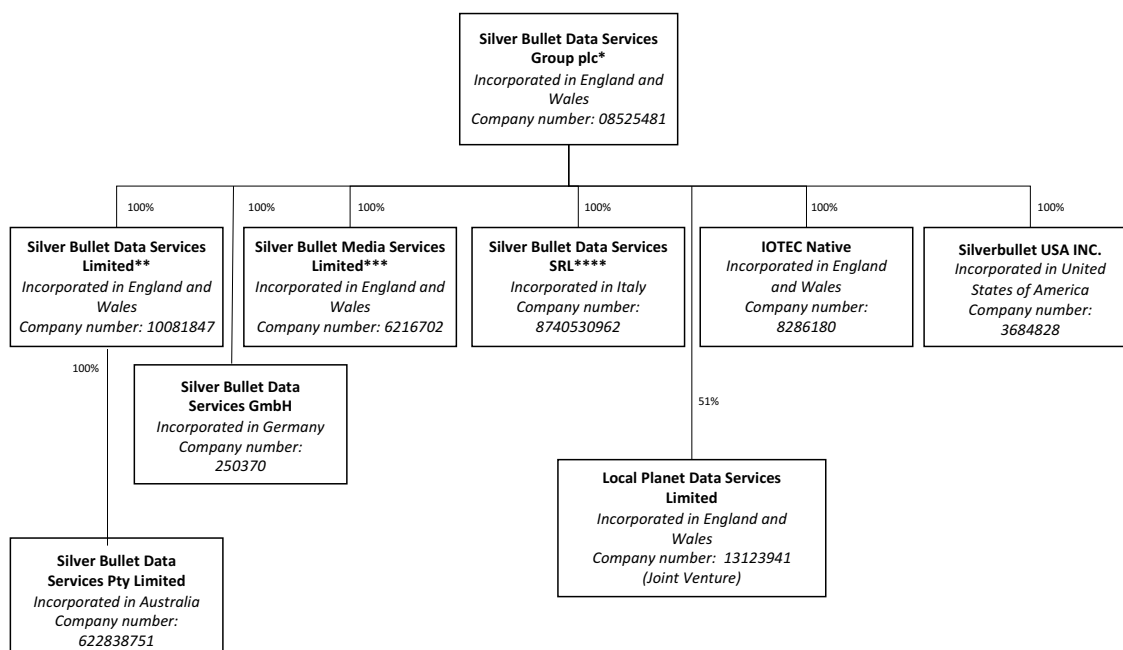
As the Group continued to grow, it became increasingly clear to the management team that the online advertising market was transitioning away from the largely relied upon 'Third-Party Cookie' and Third-Party Data more generally for the purpose of targeting online advertising. As a consequence, in October 2019, the Company commenced the development of 4D to create a product that worked across display and video formats and that would help brands and agencies improve advertising outcomes/engagement using a fully 'cookie-less' and privacy compliant methodology. In April 2020, the Company completed the development of the first version of 4D, the Company's flagship contextual intelligence and brand suitability product, which the Board believes is a 'best-in-class' product geared towards marketing optimisation through the use of contextual analysis and First Party Data.

In December 2020, the Company entered into a strategic joint venture with Local Planet, the world's largest privately-held integrated network of media and marketing communication agencies, which formalised a pre-existing data strategy partnership.

Silverbullet has raised a total of £9.50 million (gross) pursuant to the Placing to fund its growth, product development and acquisition strategy to date.

4 CORPORATE STRUCTURE

The corporate structure of the Company is shown in Figure 1 below.



* Previously named IO Technologies Group Limited. Changed its name in November 2019.
 ** SBDS UK has a branch in Italy that merged with Videobeet on 1 January 2021.
 *** Previously known as IOTEC Global Limited. Changed its name in August 2020.
 **** The Company acquired Technobeet on 20 December 2019. On 17 December 2020, Technobeet was "merged by incorporation" into Videobeet and Videobeet changed its name to SBDS S.r.l. On the same day SBDS UK transferred its Italian branch to Videobeet (which, as above, became effective on 1 January 2021).

Figure 1: Group Corporate Structure

On 10 June 2021, Silver Bullet Data Services Group Limited re-registered as Silver Bullet Data Services Group plc.

5 SILVERBULLET

Silverbullet’s key objective is to deliver improved marketing ROI to its clients through the intelligent use of data.

The Group’s services can be generally described as ‘digital transformation services’, whereby the Group works with its client to update their systems and processes so as to make better use of technology and data for marketing purposes in the evolving digital landscape, from initial consultation to technology architecture design and data-driven marketing activation and management.

To date, the Group has worked with over 100 brands, including Heineken, Jägermeister, Channel 4, Value Retail, Dolce & Gabbana and ITV, and is certified by Salesforce, Oracle and Adobe, being one of a limited number companies in Europe to achieve specialised partner status in respect of Adobe.

The Company’s revenues to date have predominantly been derived from two broad categories: data & strategic consultancy services and activation services. Following the launch of 4D and completion of the Company’s strategic data partnership with Local Planet via the Local Planet JV Agreement (further detailed in paragraph 5.4 of this Part I below), the Company is seeking to drive accelerated revenue growth through the roll out of its proprietary 4D product, whilst maintaining continued revenue growth from its data & strategic consultancy and activation services.

Silverbullet has wholly owned subsidiaries in the UK, Italy, Australia, US and Germany and has worked on behalf of its clients in more than ten countries. The Company currently has approximately 62 employees. Further information on the Company’s senior management can be found in paragraph 11 of this Part I.

5.1 4D Product Overview

4D is a contextual intelligence cloud-based platform that seeks to improve brand engagement and marketing ROI, which the Board believes will enable the Group to deliver highly scalable revenues with low marginal costs. The launch of the 4D product reflects the Board’s strategic objective to generate,

over time, a higher proportion, and ultimately the majority, of its revenues from digital product revenues, as opposed to data & strategic consultancy and activation services which are currently the main sources of revenues for the Group.

Development of the alpha version of the 4D product was completed in April 2020, with beta testing conducted in late 2020, and commercial trials commencing in Q1 2021. In Q2 2021, the Group launched 4D 'version 1.0' and is now scaling commercial operations in respect of the 4D product. As such, no material revenues have yet been generated in respect of sales of the 4D product, but it is expected that revenues from 4D sales will commence during the second half of 2021 growing materially in 2022.

The 4D product is complementary to Silverbullet's existing services offering and the Board believes this will allow the Group to leverage both its existing customer base to generate sales as well as generating sales with new customers. Further information on 4D can be found in paragraph 6 of this Part I below.

5.2 Digital Transformation Services Overview

Silverbullet currently provides strategic consultancy and activation services to brands, advertisers and agencies to improve their use of data and technology and deploy digital media for marketing purposes. Silverbullet seeks to clear data blockages, enhance workflows and reduce friction across its clients' data/digital marketing processes.

Silverbullet's consultancy and digital transformation services include:

- **Strategic marketing/customer data consulting:** advisory services to clients on data driven business enhancement. Such client deliverables include:
 - strategic roadmaps to improve the application of customer data to marketing;
 - marketing technology audits;
 - vendor analysis; and
 - roadmap and business case development.
- **Marketing/customer data management and integration:** practical delivery of managed services for a client's data assets and management of their technology infrastructure in accordance with the relevant marketing/business use cases. Such client deliverables include:
 - assisting clients to manage their First Party Data assets in the post Third-Party Cookie environment;
 - use-case design and execution;
 - customer journey orchestration;
 - hands-on technology stack management;
 - data enrichment;
 - multi-channel marketing activation;
 - data science as a service; and
 - data visualisation and dashboard development.
- **Programmatic Media Services (managed services and in-housing):** offering clients, agencies, publishers and First Party Data owners the ability to activate customers' digital marketing campaigns through Demand Side Platforms (DSPs).

5.3 Clients and nature of services engagements

Silverbullet works with holding companies/agencies that represent significant marketing spend, as well as marketers working in-house within company marketing teams.

Each client is typically engaged under a Managed Services Agreement with a custom scope of work. Whilst each engagement is unique, over time Silverbullet has developed a number of repeatable work processes and technical approaches which can be applied to new projects.

By way of example, current and recent engagements include:

- The Group was initially engaged by a global drinks brand in 2019 to focus on assisting in specific markets with the deployment and management of components of their technology stack. The Group's engagement has since developed into a multi-layered service framework across global and local teams in support of their data-driven marketing programme. This included detailed strategic support with the evaluation and execution of a data strategy to drive its data-driven marketing programme, including the use of data to adapt consumer journeys and enable personalisation at scale. The Group also provides technical support with the assessment, evaluation, selection, implementation, integration, and maintenance/management of marketing and advertising technology solutions, with the final purpose of executing a data-driven marketing programme.

The Group has worked closely with the client to design a flexible service framework that accommodates the varying requirements coming from individual geographic markets based on the specific challenges and level of maturity of each operating company. The Group's services are divided into three core areas:

- 'Empower': a range of services addressed to the assessment and auditing of current personalisation strategy and technology stack, including opportunity evaluation, gap analysis and data & technology roadmap definition.
- 'Build': ad hoc technical support for platform implementations, system integrations and technical maintenance of existing technology.
- 'Activate': ad hoc support for the execution and ongoing development of data and personalisation strategy, including data collection and enrichment strategy, definition of strategies related to data-driven consumer journeys/experiences, progressive profiling, data science, activation, and measurement framework.
- The Group worked with a global engineering and technology company in 2019 to build a business case with recommendations for the continuation of its data technology pilots and extend the implementation of its DMP into additional markets. In 2020, Silverbullet extended its scope of work to identify new Customer Data Platforms that could be used with (or instead of) its existing DMP platforms, and educate the business on new market trends, most notably the use of First Party Data in the post cookie era. A key outcome for the client was a quantitative scoring methodology to enable a clear recommendation in relation the client's technology stack.
- Silverbullet worked with a global fashion brand to advise and coordinate its data driven marketing activities whilst supporting its media team with the management of programmatic and social campaigns. Silverbullet implemented Salesforce Audience Studio, enabling the collection and match of First Party Data across the brand's website, ecommerce and CRM data. Silverbullet's data specialists designed and implemented a robust segmentation strategy in Google Analytics and helped in DCO campaign strategy. Silverbullet is currently retained to maintain ongoing strategic data services.
- The Group was engaged by an Italian banking group to implement the Oracle DMP within the banks existing technology stack, to collect, unify and activate First Party Data from a variety of data sources, including websites, mobile apps and internal data modelling systems. The Group also supported the client in website personalisation campaigns to drive user engagement and accelerate conversion. The Group also explored intelligence-driven marketing strategies to cross-sell new products to existing bank customers. Silverbullet remains engaged by the client in respect of ongoing strategic projects with this client.
- **Local Planet:** The Group provides programmatic managed services to a variety of Local Planet agencies, including performance-oriented programmatic services. The Group is tasked to achieve direct response objectives, as well a more brand-led campaign management, across video,

display, and native formats, with 4D contextual targeting able to be deployed as a tool by the Group.

Media/Broadcast Clients

The media industry is undergoing a transformation driven by the shift in consumer access from analogue to digital and on demand content. This is being most acutely experienced in the broadcast industry, where consumers are shifting from watching TV shows on broadcast channels to watching video over streaming connected TV services such as Amazon, Netflix, BBC iPlayer, ITV hub, Rakuten, and All4. In turn, this shift to connected streaming services creates a potentially highly valuable new resource for the TV companies – First Party Data. To harness this First Party Data, TV companies need to develop new business models, technical and data infrastructure and ways of working/trading with their advertiser clients and media agencies.

Silverbullet offers services and the 4D product to assist broadcasters to transform their offering to meet the new market needs. By way of example. Silverbullet has been engaged by a number of major broadcasters, including ITV and Channel 4 in the UK, to deliver technical and data transformation roadmaps.

ITV: Silverbullet was engaged by ITV to help update the way in which its data is used throughout the business, including content production, marketing, advertising sales, personalisation and measurement. Silverbullet designed a five-year roadmap for a data driven system and process enhancements and is currently activating this strategy.

Channel 4: Initially, Silverbullet was engaged to setup a new data driven advertising sales platform for Channel 4. The Company gathered requirements, ran an RFP process, compiled a go-to-market suite of products and implemented the required technology. Silverbullet has since been re-engaged to design a MarTech services blueprint to prepare Channel 4 for future developments in the marketing industry.

5.4 Partners

The Group works with a number of technology partners and providers across the digital marketing industry in respect of both technical integration and service provision. Such partners fall into three main categories: MarTech partners, which typically provide services which facilitate marketing decisions or processes; AdTech partners, which includes the major DSPs and SSPs which facilitate the deployment of media into advertising locations; and consultancy & agency partners, which the Group works alongside in providing consultancy services or which provide access to end customers.

A selection of the Group's key partners are set out below:

MarTech Partners

- Adobe Systems Software Ireland Limited
- Salesforce.com, Inc.
- Mediarithmics SAS
- mParticle, Inc.
- Oracle Corporation
- Infosum Ltd
- Treasure Data, Inc.
- Cheetah Digital Co., Ltd.
- Relay42 UK Ltd.

AdTech Partners

- Adform
- Display & Video 360 (Google)
- MediaMath, Inc.
- The Trade Desk, Inc.
- Iris.TV, Inc.
- OneTag Limited
- Xandr, Inc.
- MediaGrid Inc
- Factmata Limited
- Deepsee Inc.

Consulting/Agency Partners

- Local Planet
- Accenture plc
- Deloitte LLP
- Publicis Groupe S.A.
- Omnicom Group
- IPG Group plc
- WPP plc

The Digital advertising market is subject to numerous governing industry standards, guidelines and best practices. Supporting these standards, leading technology platforms conduct certification processes for digital advertising related products and services. The Directors believe that certification of Silverbullet's products and services gives advertisers confidence in the efficacy and reliability of Silverbullet's solutions.

Silverbullet's employees hold the following formal certifications from technology platforms:

- Adobe Audience Manager: Architect
- Adobe Audience Manager: Business Practitioner
- Adobe Audience Manager: Sales Specialist
- Adobe Experience Platform: Technical Sales
- Adform Audience Base Certified
- Google Analytics Individual Qualification
- Oracle DMP Cloud Presales Specialist
- Oracle Marketing Cloud Implementation Specialist
- Salesforce Audience Studio 101
- Tealium iQ Technical User
- Trade Desk Edge Academy: Data-driven planning

The Group leverages these partnerships in the following ways:

- Joint pitching for client MarTech platform onboarding, data integration and ongoing MarTech platform managed services assignments. The Group benefits from the extensive sales and marketing capabilities of the scaled MarTech platforms, which provide an ongoing pipeline of potential new clients.
- The Group contracts directly with any client delivered through a MarTech partner, enabling future cross selling and upselling opportunities once a client is onboarded.
- By being a certified partner to the major participants in the Martech/Adtech ecosystem, which provides the Group with a recognised status and provides a barrier to entry to new entrants to the market.

The Group is an independent services company and, other than its joint venture relationship with Local Planet described below, does not commercially affiliate with any specific partner. The Group is therefore able to be agnostic and able to choose the most appropriate technology for the client.

Local Planet Joint Venture

Silverbullet has entered into a joint venture with Local Planet, the world's largest independent media agency network with most recent reported annual turnover of over US\$16 billion, operating in more than 65 markets with approximately 3000 clients and 203 offices. Local Planet is a network vehicle for a group of independently owned media agencies that co-operate to share clients, know-how and refer international advertisers to each other.

Local Planet's founder, Martyn Rattle, and its Chairman, Nigel Sharrocks, both serve on the Board of the Company as Non Executive Directors, and the Local Planet joint venture is expected to be a key component of the Company's expansion plans, providing access to Local Planet's customer base of more than 3,000 clients. Ian James, the Company's CEO, also serves on the Board of Local Planet in a non-executive capacity as Chief Data, Technology & Analytics Officer.

Pursuant to the Local Planet JV Agreement, Silverbullet and Local Planet own 50.5 per cent. and 49.5 per cent. respectively of a joint venture company, Local Planet Data Services Limited, established for the purpose of collaboration between the parties, which will provide specialist advice and assistance specifically related to data, technology, analytics and associated advisory and consultancy services to the Local Planet network of agencies.

Revenues derived from Local Planet International clients/agencies or the clients of such agencies will be recognised via the Local Planet JV. The Group will recharge the Local Planet JV for direct cost of sales and a provision of services fee, which would include any gross profit from sales of the 4D product, and Local Planet International and Local Planet agencies charge the Local Planet JV a referral fee of between 5-10 per cent. of the net amount billed to the client depending on the nature of the referral. The net profit of the Local Planet JV will be apportioned between the Group and Local Planet International in accordance with each party's shareholding interest in the Local Planet JV. The Directors anticipate that the Group will retain approximately 90 per cent. of the gross profit on any client sourced from Local Planet or a Local Planet Agency.

The Local Planet JV Agreement also provides a significant sales channel opportunity for Silverbullet's marketing consultancy services.

6 4D

6.1 Overview

Over the last decade, brand owners and media agencies have made substantial investments into marketing technology and have amassed significant volumes of First Party Data, which the Board believes is currently being ineffectively utilised. In addition, sentiment and legislation surrounding data privacy requires marketers and their agencies to alter their methodologies in relation to the use of Third-Party Data. This has led to the present and growing restrictions by some of the world's largest technology companies in relation to the Third-Party Cookie.

Silverbullet developed the 4D product to seek to improve advertising outcomes across programmatic media using a fully 'cookieless' and privacy compliant methodology which better equips brands for the changing digital marketing landscape and the use of their First Party Data.

How 4D works

4D is a contextual outcomes engine which aims to target digital advertisements within contextual parameters in respect of the location in which the advertisement appears, whilst also providing integrated 'brand safety' functionality and deterministic insights for optimisation via an intuitive platform. The 4D product builds on proven methodologies for digital media buying and seeks to address the fundamental desire of advertisers for their advertising to be seen in the moment and context that is most likely to drive engagement with the brand or campaign, with the key ultimate objective of reducing the cost of customer acquisition and increasing sales.

4D provides advertisers, ad traders and other clients with access to what the Board believes is a simple, user friendly, fully-integrated interface in which they are able to define the desired criteria for content of an advertising location where their digital advertisements should appear; the output of this process is referred to as a "Context". The Context is then used to target digital media advertisement

placements across multiple channels. 4D currently works across display and video formats served to a desktop or mobile device. Alternate media sources such as programmatic audio, addressable TV and in-app contextual analysis are targeted developments in the 4D product development roadmap.

The 4D product works by extracting online editorial written content and video data and processing it through the ‘4D knowledge engine’, which uses sophisticated NLP techniques and proprietary algorithms to evaluate the content and produce a suitability score based on three contextual pillars: safety, suitability and relevance. 4D can then apply additional real-time data related to the environment at the moment the advertisement is viewed (e.g. weather, fake news, sentiment). If the overall suitability score exceeds the customer’s threshold as defined in their Context, 4D alerts the DSP to proceed with the advertisement bidding process. 4D is therefore a “pre-bid” technology, meaning that it influences the real-time bidding process of DSPs such as The Trade Desk or Google DV360, as a first order of operation, by indicating whether a bid should be placed or not on the advertising inventory slot.

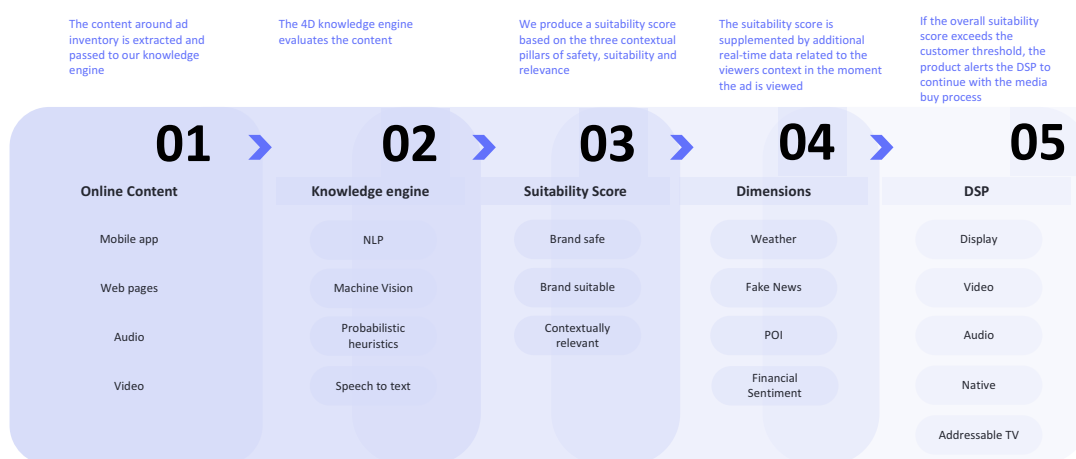


Figure 2: Diagrammatic overview of the 4D product’s methodology (Source: Company information)

There are a variety of ways in which advertisers can access the 4D platform to configure a Context comprising the brand-specific targeting parameters which the advertiser has determined will influence consumer outcomes. The Board expects the most common user of 4D will be a programmatic media buyer at an advertising agency. Additionally, the Board expects some brands/marketers will derive additional value from 4D for analysis purposes by ingesting their media-derived First Party Data from whichever platform a client company already has in place, including, DMPs, CDPs, DSPs and advertising servers, thereby drawing on a significant amount of existing and underutilised data.

The 4D product interface also provides an integration environment for software partners, such as Factmata or Sourcepoint, to plug in dimensions and add targeting layers to provide additional protection against harmful content, hate speech, and political bias to seek to ensure brands are protected from negative association. The 4D user can opt to activate/incorporate the analysis engines of such partners within the 4D platform, thus creating a ‘contextual marketplace’ for integration partners within the 4D platform.

Once the targeting parameters are configured in 4D and transformed into a Context, they are available for targeting programmatic media in The Trade Desk, Xandr, Google DV360, MediaMath, Adform, and most major DSPs via a Deal ID. Additionally, Silverbullet’s services division is able to deliver programmatic campaigns powered by 4D via managed services through the Group’s internal Beetledesk trading desk platform.

6.2 Key Functions

Contextual Display Targeting

- Content surrounding a digital advertising location is extracted and passed through 4D’s ‘knowledge engine’ for analysis. The knowledge engine uses a combination of techniques, proprietary algorithms and open-source code/data repositories to evaluate the content and determine its key messaging.

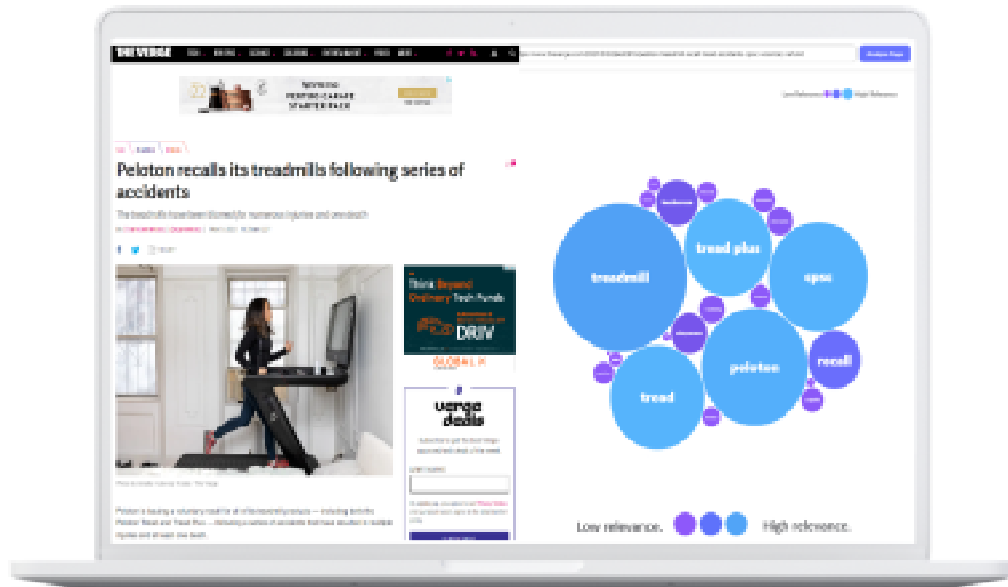


Figure 3: Representation of 4D extracting key data points from online content (Source: Company information)

Contextual Video

- 4D can perform video analysis by combining deep learning methodologies with computer vision image classification and audio processing to accurately contextualise video content. By combining and modelling these inputs into 4D’s knowledge engine, clients are able to target the content that matters most and avoid brand unsuitable contexts.
- The 4D video models have been developed internally and include several models which the Board believes to be highly desirable to advertisers, including logo recognition, celebrity facial recognition, and nudity detection for brand suitability.

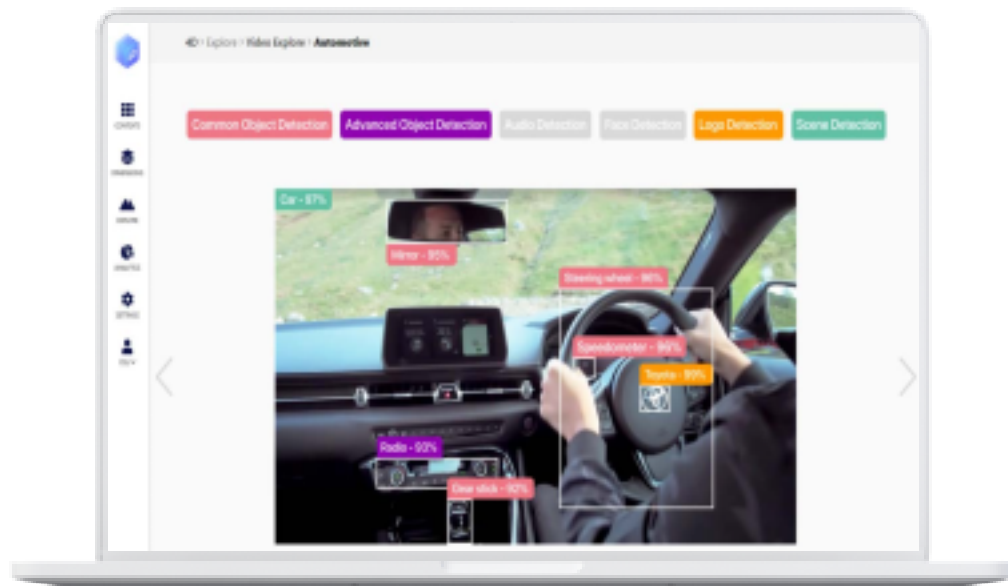


Figure 4: User-interface for 4D’s computer vision technology extracting key data points from a video frame (Source: Company information)

Exploration Features

- 4D offers exploration features that help customers build Contexts using seed data such as keywords, topics, known webpages and/or videos that the brand believes drive outcomes.

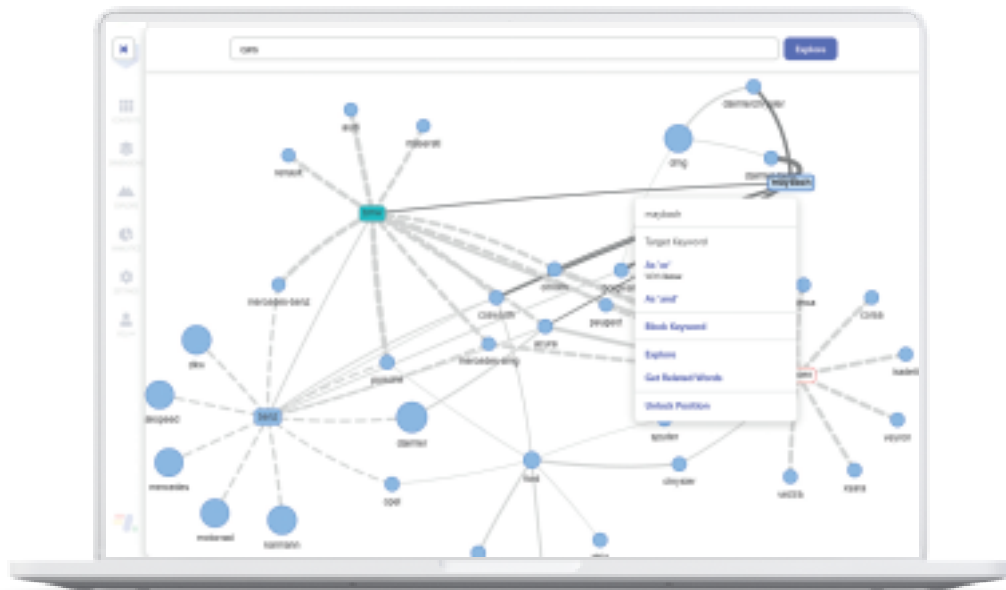


Figure 5: 4D's 'exploration features' user-interface (Source: Company information)

Fine-tuning a Context

- 4D provide marketers with transparency and consistency of analysis across the various websites advertisements can appear on and allows them to fine-tune their Context by targeting or blocking specific keywords or topics of the sample matched pages.
- This enables marketers to adapt the targeted Context in real-time, or run a health check on existing Contexts to identify brand safety violations and stay ahead of ever-changing news cycles.



Figure 6: 4D context selection/optimisation user-interface (Source: Company information)

Delivering Insights using Contextual Intelligence

- 4D's analytics provides marketers with deterministic, contextual intelligence on how and where marketing campaigns are performing.
- 4D can ingest historical media-derived data from a DMP, CDP, Ad Server or DSP to analyse a prior campaign or deploy a lightweight 4D Analytics Tag in a customer's campaigns for real-time contextual campaign insights.

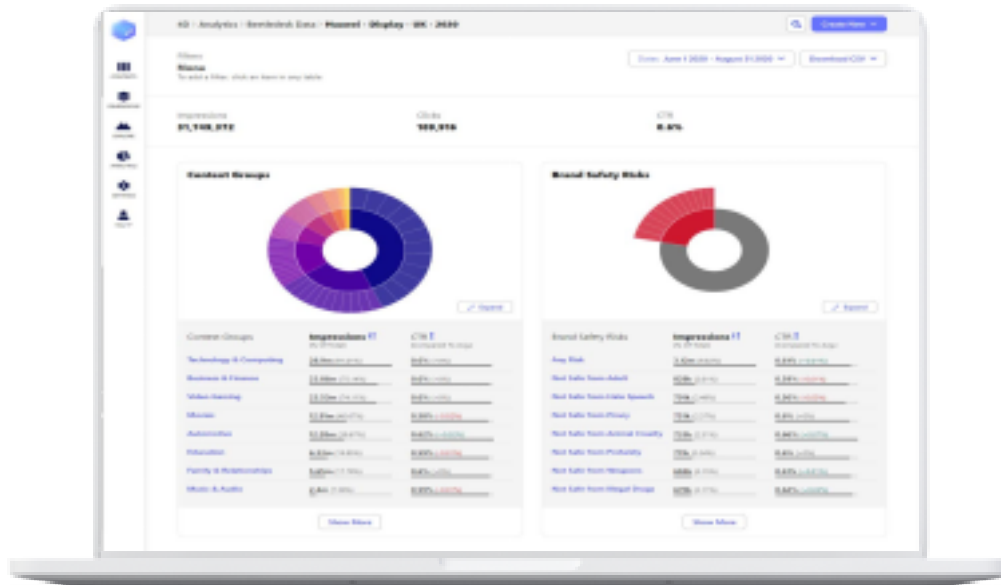


Figure 7: 4D analytics interface (Source: Company information)

Driving outcomes through optimisation recommendations

- 4D enables insights derived from data analysis to be converted into actions through the application of 'what-if' analysis models to estimate the expected future impact of a certain Context based on historical campaign data. The Group currently uses the 4D product as a tool to facilitate Context optimisation, however the Group's data team is finalising the development of an automated optimisation process within the 4D product.
- Recommended optimisations are fully transparent so that a client can see the changes being recommended and their modelled impact.
- Recommended Optimisations can include partner data sets available in the contextual marketplace (e.g. Factmata).



**Figure 8: 4D context optimisation interface
(Source: Company information)**

6.3 4D Key Features

First Party Data Ingestion

4D is an open and independent platform, which can ingest media-derived First Party Data sets from various sources such as DMPs/CDPs platforms and Ad Servers. Once 4D has ingested the data, its knowledge engine is designed to draw out contextual insights which in turn can be used and applied in programmatic advertising.

Contextual Video

The 4D data science team has integrated computer vision software that enables contextual targeting and brand suitability protection in the video channel. 4D's enables contextual targeting in video content environments, in addition to display and text content.

Contextual Marketplace

4D's engineering team have also built a contextual marketplace, which allows select technology partners to plug their algorithms in as an additional layer to 4D. This is an important part of the Group's strategy as it allows Silverbullet to expand its capabilities without needing to commit additional resources.

Languages

4D can currently analyse context from six different languages: English, Spanish, Italian, Portuguese, German and French, with plans to roll out further language support based on demand priority.

6.4 Current Status

Development of the alpha version of the 4D product was completed in April 2020, with beta testing conducted in late 2020, and commercial trials commencing in Q1 2021. In Q2 2021, the Group has launched 4D 'version 1.0' and is now scaling operations in respect of the 4D product. As such, the Group has only received minimal early stage revenues in respect of the 4D product to date, however the Board believes the 4D product is now well positioned for commercial roll out following successful beta and initial commercial trials and the achievement of a number of technical partner integrations and accreditations.

In an early-stage independent trial with a Finnish manufacturer of cosmetics, 4D outperformed all other distribution platforms, which included YouTube, Instagram and Pinterest. Using the 4D platform, the trial was able to increase the CTR by 24 per cent. over the duration of the campaign compared to the brand's reported average CTR and sales by 47 per cent. over the same period.

More recently, in the first quarter of 2021, an agency partner of Silverbullet ran an independent study for a global car manufacturer whereby it conducted two simultaneous campaigns, one using the free-to-use contextual targeting available within Google's DV360 platform, which is Google's DSP, and one using 4D. Despite Google having the advantage of providing keyword-based targeting for free, the marketing campaign deployed using the 4D product outperformed across all key metrics, including increased CTR by 133 per cent., reduced 'cost per click' by 24 per cent. and demonstrated an overall 51 per cent increase in page view rate.

In February 2021, the Company obtained official Google certification for its 4D Analytics Tag to run in Google's DV360 platform, which the Board believes is currently the most widely used DSP in the market. As a result of this certification, any advertiser using the DV360 platform, which represents the majority of online advertising expenditure, will have the option to run have their campaign analyzed and optimized using 4D's technology.

The 4D product is also currently integrated with Xandr Curate, MediaGrid (enables Deal IDs on DV360, Xandr, The Trade Desk, MediaMath, etc.) Adform, Onetag and is in the process of completing integration as a Xandr Real-Time Data Provider. The Group is now seeking to roll out commercial trials and sales of the 4D product with brands, agencies and via the platform integrations noted above.

The 4D product is currently in commercial trials with a number of agencies and brands. To date, the Company has received revenues from trials and early stage campaigns using the 4D product of £8,000. Assuming commercial trials continue successfully, the Board expects that 4D product revenues will slowly increase in the second half of 2021 and increase materially during 2022 with wider adoption and utilization of the product. In April 2021, the Company and its 4D product were recognised as finalists in the 2021 Digiday Media Awards Europe.

Non binding heads of terms are in place, and discussions are ongoing, for a proposed commercial agreement between the Company and programmatic marketing agency MiQ Digital Limited for its use of 4D.

6.5 Development and Technology

Underlying technology

The 4D product is built in Python programming language which is widely utilised and provides access to a large pool of development resources. 4D leverages AWS services where appropriate enabling high scalability with minimal infrastructure costs. The 4D software architecture is built on a microservices basis, which has three key advantages: 1) microservices enable 4D to rapidly integrate into the broader ecosystem with minimal custom code development needed; 2) 4D can maintain security controls over which elements of the platform a partner can access; 3) this model maximises flexibility of the 4D customer-facing user-interface critical to user workflow by separating out the design elements from the user elements. The microservices that are used for content analysis and partner integrations are globally distributed and hosted on auto-scaling cloud infrastructure enabling scalability in a pay-as-you-grow model.

4D product development process

The Group's product team takes commercial feedback on an ongoing basis and uses that to plan the direction of the product and prioritise updates/releases. Silverbullet's product team works with its UX (user-experience) team to create product requirement documents that are then used by the Group's engineering and data-science teams to build and test the features to be included in future releases. The engineering team uses an Agile Scrum Methodology to deliver features, running two week long sprints, culminating in a demonstration to the wider team and a release following user acceptance testing (UAT) in the staging environment.

6.6 Competition

The Board believes the Company's main competitors for the 4D product are Google, Oracle's Grapeshot, Peer39 and DoubleVerify. Silverbullet has attracted senior management from DoubleVerify and other competitors and believes that the Group will be launching 4D into a more established and educated market in relation to programmatic advertising.

A brief summary of some of the companies with competing software products is as follows:

- Grapeshot is a Contextual Intelligence Platform that provides brand safety and contextual targeting solutions. Grapeshot was acquired by Oracle in 2018 for US\$325 million and is now closely integrated with the Oracle Data Cloud and the Moat measurement product.
- Peer39 is a cookie-free pre-bid targeting solution that allows programmatic buyers to access safe and relevant inventory. Peer39 was founded in 2006 and sold by Sizmek to 03 Industries for US\$18 million in 2019.
- DoubleVerify is a provider of marketing measurement software, data and analytics that authenticates the quality and effectiveness of digital media for the world's largest brands and media platforms. DoubleVerify provides media transparency and accountability to deliver impression quality to maximise advertising performance. In 2020, DoubleVerify, which was founded in 2008, reported revenues of US\$243.9 million and claims to have analysed approximately 3.2 trillion media transactions through its technology. On 21 April 2021, DoubleVerify listed on the New York Stock Exchange with an opening valuation of US\$5.59 billion.

7 REVENUE MODEL

Silverbullet's services revenue model is based upon developing strong relationships with its clients by working within and alongside such organisations to form technical partnerships and manage its clients' customer data requirements. Revenue to date has been primarily generated from services falling into two main categories - data & strategic consultancy services and activation services revenue.

Data & Strategic Consultancy revenues predominantly comprise consultancy fees payable in respect of the delivery of data consultancy, data strategy and data management plan projects. This revenue is typically part of a project or on a variable fees basis and, as such, are recognised in accordance with when the work is delivered to the client.

Activation services revenue is received in respect the deployment of predominantly native and digital advertising, where the Group buys media/advertising space on behalf of clients and agencies. Activation revenue is recognised in line when the insertion order, being the contractual engagement to buy media, is received.

The majority of the Company's services are provided via customer contracts using a standard suite of engagement documents, including a managed services agreement setting out the standard terms and conditions of engagement, plus a custom statement of work and/or an insertion order.

Historically, the Company has been focused on providing consultancy services to brands to develop a data strategy that will optimise the client's return on investment. This has typically led to further collaboration and Silverbullet assisting with the implementation of the requisite data infrastructure to support the client's strategy.

Going forward, with the commercial launch of 4D, the Company will augment its offering to existing and future clients to include 4D and marketing stack integration, which the Board believes will increase profitability and provide recurring revenues to the Company. 4D's integration capabilities give Silverbullet access to a greater range of customers which will be a key driver for the Company's ability to scale revenues. 4D is expected to generate revenue from advertising customers based on the volume of media transactions or advertisements deployed using the 4D product on a CPM basis. Whilst the 4D user/customer will be the advertiser or agency responsible for the relevant advertising spend, the Group's revenues are expected to be predominantly derived from contractual arrangements with the DSP's with which 4D is integrated, such as The Trade Desk and Adform, whereby CPM payments are made by the DSP to the Group in respect of media deployed through the relevant DSP platform using 4D contextual analysis. Revenues may also be derived directly from brands or agencies using the 4D product for analytics within their own platforms or technology stacks as tool of analysis.

Figure 9 below illustrates the typical process and parties involved in the deployment of programmatic media spend, from advertiser to publisher. Contextual data targeting and verification platforms/technology such as 4D are estimated by the Board to account for approximately 1-3 per cent. of total programmatic media spend and sit between DSPs and SSPs in order to influence and effect DSP buying decisions. 4D is already integrated with a number of the world's largest DSPs, including those operated by The Trade Desk and Adform.

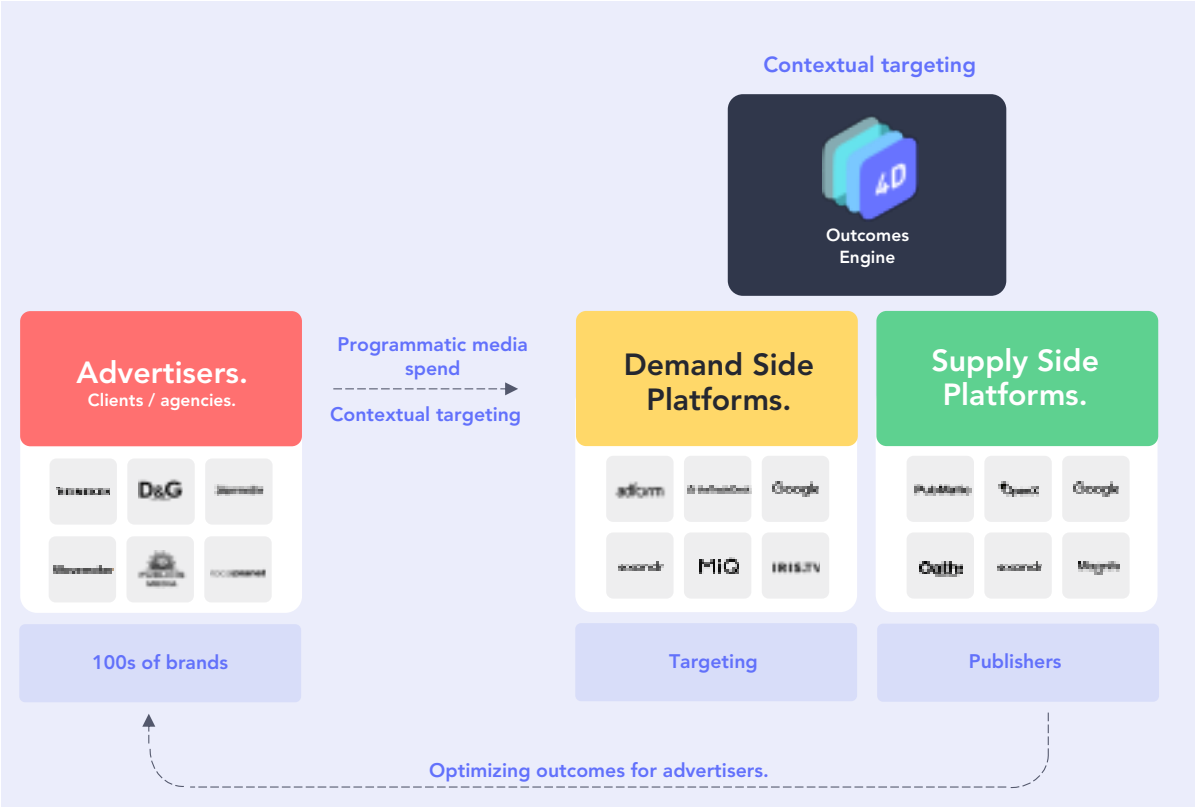


Figure 9: Illustrative flow chart showing the various parties/stages in the deployment of programmatic advertising spend (Source: Company information)

8 MARKETING AND GROWTH STRATEGY

Silverbullet has a number of interconnected growth strategies, the key elements of which are summarised below.

- New client wins and expansion of revenues from existing client base - the Group seeks engagements with large organisations that have the scope to provide growing revenues over time through the expansion of services offered or geographies covered and the subsequent execution of recommended actions in the course of consultation engagements.
- Figure 10 below summarises the Company's engagement as an example of how the Group has been able to expand its offering to a particular client over time. The Company worked with over

40 new brands in the year to 31 December 2020 and will seek to expand the services offered to such clients going forward. Silverbullet also has a steady pipeline of new client opportunities through its established network of partners as referenced in paragraph 5.4 of this Part I and, as at the date of this document, Silverbullet is involved in a number of pitches with Accenture Interactive and Local Planet.

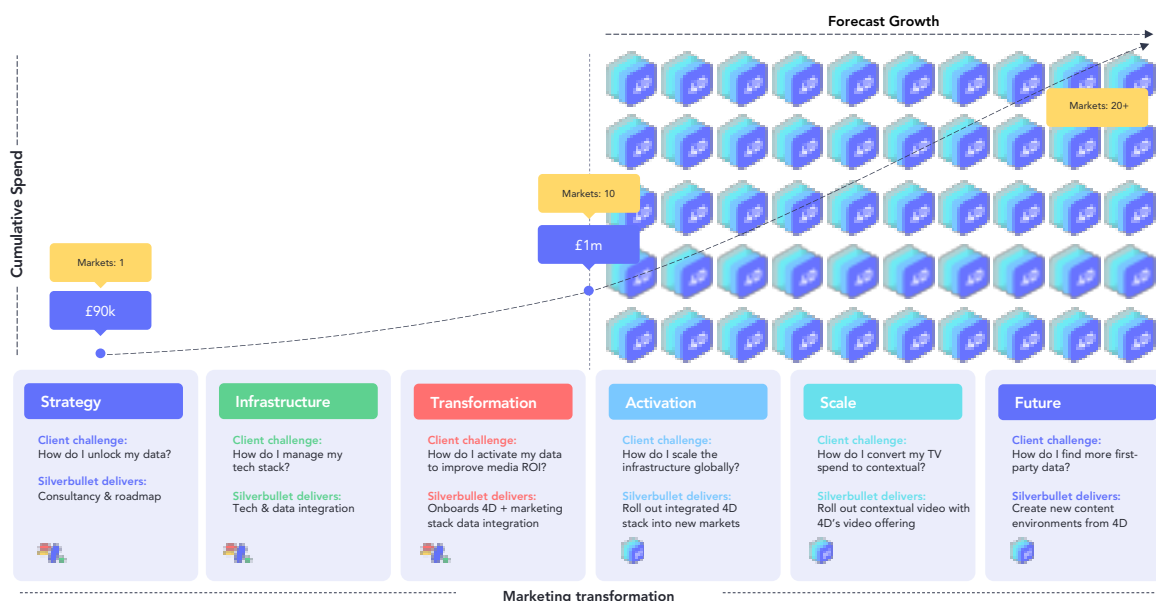


Figure 10: Illustrative example of revenue growth strategy with brand client (Source: Company information)

- **4D sales** – 4D provides the Group with a scalable digital product which is complementary to its existing services, and therefore able to be cross-sold to new and existing services clients, whilst also opening up a broader user audience including advertising marketplaces and AdTraders. The 4D product 'version 1.0' has been available for commercial testing since Q1 2021 and is now integrated with a number of global technology platforms, such as those operated by Tradedesk and Adform. The Group's primary customers for the 4D product are Ad traders, brand owners and media agencies that have or control digital advertising budgets. The Group is currently in discussions or product trials with a number of media agencies and has seen positive initial traction from discussions and ongoing 4D product trials as well as early revenues of £8,000 in the first four months of 2021. The Board expects 4D to generate recurring revenues and increase the profitability of the Group over time.
- **Local Planet JV Agreement** – pursuant to the Local Planet JV Agreement, the Group is the exclusive data services partner to Local Planet, the world's largest privately-held integrated network of media and marketing communication agencies. Three of the Company's directors are also directors of Local Planet. The Group's relationship with Local Planet prior to and since the establishment of the Local Planet joint venture has generated material services revenues to date. The Group will seek to maximise the value of the access the Local Planet JV Agreement provides to Local Planet's agency network to generate sales of its 4D product.
- **New hires to drive sales** – the Group has recently recruited a number of senior hires to its management team, mostly notably Mark Pearlstein and Kristen Kelly. Mark is the former Chief Revenue Officer of DoubleVerify, a key player and competitor in the data product space, and oversaw revenue growth within DoubleVerify to -US\$250 million over an 8-year period. Kristen is a former President of Publicis Media and joined the Company in Q2 2021 to lead the scaling of current and new client opportunities as Chief Client Officer and Chief Operating Officer of the Group. Kristen will be responsible for all client growth initiatives and has 20 years of client management experience including working with global organisations such as Samsung and Procter & Gamble.

- **US expansion** – The Group has established an office and subsidiary in the US and is building a team, with a number of key hires having already been made, to target the US advertising market, which is the largest in the world, primarily with the 4D product. Mark Pearlstein has started the process of building out the Group’s US sales team alongside the Group’s Chief Strategy Officer Umberto Torrielli who is building out the US-based product team. The Group will also seek to build out its sales team in London led by Kristen Kelly, who is based in London.

9 INTELLECTUAL PROPERTY AND TRADEMARKS

Intellectual Property

On 2 December 2020, the Group filed, via its wholly owned subsidiary Silver Bullet Media Services Limited, a United Kingdom patent application GB2019029.4 (the “Patent Application”) related to the Group’s 4D product.

The subject matter of the Patent Application relates to the classification of the subject matter of content in a webpage. The method generally works by extracting content from a webpage, identifying keywords from the extracted content wherein the keywords are also contained in a taxonomy that associates the keywords with categories of subject matter. An importance score is assigned to the keywords identified from the extracted content. Further, context scores are calculated that are associated with categories or subcategories of subject matter within the taxonomy based on the importance scores of the identified keywords. The content is classified as being associated with one or more category or subcategory of subject matter based on the context scores.

The UKIPO has recently issued a combined search and examination report, in which it has objected to the Patent Application claims on the grounds of non-patentable subject matter and on the grounds that the subject matter has previously been disclosed in certain prior art documents. The objection on the grounds of unpatentable subject matter was not unexpected in light of the nature of the application in UK being in relation to computer software. The Board, as advised by the Company’s patent attorneys, believes that the application contains subject matter that is novel and inventive in relation to the prior art cited in the UKIPO’s search and examination report and, accordingly, intends to progress a patent application in the United States of America, where the approach to non-patentable subject matter differs from that applied in the UK. The Board is considering the prospects for obtaining patent protection for recent developments of the 4D product, which the Board believe further enhances the novel/innovative nature of the 4D product. The Board does not deem the patent protection to be critical to the success of the 4D product given the complexity of the product and time it would take to replicate the technology.

Further patent applications may be filed within 12 months of the filing of GB2019028.4 in other countries (i.e. by 2 December 2021). Those patent applications may claim the benefit of priority from GB2019029.4 until 2 December 2021 regardless of the status of the Patent Application provided it is not withdrawn by Silver Bullet Media Services Limited.

If not withdrawn, GB2019029.4 is expected to be published on or shortly after 2 June 2022.

Trademarks

The Group is currently being advised in relation seeking trademark protection for its “Silverbullet” and “4D” product logos. Whilst there can be no guarantee of procuring trademarks, the Board believes that trademarks associated with the Company and 4D product logos are likely to be achievable in the context of the specific nature of the Company’s business. Such trademarks may ultimately take a number of months to procure.

10 MARKET OVERVIEW

The world is experiencing a shift towards online consumption and e-commerce, accelerated by the COVID-19 pandemic. Over the 12 months to February 2021, global internet traffic increased 70 per cent., the number of online transactions rose by 27 per cent. and conversion rates by 25 per cent. Despite the COVID-19 pandemic and its associated economic impact, global digital advertising spend grew by 2.4 per cent. in 2020 and is expected to experience 17 per cent. growth in 2021. The growth in e-commerce and the time consumers spend online, coupled with increasing investment in digital advertising spend are expected to drive significant growth in the digital advertising industry, which is forecast to reach US\$645.80 billion by

2024 by eMarketer. In particular, the global programmatic market, according to Statista, was valued at US\$129 billion in 2020, having grown approximately 14 per cent. from approximately US\$113 billion in 2019.

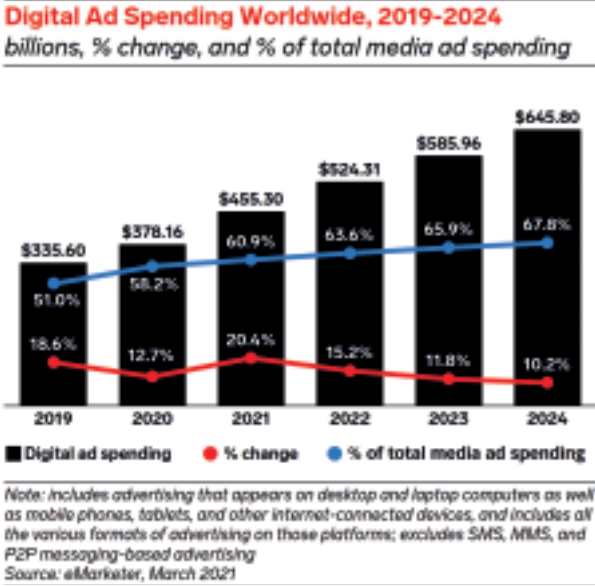


Figure 11: Chart showing a digital advertising spend forecast from 2019 to 2024 (source: eMarketer, March 2021)

However, it is becoming increasingly difficult for advertisers to track consumers and campaign performance across a variety of media channels due to growing restrictions on Third Party Cookie and identifier-based data sharing. Third-Party Cookies are utilised across the digital advertising ecosystem, both as the mechanism to identify and deliver personalized experiences and as a way to measure the success of digital campaigns. By 2022, Google’s Chrome web browser, the most widely used internet browser, will stop allowing Third-Party Cookies, following the lead of Mozilla’s Firefox and Apple’s Safari browsers.

Recent privacy regulations across the globe (GDPR, CCPA, etc.) have meant that users are more conscious of how their data is being used, and technology companies are losing the ability to target consumers digital activities without their explicit consent. Consumers are increasingly rejecting the Third-Party Cookie, with a report revealing 64 per cent. of Third-Party Cookies are rejected, either manually or with an ad blocker. In addition, approximately 46 per cent. of mobile phone models now reject approximately 79 per cent. of Third-Party Cookies, and cookie-based metrics are often unreliable and estimated to overstate reach by 30 to 70 per cent.

Historically, the digital advertising industry has been built on the foundation of exchanging data and thus powering digital advertising and retargeting techniques, leveraging Third-Party Cookies. As such, many marketers currently rely on Third-Party Cookies to track and target consumer behaviours. Furthermore, many organisations do not have the technology at their disposal to account for such a significant change to the way they do business.

Accordingly, the Board believes there is now a rapidly growing market for solutions that mitigate for the phasing out of Third-Party Cookies, which capitalise on new technologies and which better cater to privacy limitations and regulations.

In this environment, the Board believes contextual targeting is poised to thrive. Contextual targeting does not require Third-Party Cookies to function, nor does it target users individually. By scoring content on the page or videos that a user is watching, it seeks to ensure advertisements are seen in the right context and at the right moment to drive maximum engagement. Importantly, this approach can also use analysis of First Party Data to optimize contextual targeting.

Contextual targeting has been shown to be more effective than targeting using Third-Party Cookies, with some studies suggesting contextual targeting can increase purchase intent by 63 per cent., versus audience

or channel level targeting. The same studies found 73 per cent. of consumers feel contextually relevant ads complemented the overall content or video experience. In addition, consumers targeted at the contextual level were 83 per cent. more likely to recommend the product in the advertisement, than those targeted at the audience or channel level. Overall brand favourability was 40 per cent. higher for consumers targeted at the contextual level, and consumers served contextual ads reported they would pay more for a brand. Furthermore, advertising with the most contextual relevance elicited 43 per cent. more engagements.

From a brand safety perspective, according to a research conducted by Silverbullet and Factmata, even with existing brand safety filters applied, 4 to 5 per cent. of total ad spend is being spent on unsuitable content and, according to a 2019 study conducted by CHEQ, 99 per cent. of marketers, agencies and brands are seeking more customised tools to overcome this. Contextual targeting ensures brand safety by analysing content and excluding placement on verticals and content deemed to be unsafe.

This switch to contextual targeting is expected to continue the trend for marketers to change how they source and manage customer data and is expected to drive a ramp up in use of data, AI and natural language processing, to access more granular audience segments and help them deliver highly-personalised and empathetic campaigns.

11 BOARD AND SENIOR MANAGEMENT TEAM

The Board

The Board consists of four non-executive directors and three executive directors, details of whom are set out below, along with details of the Group's senior management:

Nigel Sharrocks, aged 64 – Non-Executive Chairman

Nigel Sharrocks has spent over 40 years in the global media industry and is currently chair of several international media companies, including Local Planet. In 2012, Nigel was a key member of the Executive Leadership team that sold Aegis Group, the media buying and digital marketing group, to Dentsu Group Inc. in a US\$3.16 billion cash deal. Nigel was previously the Managing Director for Warner Bros. Pictures, UK and, prior to this, Nigel founded MediaCom Group Limited, which is now a cornerstone of WPP plc.

Nigel holds a degree in Chemistry from Bath University.

Ian James, aged 45 – Group Chief Executive Officer

Ian James has over 25 years' digital data and technology experience and brings a wealth of industry knowledge to the business. Ian has held a number of leadership roles in Entertainment, FMCG, Media and Technology organisations, where he delivered transformation for businesses such as Chrysalis PLC, Bacardi Corporation, Aegis Group, Starcom MediaVest Group, Acxiom Limited and Verve Inc. Ian is currently a non-executive director at 4Global Consulting Limited and serves on the Board of Local Planet as a non-executive director and fulfils the role of Global Chief Data, Technology and Analytics Officer.

Ian co-founded Silverbullet in 2016 and continues to drive the leadership team and business, while extending into key partnerships and commercial opportunities.

Umberto Antonio Torrielli, aged 38 – Co-Founder, Executive Director & Chief Strategy Officer

Umberto Torrielli is an entrepreneur, thought leader and mentor, with extensive experience in the data and media technologies industry. Prior to co-founding Silverbullet in 2016, Umberto led varied technical and strategic teams and most recently at Bluekai Inc. and Oracle Corporation. Umberto brings a unique technical view of the customer data and technology landscape and helps shape the overall strategy for the Group's products and services division.

Umberto holds a Cum Laude Bachelor of Arts degree from Sacred Heart University, a graduate MBA certificate from Sacred Heart University and an Executive MBA from the Quantic School of Business and Technology.

Darren William Poynton, aged 48 – Group Chief Financial Officer

Darren Poynton is a highly experienced ACA Finance Executive with extensive knowledge of the advertising, media and entertainment industries. Having started his career at KPMG, Darren spent over 10 years with National Geographic Channels Europe and National Geographic Ventures International and was part of the successful management team that led the expansion of the TV channels business across Europe, the Middle East and Africa. Darren was UK CFO for MediaCom Group Limited, WPP Plc's largest media agency and was the UK Group CFO for Havas Media Group where he was also responsible for M&A strategy.

Darren is a qualified accountant and holds an honours degree in accountancy and financial management from the University of Sheffield.

Keith John Sadler, aged 62 – Non-Executive Director

Keith Sadler has over 30 years' experience in Corporate Finance. He was responsible for a number of high-level M&A deals across the media sector in the 2000s. Keith was chief financial officer of News Communication & Media plc, which was acquired by Gannett U.K. Limited for £444 million, and The Wireless Group Plc, which sold to UTV Media plc for £100 million. He was, until June 2018, chief financial officer of A Spokesman Said Limited, an online price comparison site. Prior to this, Keith was chief financial officer of Dods Group PLC, a political communications business, and formerly chief operations officer and group finance director of WEARE 2020 plc. Keith is currently the non-executive chairman, and chairman of the audit committee, of two AIM listed companies, being Warpaint plc and Hawkwing Plc (formerly TLA Worldwide plc, a Global sports management and events business). Keith will focus on delivering corporate structure guidance, fundraising/listing and M&A advice.

Keith is a chartered accountant and holds an honours degree in economics from the University of Kent at Canterbury.

Martyn Rattle, aged 58 – Non-Executive Director

Martyn Rattle is currently Chief Executive Officer and founder of Local Planet and has over 30 years' experience in global media companies. Martyn is also the founder and a director of Marmalade Consultants Limited, a global M&A consultancy company specialising in acquisitions & growth strategies in the independent digital marketing services sector. Prior to this, Martyn was CEO of Global Clients at Aegis Group and part of the Board team who sold Aegis Group to Dentsu Group Inc. for US\$3.16 billion in 2012. Martyn will assist the Board to focus on scaling Silverbullet's client relationships and structuring long-term commercial contracts.

Steven Clarke, aged 47 – Non Executive Director

Steve is a serial entrepreneur with significant experience in the digital media industry. He is currently Chief Executive Officer and co-founder of Withu Holdings Limited, an online business providing audio-based workout programmes, prior to which he co-founded Mobile5 Media Ltd, which was acquired by Omnicom Media Group in 2018, and served as managing director of Bluestar International Limited. Steve also previously served as Chief Executive Officer of Bluestar Mobile Group plc, which was admitted to AIM in 2005 and sold its trading business to Bluestar International Limited in 2008, and as director of Rivals Digital Media Ltd, a company formed by the merger of 365 PLC with the Internet division of Chrysalis Media Ltd. Steve also co-founded Property Jungle Limited in April 1999, which, at the time, became the largest online property portal in the UK within 12 months of inception, having sold Creative Catering Ltd earlier in 1999, a company he had founded in 1995.

Senior Management

Mark Pearlstein, aged 52 – Chief Revenue Officer

Mark has more than 20 years of experience in the marketing technology and data management industry, and has extensive knowledge in sales, operations, revenue strategy, and data-driven marketing. He will play a pivotal role in providing both technology and marketing insights to ensure all new and existing clients are represented throughout the Company's operations. As CRO, Pearlstein will be responsible for accelerating business growth, expanding the Company's success in EMEA and APAC, and building on its recent launch in the Americas region.

Kristen Kelly, aged 39 – Chief Operating Officer & Chief Client Officer

Kristen has 17 years' experience in data-driven marketing, delivering operational expertise to deliver ROI and business impact on behalf of clients. In her previous roles, she has led significant global digital transformation programs, scaling new products and services across international regions. Kristen has significant experience in devising next-generation operational models, go-to-market strategies, and data and tech partnerships on behalf of large, multinational clients. In her dual role as CCO and COO, Kristen will be responsible for ensuring Silverbullet is structurally geared to drive powerful business outcomes.

12 THE PLACING

Under the terms of the Placing Agreement, Oberon Capital has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares and Strand Hanson has agreed to act as Nominated Adviser to the Company for the purposes of Admission. The Company and the Directors have given certain customary warranties as to the Group and its operations and the Company has given an indemnity to Oberon Capital and Strand Hanson.

The Placing, which is not underwritten, is conditional on the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission and Admission having occurred by 28 June 2021 (or such later date as Oberon Capital, Strand Hanson and the Company may agree, being no later than 31 July 2021).

The Placing comprises the issue of 3,696,498 new Ordinary Shares which, subject to Admission, will represent approximately 27.55 per cent. of the Enlarged Share Capital and will raise £9.50 million gross of expenses. The estimated net proceeds of the Placing are approximately £8.14 million.

Further details of the Placing Agreement are set out in paragraph 15.1 of Part VI of this document. The Directors believe that Admission will, *inter alia*:

- raise the profile of the Group among investors, existing and potential customers, and suppliers;
- enable the Company to access investors and raise funds for the development of the Group;
- provide the flexibility to raise capital for future corporate acquisitions and to use its quoted securities as consideration for such acquisitions; and
- provide the ability to incentivise key employees through the issue of share options.

Use of net proceeds

The net proceeds of the Placing of approximately £8.14 million will principally be used for general working capital, including the increased requirements associated with the expansion of the Group's 4D product sales and marketing team, as well as for continued development of the 4D product.

	<i>£ million</i>
Continued development of the 4D product	3.50
Expansion and enhancement of commercial and sales team	2.50
General working capital	2.14
The costs of the Placing and Admission	1.36
Total	9.50

13 FINANCIAL INFORMATION

Part III of this document contains consolidated audited historical financial information of the Group for the three years ended 31 December 2020. Part IV of this document contains audited historical financial information for the SBDS Group, being SBDS UK and its subsidiaries, for the three years to 31 December 2020, which has been included for information purposes in order to show the performance of the SBDS Group founded by Ian James and Umberto Torrielli for the last three full financial years prior to and post the acquisition by IO Technologies in May 2019.

The following financial information shows key income statement figures in respect of the performance of the Group, which have been derived from the financial information contained in Part III of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the information summarised below.

	<i>Audited</i> Year ended 31 December 2018 £	<i>Audited</i> Year ended 31 December 2019 £	<i>Audited</i> Year ended 31 December 2020 £
Revenue	1,347,688	1,542,974	2,788,978
Gross profit	409,538	839,992	1,967,003
Gross profit margin	30.39%	54.44%	70.53%
EBITDA	(5,544,652)	(5,952,780)	(4,994,032)
Loss before income tax expense	(6,353,929)	(6,083,881)	(5,373,961)

Current Trading

The Group has achieved a positive start to 2021, with revenues of approximately £0.8m in Q1 and gross profit for Q1 being 15 per cent. ahead of budget, with over 70 per cent. of budgeted services gross profit for the year to 31 December 2021 confirmed. This has been driven by additional services contracts with established services clients and securing a number of new client wins. Clients demand for digital transformation services remain high and the visible pipeline for 2021 is positive with significant number of services opportunities.

The commercial roll out of 4D has strong momentum in Q1 as a result of the hire of Mark Pearlstein as CRO in December 2020. In Q1 2021, the Group also recruited Billy Port as Senior Director Strategic Sales, who brings a wealth of media and advertising experience and will support Mark Pearlstein in the commercial roll out of the 4D product. In addition Kristen Kelly has commenced her role as Chief Operating officer and Chief Client Officer in Q2 2021 and is leading a number of key initiatives internally and externally with a number of the largest clients. To date, the Company has received 4 revenues from trials and early stage campaigns of £8,000. Assuming commercial trials continue successfully, the Board expects that 4D product revenues will slowly increase in the second half of 2021 and increase materially during 2022 with wider adoption and utilisation of the product.

14 LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The Rule 7 Locked-In Shareholders, who together will hold approximately 2,495,877 per cent. of the Ordinary Shares on Admission, have undertaken to the Company, Strand Hanson and Oberon Capital that they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and that for a further 12 month period they will be subject to an orderly market agreement between the same parties. Further details of the Rule 7 Locked-In Shareholders arrangements are set out in paragraph 15.5 of Part VI of this document.

In addition, the Locked-In Existing Shareholders, who together will hold approximately 2,527,995 per cent. of the Ordinary Shares on Admission have undertaken to the Company, Strand Hanson and Oberon Capital that they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and that for a further 12 month period they will be subject to an orderly market agreement between the same parties. Further details of the Locked-In Existing Shareholders arrangements are set out in paragraph 15.5 of Part VI of this document.

15 CORPORATE GOVERNANCE

The Directors acknowledge the importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply or explain with the principles set out in the QCA Code. The QCA Code sets out principles of good corporate governance practice for small and mid-size quoted companies. The Board notes that all AIM quoted companies must provide details on their corporate

websites of the recognised code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. From Admission, the Company's website at www.wearesilverbullet.com will set out the extent of any non-compliance with the QCA Code by the Company on Admission.

Upon Admission, the Board will comprise seven Directors, three of whom shall be Executive Directors and four of whom shall be Non-Executive Directors, reflecting a blend of different experiences and backgrounds as described in paragraph 11 of this Part I. The Board considers that Steven Clarke and Keith Sadler are independent directors. In light of their cross directorships and interests in the Company's joint venture partner, Local Planet, Nigel Sharrocks and Martyn Rattle are not deemed to be independent. The Board believes that the size and composition of the Board is appropriate given the size and stage of development of the Group and that the Directors brings a desirable range of skills and experience in light of the Group's challenges and opportunities following Admission, while at the same time ensuring that no individual (or a small group of individuals) can dominate the Board's decision making.

The Company's proposed corporate governance practices are described below.

The Board

The Board is responsible for the overall management the Group. The Board will meet monthly and otherwise on an as-required basis, to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

The key procedures which the Board intends to establish with a view to providing effective internal financial control include the following:

- the Company has instituted a monthly management reporting process to enable the Board to monitor the performance of the Company;
- the Board has adopted and reviewed a comprehensive annual budget for the Company. Monthly results will be examined against the budget and deviations will be closely monitored by the Board; and
- the Board is responsible for maintaining and identifying major business risks faced by the Company and for determining the appropriate courses of action to manage those risks.

The Company has established an Audit Committee and a Remuneration Committee, each with formally delegated duties and responsibilities and with written terms of reference. At this stage of the Company's development the Board does not consider it appropriate to establish a Nominations Committee and the Board will take decisions regarding the appointment of new directors as a whole, following a thorough assessment of a potential candidate's skill and suitability for the role. The merits of constituting a separate nominations committee will be kept under review. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Company has adopted terms of reference for an AIM Rules and MAR compliance monitoring for which the Board as a whole will be responsible. Keith Sadler, a Non-Executive Director of the Company, will take responsibility for ensuring that the Group's procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and MAR and that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, ensure that they are appropriately updated on their AIM responsibilities and obligations.

Audit Committee

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than two times in each financial year and will have unrestricted access to the Group's external auditors. The members of the Audit Committee shall include two Non-Executive Directors, Keith Sadler (as chairman) and Steven Clarke and the Audit Committee meetings will be attended by Darren Poynton as CFO.

Remuneration Committee

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Company's executive directors, the chairman of the Board (where executive) and such other members of the executive and senior management as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. The members of the Remuneration Committee shall include two Non-Executive Directors, Steven Clarke and Keith Sadler (as chairman).

Bribery and anti-corruption policy

The Company has adopted a Group-wide anti-corruption and bribery policy which applies to the Board, employees of all its subsidiaries and associated persons of the Group. It sets out their responsibility to observe and uphold a zero tolerance position on bribery and corruption in the jurisdictions in which the Group operates, as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, agency workers, suppliers, contractors, agents, sponsors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

16 SHARE DEALING CODE

The Company has adopted a share dealing policy regulating trading and confidentiality of inside information for persons discharging managerial responsibility ("**PDMRs**") and persons closely associated with them which contains provisions appropriate for a company whose shares are admitted to trading on AIM. The Company takes all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of that share dealing policy.

17 OPTIONS, WARRANTS AND SHARE OPTION SCHEMES

The Board believes that it is important that directors and employees of the Group are appropriately and properly motivated and rewarded.

Accordingly, the Company has established and adopted a share option scheme in which eligible employees and executive directors are invited to participate at the discretion of the Board, such scheme being limited in total to 15 per cent. of the Company's issued share capital from time to time. The Company has also established and adopted a separate share option scheme that enables the Company to make awards to non-executive directors and consultants. Further details of these schemes can be found in paragraph 11 of Part VI of this document.

On Admission, the Company will have 1,778,290 Options in issue representing approximately 13.25 per cent. of the Company's Enlarged Share Capital. In addition, on Admission, Strand Hanson and Oberon Capital will be issued, in aggregate, 268,380 Warrants. Additional information relating to the Options and Warrants, is set out in paragraphs 4.11 and 15.9 respectively of Part VI of this document.

18 DISCLOSURE AND TRANSPARENCY RULES

Shareholders are required to comply with DTR 5 and to notify the Company when they acquire or dispose of a major proportion of their voting rights of the Company (either as Shareholder or through their direct or indirect holding or certain financial instruments, or a combination of such holdings) equal to or in excess of three per cent. of the nominal value of that share capital (and every one per cent. thereafter).

19 DIVIDEND POLICY

The Ordinary Shares rank equally for all dividends and other distributions declared, paid or made in respect of the ordinary share capital of the Company. Silverbullet has not paid any dividends since incorporation. It

is the current intention of the Directors to retain any earnings arising from the Company's activities to fund its working capital needs and to achieve capital growth. Accordingly, the Directors do not intend to pay dividends in the immediate future. The declaration and payment by the Company of any future dividends and the amount of them will depend upon the Company's financial condition, future prospects, future prospects, profits legally available for distribution and other factors deemed by the Board to be relevant at that time.

20 TAXATION

Your attention is drawn to the information on taxation relating to the Company and Shareholders in the UK contained in paragraph 20 of Part VI of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately if you are resident in the UK or, if you are not resident in the UK, from an appropriately authorised independent financial adviser in your own jurisdiction.

21 THE TAKEOVER CODE

As a company incorporated in England & Wales whose Ordinary Shares will be admitted to trading on AIM, the Takeover Code applies to the Company. Under Rule 9 of the Takeover Code ("Rule 9"), any person who acquires an interest in shares (as defined in the Takeover Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the Takeover Code) with them) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Takeover Panel to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which they are interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the Company, irrespective of whether the holding or holdings give *de facto* control. A person and each of its affiliated persons will be deemed to be acting in concert with each other.

Further information on the provisions of the Takeover Code can be found in paragraph 6 of Part VI of this document.

22 ADMISSION, SETTLEMENT AND DEALINGS AND CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 28 June 2021. The Ordinary Shares will be in registered form. The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. Share certificates, where applicable, will be sent to the registered Shareholder by the Registrar, at such Shareholder's own risks.

23 FURTHER INFORMATION

You should read the whole of this document, which provides additional information on the Group and the Placing, and not just rely on the information contained in this Part I. In particular, your attention is drawn to the "Risk Factors" in Part II of this document.

PART II

RISK FACTORS

An investment in the Ordinary Shares may be subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to such an investment, including in particular the risks described below (which are not set out in any order of priority), before making any investment decision in relation to any Ordinary Shares.

The information below does not purport to be an exhaustive list of relevant risks, since the Group's performance might be affected by other factors including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their individual circumstances. An investment in Ordinary Shares should only be made by those with the necessary expertise to evaluate fully that investment.

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumption and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the "Risk Factors" described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her or its investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group. In addition to the usual risks associated with an investment in a company, the Directors consider the following risk factors to be significant to potential investors.

GENERAL RISKS

General Investment risk

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company will occur, or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Group's operations and business results.

RISKS RELATING TO THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

Business strategy

The Group is an early stage technology company, particularly in respect of its 4D product, whose business must be considered in light of the risks, expenses and cash flow issues often encountered by early stage companies. A large proportion of such companies fail to achieve their business plan and their projections, through a failure to estimate the speed of completing a commercially saleable product, speed of market penetration, and the cash costs associated with penetrating international markets. Whilst customer and revenue growth have been recorded in the past few years, there can be no guarantee of such future growth. The Group's ability to continue to grow customers and revenues will depend on its ability to consistently provide compelling outcomes for its customers and the commercialisation of its 4D product. There can be no assurance that the Group will be successful in executing its business plan or that shareholder value will be created.

An investment in the Group should be regarded as speculative and should be considered long-term in nature and therefore suitable only for sophisticated investors who understand the risks involved, including the potential risk of a total loss of capital. Any investor in the Group must have no need for any liquidity with respect to this investment and must be able to withstand a total loss of invested capital.

Managing the Group's growth is critical given its limited resources

Silverbullet is expanding its operations worldwide, scaling its technical capabilities and products with the intention of effectively and reliably handling anticipated growth in the demand for its services and 4D product. As international expansion evolves, managing and adjusting its business to address varied consumer expectations, customs and practices, as well as differing legal and regulatory environments, will be important to the Group's success. As part of scaling its activities, the Group will continue to develop its technology as well as utilise technology platform partners. If Silverbullet is not able to manage the growing complexity of its business, including improving, refining or revising its systems and operational practices related to its operations and proprietary technology, the business may be adversely affected.

Sales and marketing

The Group intends to continue investing in marketing and distribution channels and its own sales functions to grow its business. The success of the Group's business will require the continuation of existing, and establishment of additional, sales channels. Penetration of new markets may be slow, expensive and subject to delays, and ultimately may not be successful. Significant delays in new contracts will likely result in working capital strain for the Group. The Group is likely to incur costs in these areas before anticipated benefits materialise. The return on these investments may be lower or develop more slowly than expected. There can be no guarantee that the Group will be able to maintain, or increase its sales and market share at all.

There is no certainty that the Group will succeed in gaining market acceptance for its current and new products and services as anticipated in its business plan.

A key part of the Group's growth strategy involves technical integrations with industry partners. As a result, this growth is subject to successful integrations. Partners may not have development capacity to manage the integration. The Group's development team may not have capacity to implement these integrations. Integrations could be implemented incorrectly leading to loss of users and credibility with partners.

Technological changes, product development risk and evolving industry standards

The Group's core business operates in a rapidly changing, high growth and competitive international industry. The future success of the Group will depend on its ability to continuously upgrade the Group's products and services offering and develop new solutions that address evolving technologies and standards across

all major channels, formats and devices for digital advertising, including mobile, social, video, in-app, display and connected television, as well as across digital media buying platforms, such as programmatic, direct ad exchanges and trading networks. The Group may be unsuccessful in upgrading its existing platform or identifying new solutions in a timely or cost-effective manner, or it may be limited in its ability to develop or market new or upgraded solutions due to patents held by others. In addition, any new product innovations may not achieve the market penetration or price levels necessary for profitability. If the Group is unable to develop timely enhancements to, and new features for, its existing product and service offering, or if it is unable to develop new solutions that align with advertiser demands as priorities shift and keep pace with rapid technological developments or changing industry standards, the solutions the Group delivers may become obsolete, less marketable and less competitive, and the Group's business, financial condition and operational results may be adversely affected.

Developing the Group's technology and product range involves significant development and business risks. The Group may develop, use or procure new technologies ineffectively or fail to adapt to meet customer or regulatory requirements. If the Group faces material delays in introducing new products, services or enhancements, it may be at a significant competitive disadvantage. This could have a material adverse effect on the Group's business and prospects. The Group may have insufficient resource to execute on planned product developments. New products or product enhancements may be developed poorly leading to faults and therefore loss of customers, revenue and reputation.

Competition

The market for measurement, data analytics and authentication of digital advertising is competitive and evolving rapidly. As this market evolves, competition may intensify as existing companies expand their businesses and new companies enter the market, which could lead to commoditisation and harm the Group's ability to increase revenue and achieve or maintain profitability. Silverbullet's success depends on its ability to retain and grow its existing customer base and sell 4D and its service solutions to new customers. If existing or new companies develop, market or offer competitive products, acquire one of the Group's competitors or form a strategic alliance with one of our competitors or integration partners, the Group's ability to attract new customers or retain existing customers could be adversely impacted and the Group's financial performance could be harmed. Our current and potential competitors may have more financial, technical, marketing and other resources, as well as longer operating histories and greater name recognition than the Group. As a result, competitors may be better able to respond quickly to new technologies or devote greater resources to the development, promotion, sale and support of their products and services. The competitive environment could result in price reductions that could result in lower profits and loss of market share. If the Group is unable to compete successfully against current and future competitors, it may not be able to retain and acquire customers and the business, financial condition and results of operations could be adversely affected. The Group's main competitors include, *inter alia*, Grapeshot, DoubleVerify and Peer39.

Key system failure, disruption or interruption

The Group's success depends on the efficient and uninterrupted operation of its technology platform. A failure of computer systems, or those of the Group's demand-side integration partners, could inhibit the Group's ability to provide services, impede access to 4D, interfere with data analytics, prevent the timely delivery of the Group's solutions or damage its reputation. In the future, the Group may need to expand its systems at a significant cost and at a more rapid pace than it has to date. The Group may be unable to provide solutions on a timely basis or experience performance issues with its technology platform if it fails to adequately expand or maintain its system capabilities to meet future requirements. Any disruption in the Group's ability to operate its technology platforms will prevent it from providing the solutions requested by its customers and partners, which may damage the Group's reputation and result in the loss of customers or integration partners and the imposition of penalties or other legal or regulatory action, and the business, financial condition and results of operations could be adversely affected.

The Group is dependent on the operation of third party data centres and technology platforms, which are vulnerable to damage or interruption from earthquakes, terrorist attacks, war, floods, fires, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm our system and similar events. Some of the Group's systems are not fully redundant, and disaster recovery planning cannot account for all eventualities. The occurrence of any issues or failures at these data centres could result in interruptions in the delivery of the Group's solutions to its customers.

The Group relies on an industry standard encryption and authentication technology to provide the security necessary to effect the secure transmission of information from its customers and partners. However, the Group cannot guarantee absolute protection against unauthorised attempts by third parties or its current or former employees to access its IT systems, including malicious third party applications that may interfere with or exploit security flaws in its products and services. Outside parties may attempt in the future to fraudulently induce the Group's employees, customers or partners to disclose sensitive information via illegal electronic spamming, phishing or other tactics. Any breach of the Group's security measures or the accidental loss, inadvertent disclosure or unauthorised dissemination of proprietary information or sensitive, personal or confidential data about the Group, its employees or customers or integration partners, including the potential loss or disclosure of such information or data as a result of hacking, fraud, trickery or other forms of deception, could expose the Group, its employees, customers and/or integration partners to risks of loss or misuse of this information. Any such breach, loss, disclosure or dissemination may also result in potential liability or fines, governmental inquiry or oversight, litigation or a loss of customer confidence, any of which could harm the business and damage the Group's reputation, possibly impeding its ability to retain and attract new customers, and cause a material adverse effect on the Group's operations and financial condition.

Reliance on integrations with DSPs, ad servers and social platforms

The Group's solutions necessitate that DSPs, ad servers and social platforms accept and integrate with its 4D product technology. The Group has formed partnerships with these platforms to integrate its technology with their software, allowing customers to utilise the Group's solutions wherever they purchase or place an ad. Some of these integration partners have significant market share in the segment in which they operate. The Group can make no assurances that its existing integration partners will continue to, or that potential new integration partners will agree to, integrate with the Group's solutions. The Group also cannot assure investors that its customers will adopt and continue to use 4D product or that our integration partners will not develop products that compete with the 4D product in the future.

In addition, the Group relies on its DSP partners to report to it on the usage of its solutions on their platforms, as well as revenue generated on their platforms. Any financial or other difficulties the Group's integration partners face may negatively impact the Group, as a significant portion of the Group's revenue depends on customers using its solutions on these digital media platforms, and the Directors are unable to predict the nature and extent of any such impact. The Group exercises little control over its integration partners, which increases its vulnerability to problems with the services they provide and its reliance upon them for accurate data and revenue reporting. Any errors, failures, interruptions or delays experienced in connection with the Group's integration partners could adversely affect the Group's business, reputation and financial condition.

Economic conditions and COVID-19

The Group's business depends on the demand for digital advertising measurement and authentication and on the overall economic health of its customers and partners. There is no assurance the digital advertising market will experience the growth or evolve in the direction the Directors anticipate. The health of the digital advertising market and the related measurement and authentication sector is affected by many factors. Economic downturns or unstable market conditions in the markets and geographies that the Group currently serve may cause its customers to decrease their advertising budgets or slow the growth of their digital ad spend, which could adversely affect the Group's business, financial condition and results of operations. If the Group continues to expand into new countries, economic downturns or unstable market conditions for geo-political or other reasons in any of those countries could result in the Group's expenditure or investments not yielding the returns currently anticipated.

The COVID-19 pandemic has resulted in market disruptions and a global economic slowdown, which has materially impacted demand for a broad variety of goods and services, and is also disrupting sales channels and marketing activities. The conditions caused by the COVID-19 pandemic, the outcome of which remains uncertain, may affect how the Group's customers conduct their businesses and adversely affect the willingness of the Group's customers to utilise its solutions and delay prospective customers' purchasing decisions. The Group's customers may decrease their overall advertising budgets as a response to the economic uncertainty, a decline in their business activity, and other COVID-related impacts on their business or industry.

Negative publicity could adversely affect the Group's brand, business, results of operations, financial condition or prospects

The strength of the Group's brand and reputation, as well as the status of the digital advertising industry generally, may impact the Group's competitive position. Negative publicity or negative reviews by customers or members of the public regarding the digital advertising industry or the Group could adversely affect the Group's reputation, which could reduce the attractiveness of the Group's platform to investors, potential customers or both and consequently have a negative effect on the Group's performance. Even if inaccurate, negative publicity could arise in relation to the digital advertising industry generally (whether due to regulatory intervention, heightened scrutiny, or otherwise); the quality and reliability of the Group's platform; its pricing practices; changes to its platform; the experience of customers with its platform or services; the Group's ability to effectively manage and resolve customer complaints; privacy and security practices; litigation, regulatory activity and the quality and reputation of its customers, investors, referral partners, brokers and corporate partners providing ancillary services and consequently have a negative effect on the Group's performance. The Group's reputation could also be damaged as a result of employee misconduct or error, or misconduct or error by the Group's partners, outsourced service providers or other counterparties.

Protection of intellectual property and trademarks

The Group will endeavour to enter into agreements with its employees and contractors and with parties with whom it does business in order to protect its intellectual property and limit access to and disclosure of its proprietary information. The Group cannot be certain that the steps it has taken will protect its technology or intellectual property or prevent unauthorised use or the reverse engineering of its technology. The Company may also be liable to its contractors for any data breaches on its part in relation to the data of a third party and may be liable to pay significant damages should such data breaches occur.

On 2 December 2020, the Group filed, via its wholly owned subsidiary Silver Bullet Media Services Limited, a United Kingdom patent application GB2019029.4 (the "Patent Application") related to the Group's 4D product.

Whilst the Group has filed the Patent Application and intends to seek patent protection in other jurisdictions, the Group cannot make any assurances that any patents will be issued with respect to any of the Group's pending or future patent applications, or that any patents issued to the Group will provide adequate protection, or that any patents issued to the Group will not be challenged, invalidated, circumvented, or held to be unenforceable in actions against alleged infringers. Furthermore, the Group cannot provide any assurances that its technology does not infringe upon existing patents, and any such infringement may lead to litigation and/or the requirement to make substantial payments for damages and/or the injunction in respect of the use of its technology.

The Group has not applied for any trademarks in respect of its 4D product or the Company's name. The Group cannot make assurances that any future trademark or service mark registrations will be issued with respect to future applications or that any registered trademarks and service marks applied for will ultimately be enforceable or provide adequate protection of our proprietary rights. Furthermore, the Group cannot provide any assurances that its product branding does not infringe upon existing trademarks, and any such infringement may lead to litigation and/or the requirement to make substantial payments for damages and/or injunction in respect of some or all of its operational activities.

The laws of some foreign countries where the Group's platform is utilised would not protect the Group's proprietary rights to the same extent as do the laws of the United Kingdom.

A failure to protect the Group's intellectual property rights in the UK or elsewhere could adversely affect the Group's business, financial condition and operational results. Similarly, an infringement by the Group of any existing intellectual property rights or trademarks or the inability to secure trademark protection could also lead to litigation and/or adversely affect the Group's business, financial condition and operational results.

The regulatory and legislative environment surrounding the digital marketing industry is susceptible to change

Any change in the law and regulation affecting the Group may have a material adverse effect on the ability of the Group to carry on its business. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading, restrictions on the types of products and services which the Group may provide in the future or on the way in which such products and services are marketed and

changes to the eligible customers of the Group. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to the Group's business products and services. Compliance with such requirements could involve additional costs for the Group and failure to comply could result in civil or criminal violations of laws and regulations in respect of appropriate regulatory permissions, permitted conduct, or in other areas of the business, which could have a material adverse impact on the Group and result in reputational or financial damage, and which could adversely affect or constrain the Group's ability to provide its services in the geographies in which it operates.

The Group's success is dependent upon its ability to attract and retain key personnel

There can be no assurance that the Group will retain the services of any key executives, advisers or personnel who have entered, or will subject to Admission enter, into service agreements or letters of appointment with the Group. The loss of the services of any of the key executives, advisers or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group. In particular, given the importance of the direction, knowledge and leadership of Ian James and Umberto Torrielli as founders of the Group, the future success of the Group is, to an extent, dependent upon the continued service of these individuals. The Group currently has no keyman insurance policy in place and, therefore, there is a risk that the unexpected departure or loss of these individuals could have a material adverse effect on the business, financial condition and results of operations of the Group, and there can be no assurance that the Group will be able to attract or retain a suitable replacement.

Data privacy compliance or failure to protect confidential information

The Group is subject to a number of laws relating to privacy and data protection, including General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the United Kingdom's Data Protection Act 2018, the California Consumer Privacy Act, the Children's Online Privacy Protection Act and certain other relevant international data protection and privacy laws. Such laws govern the Company's ability to collect, use and transfer personal data including relating to actual and potential customer, including the use of that information to assess account applications and for marketing purposes, as well as any such data relating to its employees and others. Therefore, the Company 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. Laws and regulations relating to the use and retention of personal data in other countries are also complex and undergoing significant change which may impact on the Company's products and services in a negative manner.

While the Group strives to comply with all applicable laws and regulations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or the Group's practices. Any perceived or actual failure by the Group 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 Users, result in litigation or other actions being brought against the Group, including the infringement of privacy rights and/or investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK or similar regulatory authorities in other jurisdictions in which the Group operates and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Further continued compliance with GDPR and other data protections laws and regulations (currently in force or any new laws) may have a significant compliance cost, and the Group may need to commit significant employee and other resources to ensure compliance with new laws and regulations relating to privacy and data protection and adopt new business practices in a manner which could reduce its revenue or compromise its ability to effectively pursue its growth strategy, which could have a material adverse effect on its business, results of operations and financial condition.

Financial controls and internal reporting procedures

The Group has financial reporting systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks, including the risk of fraud (committed by employees, customers, suppliers etc). If any of these systems or controls were to fail, the Group may be unable to produce financial statements accurately or on a timely basis and/or it may expose the Group to risk and could adversely affect the Company's share price.

Exchange rate risk

The Company and its subsidiaries will be exposed to several exchange risks. The Company is raising funds in Sterling pursuant to the Placing. Most of the Company's expenses and the sale of its products will be denominated in Sterling, US Dollars and Euros. Exchange rate fluctuations could adversely affect the Company's profitability or the price competitiveness of its products.

Counterparty credit risk

There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Group.

Legal risk

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for intellectual property rights, an inability to enforce foreign judgments relating to contracts entered into by the Group that are governed by law outside England and Wales, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks may be limited, and therefore such risks may, if they arise, have a negative impact on the Group's performance.

Adequacy of insurance coverage

There can be no guarantee that the Group has insurance cover that is adequate to meet the Group's risks and expenses or sufficient to recover all losses that the Group may suffer. In addition, certain types of risk may be, or may become, either uninsurable or not economically insurable or may not be currently or in the future covered by the Group's insurance policies. In addition, even if a loss is incurred, the Group may be required to pay a significant excess on any claim for recovery of such loss before the insurer is obligated to reimburse the Group for the loss, or the amount of the loss may exceed the Group's coverage for the loss. Any of the foregoing could have a material adverse impact on the Group's business, results of operation and financial condition.

Litigation risk

The Company is exposed to the risk of litigation from its customers, suppliers and employees, amongst others. Any legal proceedings, whether or not determined in the Company's favour, and whether or not there is merit to any such claim, could be costly and may divert the efforts of management and personnel from normal business operations. Exposure to litigation may affect the Company's reputation even where the monetary consequences may not be significant.

FINANCIAL RISKS

Potential requirement for further investment

The Group is currently loss making. Accordingly, whilst the Directors are of the opinion that the working capital available to the Group will be sufficient for at least 12 months from the date of Admission, the Group may require additional capital, whether from equity or debt sources, in the future. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, significant dilution to the then existing shareholdings may result and any new equity securities could have rights, preferences and privileges superior to those of current Shareholders. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of any future investment will depend on a number of factors, many of which are outside the Group's control. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion activity.

Revenue and profitability

The Group incurred losses before tax of £6.08 million and £5.35 million for FY2019 and FY2020, respectively. Although the Group's revenue increased from £1.54 million in FY2019 to £2.79 million in FY2020, the Group may not be able to achieve profitability in future periods as a result of a variety of factors, including increased competition, and there can be no assurance that the Group's revenue will continue to grow or that it will not decline. If the Group is unable to achieve or sustain profitability, the business could be severely harmed. The Group's operating results may fluctuate as a result of a number of factors, many of which are beyond its control. These factors include, amongst others, the growth rate of markets into which the Group offers its services and products, market acceptance of and demand for its services and products and those of its customers and unanticipated delays, problems in the introduction of its services or products. If the Group does not realise sufficient revenue levels to achieve sustainable profitability, it may require additional financing in the medium term, which may not be available on attractive terms, or at all.

Early stage companies typically underestimate the development capital they will require and typically overestimate the speed of market penetration. The combination of these two factors can adversely affect financial performance and the creation of shareholder value.

RISKS RELATING TO THE PLACING, ADMISSION AND THE ORDINARY SHARES

Investment risk

An investment in the Company should be regarded as speculative and should be considered long-term in nature and as suitable only for sophisticated investors who understand the risks involved including the risk of a total loss of capital. Any investor in the Company must have no need for any liquidity with respect to this investment and must be able to withstand a total loss of his or her investment.

The costs of compliance with AIM corporate governance and accounting requirements are significant

In becoming a publicly traded company, the Company will be subject to enhanced requirements in relation to disclosure controls and procedures and internal control over financial reporting. The Company may incur significant costs associated with its public company reporting requirements, including costs associated with applicable AIM corporate governance requirements. The Company expects to incur significant legal and financial compliance costs as a result of these rules and regulations and if the Group does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Share price volatility and liquidity

AIM is an exchange designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The market price of the Ordinary Shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM carries a higher risk than those listed on the Official List of the London Stock Exchange. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company.

There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation: (a) the performance of the overall stock market; (b) large purchases or sales of Ordinary Shares by other investors; (c) financial and operational results of the Group; (d) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts; (e) changes in legislation or regulations and changes in general economic, political or regulatory conditions; and (f) other factors which are outside of the control of the Group.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission and/or termination of the lock-in restrictions (the terms of which are summarised in paragraphs 14 of Part I and 15.5 of Part VI of this document), or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares available for sale compared to the demand to buy Ordinary Shares. There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Company's net assets and the price of the Ordinary Shares may decline below the Placing Price. Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all.

Determination of Placing Price

Placees will subscribe for the Ordinary Shares at the Placing Price, which is a fixed price, prior to satisfaction of all conditions for the Ordinary Shares to be issued. The Placing Price may not accurately reflect the trading value of the Ordinary Shares when issued, or the Company's potential earnings or any other recognised criteria of value.

Dilution of Shareholders' interest as a result of additional equity fundraisings

The Company may need to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest and the proportionate voting interest of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares under a pre-emptive offer. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

The Company may also in the future issue warrants and/or options to subscribe for new Ordinary Shares, including (without limitation) to certain advisers, employees, and directors. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

Dividends

The Company has never declared or paid cash dividends on the Ordinary Shares. There is currently no dividend payment policy. Any profits generated for the foreseeable future will be re-invested in growing the business through the development of new technology, products and/or scale of operations. Any future determination to declare cash dividends will be made at the discretion of the Board, and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits. A dividend may never be paid.

Taxation risk

Shareholders should take their own tax advice as to the consequences of acquiring and owning Ordinary Shares as well as receiving dividends and other distributions from the Company. In particular, Shareholders should be aware that ownership of Ordinary Shares can be treated in different ways in different jurisdictions.

EIS status

Some of the Company's existing shareholders obtained EIS tax relief when they subscribed for shares in the Company's previous funding rounds. EIS tax relief can be withdrawn if certain events occur within a three year period following the date of issue of the shares. The Company endeavours to minimise the risk of this occurring. However, in order to be eligible for Admission the Company had to become a public limited company with a single class of share and this involved a process with the potential to affect EIS tax relief previously claimed. Nevertheless, the Company has received tax advice that the various steps undertaken should not result in the withdrawal of EIS tax relief for any individual shareholder provided that the value of the shares on which they claimed EIS relief was not affected by the steps undertaken.

PART III

HISTORICAL FINANCIAL INFORMATION ON THE GROUP

SECTION A – Accountant’s report on the historical financial information on the Group



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21 June 2021

The Directors
Silver Bullet Data Services Group Limited
Studio 11
Tiger House
Burton Street
London, WC1H 9BY

The Directors
Strand Hanson Limited
26 Mount Row
Mayfair
London, W1K 3SQ

Dear Sirs,

Introduction

We report on the historical financial information of Silver Bullet Data Services Group Limited (the “Company”) and its subsidiaries (together the “Group”) as set out in section B of Part III of the Company’s admission document dated 21 June 2021 (the “Document”). The historical financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out at Note 1 to the historical financial information of the Group. This report is required by item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the “Prospectus Delegated Regulation”) as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Document.

Responsibilities

The directors of the Company are responsible for preparing the historical financial information in accordance with IFRS.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the historical 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical 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 other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the consolidated historical financial information of the Group gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the requirements of the AIM Rules for Companies, International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Declaration

For the purposes of paragraph (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION B – Historical financial information on the Group

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2018 £	Year ended 31 December 2019 £	Year ended 31 December 2020 £
Continuing operations				
Revenue	3, 4	1,347,688	1,542,974	2,788,978
Cost of sales		(938,150)	(702,982)	(821,975)
Gross profit		409,538	839,992	1,967,003
Other operating income	5	100,000	–	108,737
Distribution costs		(1,283,068)	(376,049)	(431,027)
Administrative expenses		(3,374,862)	(6,106,348)	(6,576,740)
Exceptional items	6	(2,182,981)	(425,742)	(416,615)
Operating (loss)		(6,331,373)	(6,068,147)	(5,348,642)
Finance expense	10	(22,556)	(15,734)	(25,319)
(Loss) before taxation		(6,353,929)	(6,083,881)	(5,373,961)
Taxation	11	976,919	198,921	255,637
(Loss) after taxation from continuing operations		(5,377,010)	(5,884,960)	(5,118,324)
(Loss) after taxation from discontinued operations	26	(1,195,486)	–	–
(Loss) after taxation attributable to the equity shareholders of the company		(6,572,496)	(5,884,960)	(5,118,324)
Other comprehensive income/(loss) net of taxation				
Currency translation differences		(31,219)	(21,802)	8,022
Total comprehensive (loss) for the year attributable to the equity shareholders of the company		<u>(6,603,715)</u>	<u>(5,906,762)</u>	<u>(5,110,302)</u>
Earnings per share				
Basic earnings	27	(3.97)	(1.85)	(0.75)
Diluted earnings	27	(3.97)	(1.85)	(0.75)

Consolidated statement of financial position

		At 31 December 2018 £	At 31 December 2019 £	At 31 December 2020 £
Non-current assets				
Goodwill	12	315,075	4,703,843	4,330,222
Intangible assets	12	161,322	592,530	1,242,717
Tangible assets	13	9,640	28,170	36,940
Right-of-use assets	13	–	–	–
Total non-current assets		<u>486,037</u>	<u>5,324,543</u>	<u>5,609,879</u>
Current assets				
Trade and other receivables	15	1,037,764	1,161,158	1,723,280
Cash and cash equivalents	16	261,607	256,945	654,792
Total current assets		<u>1,299,371</u>	<u>1,418,103</u>	<u>2,378,072</u>
Total Assets		<u>1,785,408</u>	<u>6,742,646</u>	<u>7,987,951</u>
Current liabilities				
Trade and other payables	17	1,063,827	3,577,422	3,272,101
Loans and other borrowings	18	28,784	819,427	–
Total current liabilities		<u>1,092,611</u>	<u>4,396,849</u>	<u>3,272,101</u>
Non-current liabilities				
Loans and borrowings	18	–	17,684	188,570
Deferred tax liability	19	27,425	101,341	223,921
Total non-current liabilities		<u>27,425</u>	<u>119,025</u>	<u>412,491</u>
Total liabilities		<u>1,120,036</u>	<u>4,515,874</u>	<u>3,684,592</u>
Net assets		<u>665,372</u>	<u>2,226,772</u>	<u>4,303,359</u>
Equity				
Share capital	21	2,097	4,507	8,256
Share premium	21	21,118,874	28,581,634	35,387,853
Share option reserve	22	812,740	815,732	1,192,653
Other reserves	23	(21,268,339)	(27,175,101)	(32,285,403)
Total equity attributable to the equity shareholders of the company		<u>665,372</u>	<u>2,226,772</u>	<u>4,303,359</u>

Consolidated statement of cash flows

		Year ended 31 December 2018 £	Year ended 31 December 2019 £	Year ended 31 December 2020 £
Cash flows from operating activities				
(Loss) after tax from continuing operations		(5,377,010)	(5,884,960)	(5,118,324)
<i>Adjustments for:</i>				
Depreciation	13	38,202	23,795	16,704
Amortisation	12	748,519	101,069	363,225
Impairments	12	1,705,295	64,185	417,625
(Profit)/loss on disposals of fixed assets	13	245,972	–	–
Foreign exchange		(31,219)	(21,802)	8,022
Cashflows from discontinued operations	26	(1,195,486)	–	–
Net finance expense		22,556	15,734	25,319
Taxation expense	11	(976,919)	(198,921)	(255,637)
Decrease/(increase) in trade and other receivables	15	28,190	(496,939)	(413,022)
(Decrease)/increase in trade and other payables	17	11,912	2,513,595	812,042
Share option charge	22	215,137	2,992	376,921
(Decrease)/increase in deferred tax liability	19	(316,230)	73,917	122,580
Cash generated from operations		(4,881,083)	(3,807,335)	(3,644,545)
Taxation (paid)/refunded		302,338	572,453	256,548
Net cash used in operating activities		<u>(4,578,745)</u>	<u>(3,234,882)</u>	<u>(3,387,997)</u>
Cash flows from investing activities				
Purchase of tangible assets	13	(1,486)	(42,326)	(25,473)
Purchase of intangible assets	12	(593,636)	(596,462)	(1,057,416)
Purchase of subsidiary undertaking (net of cash acquired and costs incurred)	25	(315,075)	(788,767)	–
Net cash used in investing activities		<u>(910,197)</u>	<u>(1,427,555)</u>	<u>(1,082,889)</u>
Cash flows from financing activities				
Proceeds from borrowings	18	–	831,793	111,459
Repayment of borrowings	18	(144,248)	(23,466)	–
Loans to Directors		–	–	(150,000)
Payment of lease liabilities		(98,031)	–	–
New equity issued		5,200,341	3,865,182	4,932,593
Interest paid		(22,556)	(15,734)	(25,319)
Net cash from/(used in) financing activities		<u>4,935,506</u>	<u>4,657,775</u>	<u>4,868,733</u>
Net increase in cash and cash equivalents		(553,436)	(4,662)	397,847
Cash and cash equivalents at beginning of period		815,046	261,607	256,945
Cash and cash equivalents at end of period		<u>261,607</u>	<u>256,945</u>	<u>654,792</u>

Non-cash movements

During the year ended 31 December 2020 trade and other payable balances totalling £1,117,363 (2019: £nil; 2018: £nil), and other borrowings totalling £760,000 (2019: £nil; 2018: £nil), were settled in equity instruments as part of the business combinations disclosed at Note 25.

Consolidated statement of changes in equity attributable to the shareholders

	<i>Called up Share Capital £</i>	<i>Share premium £</i>	<i>Other Reserves £</i>	<i>Share Option Reserve £</i>	<i>Total equity £</i>
As at 1 January 2018	1,377	15,919,253	(14,664,624)	597,603	1,853,609
Total comprehensive (loss) for the period	–	–	(6,603,715)	–	(6,603,715)
Shares issued during the period	720	5,199,621	–	–	5,200,341
Share option charge	–	–	–	215,137	215,137
As at 31 December 2018	2,097	21,118,874	(21,268,339)	812,740	665,372
Total comprehensive loss for the year	–	–	(5,906,762)	–	(5,906,762)
Shares issued during the year	2,410	7,462,760	–	–	7,465,170
Share option charge	–	–	–	2,992	2,992
As at 31 December 2019	4,507	28,581,634	(27,175,101)	815,732	2,226,772
Total comprehensive loss for the year	–	–	(5,110,302)	–	(5,110,302)
Shares issued during the year	3,749	6,806,219	–	–	6,809,968
Share option charge	–	–	–	376,921	376,921
As at 31 December 2020	<u>8,256</u>	<u>35,387,853</u>	<u>(32,285,403)</u>	<u>1,192,653</u>	<u>4,303,359</u>

Notes to the historical financial information

1. Description of business, basis of preparation and going concern

General information

Silver Bullet Data Services Group Limited (“SBDS”) was incorporated on 13 May 2013. SBDS is a limited liability company incorporated in England and Wales and domiciled in the UK. The address of the registered office is Studio 11, Tiger House, Burton Street, London, WC1H 9BY.

SBDS is the ultimate parent company to the subsidiaries listed at Note 14, together referred to as “the Group”. The principal activity of the SBDS Group is marketing services through the application of big data technologies to reduce friction.

The historical financial information presents the financial track record of the Group for the three year period ended 31 December 2020.

Silver Bullet Data Services Group Limited is registered with Companies House (Company Number: 08525481).

Basis of preparation

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee (“IFRIC”) as adopted by the European Union (“IFRS”). The accounting policies have been applied consistently throughout the period.

The consolidated historical financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The presentational currency of the Group is GBP with functional currencies of the subsidiaries disclosed at Note 14 being GBP, EUR, AUD, and USD.

Going concern

The directors have prepared detailed budgets and forecasts covering the period to 31 December 2022 which are based on the strategic business plan. These take into account all reasonably foreseeable circumstances and include consideration of trading results, cash flows and the level of facilities the group requires on a month by month basis. Additional forecasting has been undertaken following the impact of COVID-19 that has considered the impact on the core business.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein following the initial public offering, the directors have a reasonable expectation that the company and the group has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

2. Significant accounting policies

Significant accounting estimates and assumptions

The preparation of the historical financial information in accordance with IFRS requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounts that require estimates as the basis for determining the stated amounts include performance obligations surrounding revenue recognition (see below) and the valuation assumptions in calculating the impairment of goodwill (note 12).

Revenue recognition

IFRS 15 – Revenue from Contracts with Customers has been applied for all periods presented within the historical financial information. The timing of all revenue recognised by the Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

During the period under review the Group recognised revenue from the following activities:

Data and strategic services

Revenue relating to service contracts is invoiced according to milestones defined within each contract, the terms of which vary on a case-by-case basis. In all cases the revenue is recognised in line with the provision of the services or, where the quantum and timing of the services cannot be reliably predicted, rateable over the period of the agreement.

Invoices against services contracts are raised on a monthly basis with adjustments for accrued or deferred income where the agreed invoicing timescale does not match the valuation of provision of services.

Activation channels and brand intelligence

Amounts received or receivable for campaigns, typically invoiced on a monthly basis, recognise revenue in proportion to the quantum of advertising units delivered according to the contracted service. Units and metrics deliverable under each contracted services will vary on a case-by-case basis.

Business combinations

Silver Bullet Data Services Group Limited applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Silver Bullet Data Services Group Limited. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of Silver Bullet Data Services Group Limited's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as exceptional operating expenses.

Taxes

Corporation tax, where payable, is provided on taxable profits at the current rate.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, 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 assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 balance sheet date.

Foreign currency translation

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Intangible assets and goodwill

Goodwill

Goodwill is initially measured at fair value, being the excess of the aggregate of the consideration transferred over the fair value of the net assets acquired, and any previous interest held over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro-rata* on the basis of the carrying amount of each asset in the unit.

Intangible assets (other than goodwill)

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Brand names	–	Reducing balance basis over 5 years
Development costs	–	Straight line basis over 5 years
Customer lists	–	Straight line basis over 4 years

Property plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses. Cost comprises purchase cost together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Computer equipment	–	Straight line over 3 years
Fixtures, fittings and equipment	–	Reducing balance over 4 years

Right of use assets (included within property, plant and equipment) relate to leasehold buildings and are depreciated over their useful life.

Impairment of non-current assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Development costs relate to a number of platforms developed internally by the group which are expected to generate future revenue streams.

Financial instruments

Silver Bullet Data Services Group Limited classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the settlement date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Contract assets

Contract assets are recognised when revenue is recognised but payment is conditional on a basis other than the passage of time. Contract assets are included in trade and other receivables.

Contract liabilities

Contract liabilities are recognised when payment from a customer is received in advance of performance obligations being satisfied. Contract liabilities are recognised in trade and other payables.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

During the period the Group operated a defined contribution money purchase pension scheme under which it pays contributions based upon a percentage of the members' basic salary. The Group also paid other employee benefits including medical insurance.

All employee benefits are charged to the Statement of Comprehensive Income and differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

The Group leases a number of properties in various locations in Europe, Australia, USA, and the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

All new leases signed by the Group during the reporting period were for a period of less than twelve months so no new right-of-use assets have been recognised. The Group held one lease at the start of the reporting period which was held as a right-of-use asset, this was disposed of during the 2018 financial year.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Silver Bullet Data Services Group Limited's incremental borrowing rate on commencement of the lease is used. A rate of 3.0 per cent. has been applied to the valuation of the only such right of use asset.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When Silver Bullet Data Services Group Limited revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Grant income

Grant income is recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Share-based payments

The Group operates a share option programme which allows employees of the subsidiary companies to be granted options to purchase shares in this company. The fair value of options granted is recognised as an employment expense with a corresponding increase in equity.

The particular terms of the share options state that they can only be exercised by employees in the event of an exit where the company is either sold to a third party, wound up or floated on a public stock exchange. The fair value of the options is measured at the grant date and spread over the vesting period. The fair value is measured based on an option pricing model taking into account the terms and conditions upon which the instruments were granted.

Vesting periods in each share option agreement vary from vesting immediately on grant date to vesting over a period of four years.

Finance income and expenses

Finance expenses comprise interest payable and leases liabilities recognised in the statement of comprehensive income using the effective interest method, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

Recent accounting pronouncements

The historical financial information include the adoption of the following standards:

IFRS 9, Financial Instruments

This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities. The introduction of IFRS 9 impacts the Group's accounting policy for trade receivables, where the Group has moved to an expected loss method of providing for future impairment. This replaces the previous accounting policy to initially recognise trade receivables at fair value, and then subsequently state at amortised cost less allowances for estimated irrecoverable amounts. There was no adjustment upon transition to IFRS 9.

IFRS 15, Revenue from Contracts with Customers

This standard introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards under IAS 18 'Revenue'. On all the Group's engagement types the point at which revenue is recognised has not changed, as the point of transfer of control under IFRS 15 (which determines revenue recognition) is the same as the point of transfer of risks and rewards (which determines revenue recognition under IAS 18). As such, there were no adjustments upon transition to IFRS 15.

IFRS 16, Leases

This standard specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. From the date of incorporation, for each lease the Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been an impact on the cash flow statement due to the increase in the financing costs, depreciation of the right-of-use asset and the cash outflows from financing activities due to the additional lease liability payments. There has also been an impact on the Statement of Comprehensive Income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

Adoption of new and revised standards

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the historical financial information. In some cases these standards and guidance have not been endorsed for use in the European Union.

- IAS 1 Presentation of liabilities as current or non-current
- IAS 1 Disclosure of accounting policies
- IAS 8 definition of accounting estimates
- Interest rate benchmark reform – IFRSs 7,9 and 16

The above standards are not expected to materially impact the Group.

Critical accounting estimates and judgements

The preparation of the historical financial information requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the historical financial information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Critical accounting estimates:

Depreciation and amortisation

The assessment of the useful economic lives, residual values and the method of depreciating or amortising tangible and intangible (excluding goodwill) fixed assets requires judgement. Depreciation and amortisation are charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified.

Critical accounting judgements:

Impairment of trade receivables

The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.

Impairment of intangible and tangible fixed assets

Impairment tests have been undertaken in respect of goodwill, intangible and tangible fixed assets using an assessment of the value in use of the respective cash generating units (CGUs). This assessment requires a number of assumptions and estimates to be made including the allocation of assets of CGUs, the expected future cash flows from each CGU and also the selection of a suitable discount rate in order to calculate the present value of those cash flows. Impairments of intangible assets are explained in more detail at note 12.

3. Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group has three key business segments outlined below. The business analyses these streams by revenue and gross margin. Overheads, assets and liabilities are not separately allocated across the business streams.

The business monitors operating segment profitability using their Earnings (or Profit) Before Interest, Tax, Depreciation and Amortisation (EBITDA).

	2018		2019		2020	
	Revenue £	Gross profit £	Revenue £	Gross profit £	Revenue £	Gross profit £
Data and Strategic services	–	–	607,054	598,195	1,439,559	1,465,320
Activation channels	1,347,688	409,538	935,920	241,797	1,337,589	529,173
Brand intelligence	–	–	–	–	11,830	(27,490)
Total	<u>1,347,688</u>	<u>409,538</u>	<u>1,542,974</u>	<u>839,992</u>	<u>2,788,978</u>	<u>1,967,003</u>
EBITDA from continued operations		<u>(5,559,008)</u>		<u>(6,068,147)</u>		<u>(5,348,642)</u>
Discontinued operations		<u>(1,195,487)</u>		<u>–</u>		<u>–</u>
EBITDA		<u><u>(6,754,495)</u></u>		<u><u>(6,068,147)</u></u>		<u><u>(5,348,642)</u></u>

4. Revenue

Revenue analysed by geographical market:

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
United Kingdom	823,349	1,136,573	826,365
Rest of Europe	412,194	311,312	1,611,819
Rest of the world	112,145	95,089	350,794
	<u>1,347,688</u>	<u>1,542,974</u>	<u>2,788,978</u>

The timing of all revenue recognised by the Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

Government grant income of £108,737 (2019: £nil; 2018: £100,000) is included within revenue, which was received in response to the COVID pandemic.

2018 government grant funding was received as a stimulus for UK jobs. An additional local government grant of £250,000 is held as a liability at 31 December 2020 until grant terms are fulfilled. This grant relates to employment stimulus funding and employment duration conditions remain unfulfilled.

No individual customer accounted for more than 10 per cent. of revenue.

5. Other operating income

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Grant income	100,000	–	108,737
	<u>100,000</u>	<u>–</u>	<u>108,737</u>

6. Exceptional items

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Restructuring costs	446,778	213,985	–
Goodwill and asset impairment	1,705,294	64,185	398,186
Business combination expenses	30,909	147,572	18,429
	<u>2,182,981</u>	<u>425,742</u>	<u>416,615</u>

7. Operating (loss)/profit

The operating loss is arrived at after charging/(crediting):

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Depreciation of property plant and equipment	38,202	14,298	16,704
Amortisation of intangible assets	748,519	101,069	363,225
Impairment of intangible assets	1,705,294	64,185	417,625
Transaction costs on acquisition	30,909	147,572	18,429
Loss on disposal of tangible assets	245,972	–	–
	<u>2,768,896</u>	<u>327,124</u>	<u>815,983</u>

8. Staff costs

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Wages and salaries	2,656,470	2,124,519	3,652,471
Social security costs	349,813	270,724	480,589
Pension costs – defined contribution	48,219	49,366	69,486
Termination payments	446,778	190,778	–
	<u>3,501,280</u>	<u>2,635,387</u>	<u>4,202,546</u>

Average number of staff

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Platforms	36	12	13
Services	–	13	20
Central	15	9	8
	<u>51</u>	<u>34</u>	<u>41</u>

9. Directors' remuneration

Key management personnel are considered to be the directors and their remuneration, employer's national insurance, and pension contributions are disclosed below:

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Directors' remuneration	422,921	230,208	428,566
Employer's national insurance contributions	48,800	29,784	44,689
Pension costs – defined contribution	5,999	3,598	7,586
	<u>477,720</u>	<u>263,590</u>	<u>480,841</u>

The directors are remunerated, in respect of their services to the Group, through subsidiary companies.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Directors' remuneration	225,425	127,500	170,208
Employer's national insurance contributions	30,149	16,702	22,282
Pension costs – defined contribution	3,643	2,550	5,100
	<u>259,217</u>	<u>146,752</u>	<u>197,590</u>

10. Finance expenses

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
On bank overdrafts and loans	3,750	6,924	12,591
On other credit arrangements	3,016	8,810	12,728
Interest on obligations under lease obligations	15,790	–	–
Total finance expense	<u>22,556</u>	<u>15,734</u>	<u>25,319</u>

11. Income tax provision

A deferred tax asset in respect of the Group's cumulative losses of £24,259,106 to date has not been recognised due to the uncertainty of the timing of future loss relief.

Research and development tax relief claims under the SME scheme were submitted during the period ended 31 December 2018 in respect of the two preceding years.

Group R&D claims for the period ending 31 December 2019 were recognised in the subsequent period when the value could be accurately measured.

	<i>31 December</i> 2018	<i>31 December</i> 2019	<i>31 December</i> 2020
	£	£	£
Current tax			
Adjustment in respect of previous years	(345,217)	(182,658)	(212,773)
UK corporation tax on losses for the current year	(301,744)	–	(165,536)
Foreign taxation	–	52	92
Total current tax	<u>(646,961)</u>	<u>(182,606)</u>	<u>(378,217)</u>
Deferred tax	<u>(329,958)</u>	<u>(16,315)</u>	<u>122,580</u>
Total tax (credit)/charge	<u><u>(976,919)</u></u>	<u><u>(198,921)</u></u>	<u><u>(255,637)</u></u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19 per cent. (2019: 19 per cent., 2018: 19 per cent.).

	<i>31 December</i> 2018	<i>31 December</i> 2019	<i>31 December</i> 2020
	£	£	£
Loss on ordinary activities before taxation	<u>(6,353,929)</u>	<u>(6,083,881)</u>	<u>(5,373,961)</u>
Loss on ordinary activities by rate of tax	(1,207,246)	(1,155,937)	(1,021,053)
Loss on discontinued activities by rate of tax	(227,143)	–	–
Non-allowable expenses	34,969	205,526	3,174
Unclaimed enhanced R&D expenditure relief	182,658	212,773	–
Enhanced R&D expenditure	(301,744)	–	(165,536)
Impairments not deductible for tax purposes	–	–	70,988
Movement in deferred tax not recognised	886,804	721,323	1,069,471
Adjustment in respect of prior periods	(345,217)	(182,658)	(212,773)
Foreign taxation	–	52	92
Tax on loss	<u><u>(976,919)</u></u>	<u><u>(198,921)</u></u>	<u><u>(255,637)</u></u>

12. Goodwill and intangible assets

	<i>Customer Development lists</i>	<i>Costs</i>	<i>Brand Names</i>	<i>Goodwill</i>	<i>Total</i>
	£	£	£	£	£
COST					
At 1 January 2018	–	3,356,620	–	–	3,356,620
Additions	–	508,637	84,999	315,075	908,711
Impairment	–	(3,695,109)	–	–	(3,695,109)
At 31 December 2018	–	170,148	84,999	315,075	570,222
At 1 January 2019	–	170,148	84,999	315,075	570,222
On acquisition of subsidiaries	595,708	754	–	4,388,768	4,985,230
Additions	–	–	–	–	–
Impairment	–	(170,148)	–	–	(170,148)
At 31 December 2019	595,708	754	84,999	4,703,843	5,385,304
At 1 January 2020	595,708	754	84,999	4,703,843	5,385,304
Additions	–	1,057,416	–	–	1,057,416
Impairment	–	–	(84,999)	(373,621)	(458,620)
At 31 December 2020	595,708	1,058,170	–	4,330,222	5,984,100
AMORTISATION					
At 1 January 2018	–	1,335,120	–	–	1,335,120
Amortisation charge	–	744,269	4,250	–	748,519
Impairment	–	(1,989,814)	–	–	(1,989,814)
At 31 December 2018	–	89,575	4,250	–	93,825
At 1 January 2019	–	89,575	4,250	–	93,825
Amortisation charge	64,936	16,388	19,745	–	101,069
Impairment	–	(105,963)	–	–	(105,963)
At 31 December 2019	64,936	–	23,995	–	88,931
At 1 January 2020	64,936	–	23,995	–	88,931
Amortisation charge	148,927	197,298	17,000	–	363,225
Impairment	–	–	(40,995)	–	(40,995)
At 31 December 2020	213,863	197,298	–	–	411,161
NET BOOK VALUE					
At 31 December 2018	–	80,573	80,749	315,075	476,397
At 31 December 2019	530,772	754	61,004	4,703,843	5,296,373
At 31 December 2020	381,845	860,872	–	4,330,222	5,572,939

Amortisation is charged within administrative expenses in the Statement of Comprehensive Income.

Impairment review of intangible assets with indefinite useful lives

Following initial recognition, goodwill is subject to impairment reviews at least annually and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income.

There are three steps to performing an impairment review:

1. Allocating the goodwill to the relevant cash generating unit (CGU) or multiple CGUs.
2. Determining the recoverable amount of the CGU to which the goodwill belongs.
3. Recognising any impairment losses after performing an impairment review of the CGU or CGUs.

Goodwill acquired in a business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised. Goodwill does not generate cash flows independently from other assets or groups of assets and so the recoverable amount of goodwill as an individual asset cannot be determined. Therefore, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's CGUs or Groups of CGUs that are expected to benefit from the synergies of the business combination.

The definition of a CGU is "the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Groups of assets" (per IAS 36).

In accordance with IAS 36, a CGU to which goodwill has been allocated shall be tested for impairment annually and whenever there is indication of impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise an impairment loss.

The recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use. In brief the fair value less costs to sell is likely to involve a valuation of the CGU if sold at an arm's length and deducting the costs of disposal.

The value in use will involve a discounted cash flow ('DCF') calculation estimating the future cash inflows and outflows to be derived from the continuing use of the CDU. The DCF calculation would include the estimated net cash flows, if any, to be received for the disposal of the CGU at the end of its useful life.

The key assumptions for the value in use calculation are considered separately below.

Number of years of cash flows used and budgeted growth rate

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter. The five year forecast is prepared considering the directors' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

The Group's pre-tax weighted average cost of capital has been used to calculate a discount rate, which reflects current market assessments of the time value of money for the period under review and the risks specific to the Group. A discount rate of 20 per cent. was applied for each of the periods under review.

Terminal growth rate

An appropriate terminal growth rate is selected, based on the directors' expectations of growth beyond the five-year period. The terminal growth rate used for the period following the detailed forecast period is 5 per cent., which is within the expected growth for the industry.

The Group has two separately identifiable cash generating units which held a carrying goodwill value during the period under review, these are compared to the assessed recoverable amount for each period end below.

	<i>Net Book Value</i>	<i>Recoverable Amount</i>	<i>Impairment Headroom</i>
As at 31 December 2018			
Services	–	–	–
Activation	315,075	7,679,663	7,364,588
	<u>315,075</u>	<u>7,679,663</u>	<u>7,364,588</u>
As at 31 December 2019			
Services	3,076,827	3,835,680	758,853
Activation	1,627,016	4,047,017	2,420,001
	<u>4,703,843</u>	<u>7,882,697</u>	<u>3,178,854</u>
As at 31 December 2020			
Services	3,076,826	3,333,143	256,317
Activation	1,253,396	2,491,612	1,238,217
	<u>4,330,222</u>	<u>5,824,755</u>	<u>1,494,534</u>

Sensitivity analysis has been conducted on each of management's key assumptions to assess the volatility of the impairment head room against each of the Group's Cash Generating Units.

A discount factor of 20 per cent. has been applied by management in order to calculate the net present value of each Cash Generating Unit's recoverable amount. For the Impairment Headroom to reduce to £nil this discount factor would need to increase to 23 per cent. (2019: 22 per cent.; 2018: 155 per cent.). This discount factor is a prudent estimate of the Group's cost of capital based on the capital asset pricing model using similar listed businesses for benchmarking.

Management have applied a medium-term sales growth rate at 30 per cent. for two financial years with a terminal growth rate forecast at 5 per cent.. Impairment headroom on the Services Cash Generating Unit would reduce to nil when this sales growth rate reaches 24 per cent. (2019: 25 per cent.; 2018: 0 per cent.) and 1 per cent. (2019: 0 per cent.; 2018: 0 per cent.) for the applied terminal growth rate.

For the purposes of reviewing goodwill valuations, the tangible fixed assets acquired in the business combination are not considered to be material.

Impairment review of amortised intangible assets

Amortisation rates applied to intangibles acquired and internally generated are assessed according to management's best estimates of their useful economic lives, at rates disclosed in the accounting policies Note 2.

Intangible assets are reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The net present value of cash flows for each cash-generating unit is reviewed against the carrying value at the balance sheet date.

At each of the reporting dates of 31 December 2018, 2019, and 2020 the net present value of future cash flows of cash generating units was compared to their carrying value and impairment charges of £44,004 (2019: £64,185; 2018: £1,705,295) were recorded.

The carrying value of amortised intangible assets and the key assumptions used in performing the annual impairment assessment and sensitivities are disclosed below:

	<i>Net Book Value</i>	<i>Recoverable Amount</i>	<i>Impairments</i>
Customer lists	381,845	690,270	–
Development costs	860,872	5,402,315	–
Brand names	44,004	–	(44,004)

The key assumptions applied by management in assessing these recoverable amounts are:

- a discount rate of 20 per cent. to calculate the present value of future cashflows; and
- future revenue growth assumptions assessed by customer ranging from 10 per cent. to 30 per cent..

Sensitivity analysis has been conducted on these management assumptions to show that an increase of 5 per cent. to discount rate applied would not result in any additional impairments being recognised.

The valuation of future cashflows is also not significantly sensitive to fluctuations in management estimates of revenue growth. Decreasing these rates by a factor of 25 per cent. would not give rise to any additional impairments being recognised.

13. Tangible assets

	<i>Fixtures, fittings and equipment</i> £	<i>Computer equipment</i> £	<i>Right of Use Assets</i> £	<i>Total</i> £
COST				
At 1 January 2018	28,335	91,102	271,063	390,500
Additions	–	1,486	–	1,486
Disposals	(25,119)	(46,866)	(271,063)	(343,048)
At 31 December 2018	3,216	45,722	–	48,938
At 1 January 2019	3,216	45,722	–	48,938
Acquisition of subsidiaries	5,525	20,984	–	26,509
Additions	1,325	14,491	–	15,816
At 31 December 2019	10,066	81,197	–	91,263
At 1 January 2020	10,066	81,197	–	91,263
Additions	3,606	21,868	–	25,474
Disposals	–	–	–	–
At 1 December 2020	13,672	103,065	–	116,737
DEPRECIATION				
At 1 January 2018	1,480	37,064	59,628	98,172
Charge for the period	1,267	9,414	27,521	38,202
Disposals	(1,336)	(8,591)	(87,149)	(97,076)
At 31 December 2018	1,411	37,887	–	39,298
At 1 January 2019	1,411	37,887	–	39,298
Acquisition of subsidiaries	3,565	5,932	–	9,497
Charge for the period	2,750	11,548	–	14,298
At 31 December 2019	7,726	55,367	–	63,093

	<i>Fixtures, fittings and equipment</i> £	<i>Computer equipment</i> £	<i>Right of Use Assets</i> £	<i>Total</i> £
At 1 January 2020	7,726	55,367	–	63,093
Charge for the period	2,958	13,746	–	16,704
Disposals	–	–	–	–
At 1 December 2020	10,684	69,113	–	79,797
NET BOOK VALUE				
At 31 December 2018	1,805	7,835	–	9,640
At 31 December 2019	2,340	25,830	–	28,170
At 31 December 2020	2,988	33,952	–	36,940

Depreciation is charged to administrative expenses within the Statement of Comprehensive Income.

The lease liability in respect of the right-of-use asset was £nil as at 31 December 2020 (2019: £nil, 2018: £nil). The interest expense recognised in the statement of comprehensive income for the year ended 31 December 2020 was £nil (2019: £nil, 2018: £15,790).

14. Investments in subsidiaries

As at the 31 December 2020 Silver Bullet Data Services Group Limited owned 100 per cent. of the ordinary share capital of the following entities:

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Registered office</i>	<i>Principal activity</i>
Silver Bullet Media Services Limited	England and Wales	Studio 11, Tiger House, Burton St, London, WC1H 9BY	Marketing services and data technologies
IOTEC Native Limited	England and Wales	Studio 11, Tiger House, Burton St, London, WC1H 9BY	Marketing services and data technologies
Silver Bullet Data Services Limited	England and Wales	Studio 11, Tiger House, Burton St, London, WC1H 9BY	Marketing services and data technologies
Silver Bullet Data Services GmbH	Germany	Herzogspitalstraße 24, 80331, Munich	Marketing services and data technologies
Silver Bullet Data Services Pty Ltd	Australia	452 Flinders St, Melbourne, 3000, Victoria	Marketing services and data technologies
Videobeet Italia S.r.l.	Italy	20161, Via Gian Rinaldo, Carli n. 47, Milan	Marketing services and data technologies
Technobeet S.r.l.	Italy	20161, Via Gian Rinaldo, Carli n. 47, Milan	Dormant
Silver Bullet USA Inc.	United States of America	1250 Broadway, 36th Floor, New York, New York, 10001	Marketing services and data technologies

The Group acquired 100 per cent. of the share capital of Silver Bullet Data Services Limited and Silver Bullet Data Services Pty Ltd on 31 May 2019, and 100 per cent. of the share capital in Videobeet Italia S.r.l. and Technobeet S.r.l. on 21 December 2019.

15. Trade and other receivables

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Trade receivables	588,837	866,641	1,153,570
Other receivables	69,322	52,043	179,716
Prepayments	46,609	69,350	110,781
Contract assets	20,005	24,397	113,677
Corporation tax receivable	312,991	148,727	165,536
	<u>1,037,764</u>	<u>1,161,158</u>	<u>1,723,280</u>

In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date.

The accounts receivables that are neither past due nor impaired relates to customers that the Group has assessed to be creditworthy based on the credit evaluation process performed by management, which considers both customers' overall credit profile and its payment history with Group. Having considered the impact of IFRS 9 the directors concluded that the implementation would not materially impact on the provision already recognised.

Contract assets represent agreements with customers against which revenue has been recognised but not yet invoiced in accordance with the contract terms. All accrued revenue at each period end has been invoiced within a maximum of three months of the reporting period.

16. Cash and cash equivalents

	31 December 2018	31 December 2019	31 December 2020
Cash at bank	261,607	256,945	654,792
	<u>261,607</u>	<u>256,945</u>	<u>654,792</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

17. Trade and other payables

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Trade payables	303,523	905,142	900,809
Tax and social security	70,139	383,743	884,844
Other payables	260,536	1,716,244	472,773
Accruals	415,053	436,738	570,357
Contract liabilities	14,576	135,555	443,318
	<u>1,063,827</u>	<u>3,577,422</u>	<u>3,272,101</u>

The fair value of trade and other payables approximates to book value at each year-end. Trade payables are non-interest bearing and are normally settled monthly.

Contract liabilities represent agreements with customers against which revenue has not yet been recognised for invoices raised during the report period. All such deferred revenue at each period end has been released to the Statement of Comprehensive Income within a maximum of three months of the reporting period.

18. Loans and borrowings

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Current liabilities			
Bank loans	–	29,852	–
Other loans	28,784	789,575	–
	<u>28,784</u>	<u>819,427</u>	<u>–</u>
	31 December 2018 £	31 December 2019 £	31 December 2020 £
Non-current liabilities			
Bank loans	–	17,684	188,570
	<u>–</u>	<u>17,684</u>	<u>188,570</u>

As at 31 December 2018 the Group had debt finance of £28,784 to a number of short-term loan providers holding personal guarantees as security. These facilities were drawn down as part of the acquisition of lotec Native Limited and were settled in full shortly after the period end. Interest on these balances accrued at rates varying from 4 per cent. to 8 per cent.

As at 31 December 2020 the Group had debt finance of £188,570 accruing interest at 1.95 per cent. repayable over six years to 2026, with no repayments due until 31 August 2022.

With the exception of the above facilities bank and other loan finance were issued without any security, mainly being owed to existing shareholders as short-term finance solutions.

19. Deferred tax liability

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Movements in the year:			
Liability brought forward	343,656	27,425	101,341
Deferred tax on acquired intangible assets	13,727	90,231	–
Charge/(credit) to profit or loss	<u>(329,958)</u>	<u>(16,315)</u>	<u>122,580</u>
Liability carried forward	<u>27,425</u>	<u>101,341</u>	<u>223,921</u>

All deferred tax liabilities are recognised in respect of intangible asset timing differences. No deferred tax assets have been recognised by the Group.

20. Financial instruments

Financial instruments and risk management

The Group's financial instruments may be analysed as follows:

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Financial assets measured at amortised cost			
Cash and cash equivalents	261,607	256,945	654,792
Trade receivables	588,837	866,641	1,153,570
Other receivables	89,327	76,440	293,393
	<u>939,771</u>	<u>1,200,026</u>	<u>2,101,755</u>
Financial liabilities measured at amortised cost			
Trade payables	303,523	905,142	900,809
Other payables	675,589	2,152,982	1,014,217
Bank Loans	–	47,536	188,570
Other Loans	28,784	789,575	–
	<u>1,007,896</u>	<u>3,895,235</u>	<u>2,103,596</u>

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loans, trade payables, other payables and lease liabilities.

The debt instruments were initially recognised at fair value, and subsequently they were measured at amortised cost using the effective interest rate method, whereby the fair value of the debt approximates their carrying value.

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised above.

Credit default risk is the financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's receivable balances, the time taken for payment by entities and the associated credit risk are dependent on the type of engagement.

Credit risk is minimised substantially by ensuring the credit worthiness of the entities with which it carries on business. Credit terms are provided on a case-by-case basis. The Group's trade and other receivables are actively monitored. The Group has not experienced any significant instances of non-payment from its customers.

Management assess that its exposure to credit risk during the reporting period has increased as a result of Brexit and the Coronavirus pandemic causing a high level of volatility at the end of the reporting period. This increase has had no significant impact on the Group's operating activities.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with IFRS 15.

Liquidity risk

Liquidity risk represents the contingency that the Group is unable to gather the funds required with respect to its financial obligations at the appropriate time and under reasonable conditions in order to meet their current obligations. The Group attempts to manage this risk so as to ensure that it has sufficient liquidity at all times to be able to honour its current and future financial obligations under normal conditions and in exceptional circumstances. Financing strategies to ensure the management of this risk include the issuance of equity or debt securities as deemed necessary.

All of the Group's financial liabilities mature within twelve months of the three reporting periods, with the exception of non-current liabilities disclosed at note 18. In each of these cases, the financial liabilities matured within two years of the reporting date.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily Australian Dollars, United States Dollars and Euros. The Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the respective reporting periods were as follows:

	31 December 2018		31 December 2019		31 December 2020		
	AUD	EUR	AUD	EUR	AUD	USD	EUR
Assets and liabilities	–	–	(207,772)	(50,551)	(360,564)	38,985	(600,283)

*Assets and liabilities include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The Group is exposed to foreign currency risk on the relationship between its functional currencies and other currencies in which the Group's material assets and liabilities are denominated. The table below summaries the effect on reserves had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	As at 31 December 2018	As at 31 December 2019	As at 31 December 2020
	£	£	£
10% weakening of functional currency	–	(14,012)	(64,520)
10% strengthening of functional currency	–	29,425	135,493

The impact of a change of 10 per cent. has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

Share Options are valued at grant date based on the Black Scholes valuation model using a estimated volatility of 75 per cent.. Sensitivity analysis on this assumption shows that an increase in volatility to 90 per cent. increases the option pool valuation by 3.7 per cent., and a decrease to 60 per cent. reduces this valuation by 4.8 per cent..

The number and weighted average exercise price of share options during the year were as follows:

	31 December 2018		31 December 2019		31 December 2020	
	Weighted average exercise price £	Share options No.	Weighted average exercise price £	Share options No.	Weighted average exercise price £	Share options No.
Outstanding at start of period	5.51	58,129	7.73	79,734	7.70	80,359
Forfeited/expired during period	–	–	–	–	–	–
Granted during period	13.70	21,605	4.28	625	0.81	146,794
Exercised during period	–	–	–	–	–	–
Outstanding at end of period	7.73	79,734	7.70	80,359	3.25	227,153

Option valuations have been determined by reference to the current market value of group shares, apportioned according to management estimates of the timing and likelihood of an exit event to determine the likely vesting period.

The movement in option valuation during the year ended 31 December 2020 resulted in a staffing cost being recognised by the Group of £215,136 (2019: £2,992, 2018: £376,921), with a corresponding increase in the Group's equity.

23. Other reserves

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Retained earnings	(21,237,120)	(27,122,080)	(32,240,405)
Foreign exchange reserve	(31,219)	(53,021)	(44,999)
	<u>(21,268,339)</u>	<u>(27,175,101)</u>	<u>(32,285,404)</u>

The profit and loss reserve represents the Group's cumulative losses to date including subsidiary trade since their respective dates of acquisition.

The foreign exchange reserve incorporates all currency translation differences for overseas subsidiaries since their respective dates of acquisition.

24. Related party transactions

Key management personnel and directors' remuneration is detailed at note 9.

360XEC Executive Search Limited: is a related party to the group by virtue of having a common Director. Consultancy services were provided during the year ended 31 December 2020 totalling £nil (2019: £84,397 and 2018: £30,206). There were no amounts outstanding at the reporting date (2019: £nil and 2018: £nil).

Business Clubs Limited: is a related party to the group by virtue of having Directors in common. The Group rented office space during the year ended 31 December 2020 totalling £106,853 (2019: £180,113 and 2018: £12,216). There were no amounts outstanding at the reporting date (2019: £nil and 2018: £nil).

Made by Brittan Limited: is a related party to the group by virtue of having Directors in common. Consultancy services were provided during the year ended 31 December 2020 totalling £75,289 (2019: £117,356 and 2018: £99,745). Amounts outstanding at 31 December 2020 totalled £30,346 (2019: £nil and 2018: £nil).

Purple Lime Accountancy Limited: is a related party to the group by virtue of having Directors closely related to Key Management Personnel of the Group. Accountancy and finance services were provided during the year ended 31 December 2020 totalling £104,203 (2019: £109,139 and 2018: £31,345). Amounts outstanding at 31 December 2020 totalled £20,271 (2019: £nil and 2018: £8,574).

Hartham Group Limited: is a related party to the group by virtue of having a common Director. Hartham Group provided consultancy services to the Group during the year ended 31 December 2020 totalling £4,167 (2019: £8,333 and 2018: £25,000). There were no amounts outstanding at the reporting date (2019: £5,000 and 2018: £nil).

The above were considered to be related to the group as they had directors in common during the 3 year period ended 31 December 2020. At the date of approval, due to director changes, the above companies are no longer considered to be related in accordance with IAS 24.

Umberto Torielli: A director of the Group company as of 29 October 2020 relocated to the USA in order to establish a new presence in this territory. For this purpose a loan was issued of £150,000 which is held within other debtors at the end of the reporting period (2019: £nil; 2018: £nil).

25. Business combinations

On 27 September 2018 the Company acquired the trade and assets of Breed & Craft Limited, a company that subsequently went into administration. Net assets included on acquisition are detailed below with a residual goodwill balance of £354,181 recognised on consolidation.

The business combination was pursued to enable synergies between the two businesses and to access skilled staff who were retained in the acquisition. The carrying value of goodwill is representative of the present value to the Group of these qualitative properties of the business combination.

Intangible assets	84,999
Total assets	<u>84,999</u>
Payables and provisions	(13,727)
Net assets	<u>71,272</u>
Goodwill	354,181
Total purchase consideration	<u><u>425,453</u></u>
Consideration issued as	
Purchase consideration settled in cash	425,453
	<u><u>425,453</u></u>

On 31 May 2019 the Company acquired 100 per cent. of the equity shares of Silver Bullet Data Services Limited. Net assets included on acquisition are detailed below with a residual goodwill balance of £3,450,448 recognised on consolidation.

The business combination was pursued to enable synergies between the two businesses and to access skilled staff who were retained in the acquisition. The carrying value of goodwill is representative of the present value to the Group of these qualitative properties of the business combination.

The business combination was, in part, completed in exchange for the issuance of 827,789 Ordinary H Shares and share options in the holding group company.

Tangible assets	7,140
Customer lists	445,276
Receivables	328,101
Cash at bank	15,310
Total assets	<u>795,827</u>
Payables and provisions	(618,275)
Net assets	<u>177,552</u>
Goodwill	3,450,448
Total purchase consideration	<u><u>3,628,000</u></u>
Consideration issued as	
Purchase consideration settled in cash	758,920
Issue of equity instruments	2,869,080
	<u><u>3,628,000</u></u>

On 21 December 2019 the Company acquired 100 per cent. of the equity shares of Videobeet Italia S.r.l and Technobeet S.r.l, both companies registered in Italy. Net assets included on acquisition are detailed below with a residual goodwill balance of £899,215 recognised on consolidation.

The business combination was pursued to enable synergies between the two businesses and to access skilled staff who were retained in the acquisition. The carrying value of goodwill is representative of the present value to the Group of these qualitative properties of the business combination.

The business combination was completed in exchange for the issuance of 302,198 Ordinary G Shares in the holding group company.

Tangible assets	4,731
Intangible assets	754
Customer lists	150,432
Receivables	422,311
Cash at bank	130,063
Total assets	<u>708,291</u>
Payables and provisions	(507,506)
Net assets	<u>200,785</u>
Goodwill	899,215
Total purchase consideration	<u><u>1,100,000</u></u>
Consideration issued as	
Issue of equity instruments	1,100,000
	<u><u>1,100,000</u></u>

The Consolidated Statement of Comprehensive Income includes activity for each of the above entities since their respective acquisition dates. Disclosure of pre-and-post acquisition revenue and profitability for the acquiree and acquirer is not considered practicable as there are no significant trends that this analysis would highlight.

26. Discontinued operations

On 1 August 2018 Silver Bullet Media Services Limited (previously Iotec Global Limited) restructured its Plymouth-based operations resulting in a number of staff being made redundant and an early termination of the Plymouth leasehold property.

The discontinuation of the Plymouth operations and relocation of operating headquarters constitutes a discontinued operation under IFRS 5 as a major geographic component of the business. Expenditure separately analysed as discontinued activities in the Statement of Comprehensive Income are as follows:

	<i>31 December</i> <i>2018</i> £
Reduction in staffing capacity	995,036
Early termination of leased property	187,921
Other property expenses	12,529
	<u>1,195,486</u>

27. Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year. The diluted EPS is calculated on the treasury stock method and the assumption that the weighted average EMI share options outstanding during the period are exercised.

	<i>31 December</i> <i>2018</i> £	<i>31 December</i> <i>2019</i> £	<i>31 December</i> <i>2020</i> £
Loss after taxation	(6,572,496)	(5,884,960)	(5,118,324)
Number of shares			
Weighted average number of ordinary shares	1,654,706	3,176,043	6,855,439
Dilutive effect of in-the-money share options	42,617	43,242	124,984
Diluted weighted average number of shares	1,697,323	3,219,285	6,980,424
Earnings per share			
Basic earnings per share	(3.97)	(1.85)	(0.75)
Diluted earnings per share	(3.97)	(1.85)	(0.75)

As options are not antidilutive, the diluted EPS is the same as the basic EPS in this situation.

28. Subsequent events

On 1 March 2021, the Company allotted and issued 1,488,900 Ordinary G shares. On 1 April 2021, by ordinary and special resolutions passed, the following changes were made to the Company's share capital:

- the Ordinary A Shares, Ordinary B Shares, Ordinary D Shares, Ordinary G Shares and Ordinary H Shares in the capital of the Company were each reclassified into ordinary shares of £0.001 each; and
- the Ordinary C Shares were bought back by the Company and cancelled.

On 7 May 2021, by special resolutions passed the following changes were made to the Company's share capital:

- 87,255,279 bonus shares were allotted to the Company's existing shareholders pro rata to their existing holdings;
- the Company's share premium account was reduced to zero; and
- the entire share capital of the Company was consolidated so that every ten ordinary shares of £0.001 were consolidated into one Ordinary Share of £0.01.

On 11 January 2021, Silver Bullet Data Services Group Limited entered into a joint venture agreement with Local Planet International Limited and subscribed to 50 per cent. of share capital in a newly incorporated company, Local Planet Data Services Limited. On 18 May 2021 Silver Bullet Data Services Group Limited acquired additional share capital such that it now controls 51 per cent. of the share capital of Local Planet Data Services Limited

29. Nature of financial information

The financial information on the Group presented above does not constitute statutory financial statements for any of the three years ended 31 December 2018, 2019 and 2020.

PART IV

HISTORICAL FINANCIAL INFORMATION ON THE SBDS GROUP

SECTION A – Accountant’s report on the historical financial information on the SBDS Group



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21 June 2021

The Directors
Silver Bullet Data Services Group Limited
Studio 11
Tiger House
Burton Street
London, WC1H 9BY

The Directors
Strand Hanson Limited
26 Mount Row
Mayfair
London, W1K 3SQ

Dear Sirs,

Introduction

We report on the historical financial information of the SBDS Group as set out in section B of Part IV of the Company’s admission document dated 21 June 2021 (the “Document”). The historical financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out at Note 1 to the historical financial information of the Group. This report is required by item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the “Prospectus Delegated Regulation”) as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Document.

Responsibilities

The directors of the Company are responsible for preparing the historical financial information in accordance with IFRS.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the historical 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical 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 other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the consolidated historical financial information of the Group gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the requirements of the AIM Rules for Companies, International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Declaration

For the purposes of paragraph (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

SECTION B – Historical financial information on the SBDS Group

Consolidated statement of comprehensive income

	<i>Note</i>	<i>Year ended 31 December 2018 £</i>	<i>Year ended 31 December 2019 £</i>	<i>Year ended 31 December 2020 £</i>
Continuing operations				
Revenue	3	1,199,540	997,397	1,447,720
Cost of sales		(149,712)	(12,016)	(83,009)
Gross profit		<u>1,049,828</u>	<u>985,381</u>	<u>1,364,711</u>
Other operating income	5	–	–	100,575
Distribution costs		(1,558)	(4,941)	(9,539)
Administrative expenses		<u>(1,566,825)</u>	<u>(2,475,885)</u>	<u>(3,008,324)</u>
Operating (loss)	4	(518,555)	(1,495,445)	(1,552,577)
Finance expense	8	<u>(3,048)</u>	<u>(7,492)</u>	<u>(2,938)</u>
(Loss) before taxation		(521,603)	(1,502,937)	(1,555,515)
Taxation	9	<u>90,000</u>	<u>28,135</u>	<u>(92)</u>
(Loss) after taxation attributable to the equity shareholders of the company		(431,603)	(1,474,802)	(1,555,607)
Other comprehensive income/(loss) net of taxation				
Currency translation differences		<u>(7,568)</u>	<u>(24,222)</u>	<u>(248)</u>
Total comprehensive (loss) for the year attributable to the equity shareholders of the company		<u><u>(439,171)</u></u>	<u><u>(1,499,024)</u></u>	<u><u>(1,555,855)</u></u>

All activities have arisen from continuing activities.

Consolidated statement of financial position

		At 31 December 2018 £	At 31 December 2019 £	At 31 December 2020 £
Non-current assets				
Tangible assets	10	6,601	17,893	17,790
Total non-current assets		6,601	17,893	17,790
Current assets				
Trade and other receivables	12	277,858	417,658	764,564
Cash and cash equivalents	13	48,977	89,601	140,459
Total current assets		326,835	507,259	905,023
Total Assets		333,436	525,152	922,813
Current liabilities				
Trade and other payables	14	333,740	633,758	1,105,868
Loans and borrowings	15	27,093	1,323,022	2,804,428
Total current liabilities		360,833	1,956,780	3,910,296
Total non-current liabilities		–	–	–
Total liabilities		360,833	1,956,780	3,910,296
Net liabilities		(27,397)	(1,431,628)	(2,987,483)
Equity				
Share capital	17	143	149	149
Share premium	17	756,863	851,650	851,650
Other reserves	18	(784,403)	(2,283,427)	(3,839,282)
Total equity attributable to the equity shareholders of the company		(27,397)	(1,431,628)	(2,987,483)

Consolidated statement of cash flows

	Year ended 31 December Note 2018 £	Year ended 31 December 2019 £	Year ended 31 December 2020 £
Cash flows from operating activities			
(Loss) after tax	(431,603)	(1,474,802)	(1,555,607)
<i>Adjustments for:</i>			
Depreciation and amortisation	1,558	3,952	9,649
Net finance expense	3,048	7,492	2,938
Taxation expense	(90,000)	(28,135)	92
(Increase) in trade and other receivables	(135,530)	(147,673)	(429,181)
Increase in trade and other payables	227,758	300,022	472,121
Foreign exchange	(7,568)	(24,215)	(260)
Cash generated from operations	(432,337)	(1,363,363)	(1,500,259)
Taxation (paid)/refunded	–	36,008	82,183
Net cash used in operating activities	<u>(432,337)</u>	<u>(1,327,351)</u>	<u>(1,418,065)</u>
Cash flows from investing activities			
Purchase of tangible assets	(8,159)	(15,244)	(9,545)
Net cash used in investing activities	<u>(8,159)</u>	<u>(15,244)</u>	<u>(9,545)</u>
Cash flows from financing activities			
Proceeds from borrowings	27,093	1,295,929	1,481,406
New equity issued	342,603	94,792	–
Interest paid	(3,048)	(7,492)	(2,938)
Net cash from/(used in) financing activities	<u>366,648</u>	<u>1,383,229</u>	<u>1,478,468</u>
Net (decrease)/increase in cash and cash equivalents	(73,848)	40,634	50,847
Cash and cash equivalents at beginning of period	122,825	48,977	89,601
Cash and cash equivalents at end of period	<u>48,977</u>	<u>89,601</u>	<u>140,459</u>

Consolidated statement of changes in equity attributable to the shareholders

	<i>Called up Share Capital £</i>	<i>Share premium £</i>	<i>Other reserves £</i>	<i>Total equity £</i>
As at 1 January 2018	114	414,289	(345,232)	69,171
Loss for the year	–	–	(439,171)	(439,171)
Shares issued during the period	29	342,574	–	342,603
As at 31 December 2018	143	756,863	(784,403)	(27,397)
Loss for the year	–	–	(1,499,024)	(1,499,024)
Shares issued during the year	6	94,787	–	94,793
As at 31 December 2019	149	851,650	(2,283,427)	(1,431,628)
Loss for the year	–	–	(1,555,855)	(1,555,855)
Shares issued during the year	–	–	–	–
As at 31 December 2020	149	851,650	(3,839,282)	(2,987,483)

Notes to the historical financial information

1. Description of business, basis of preparation and going concern

GENERAL INFORMATION

Silver Bullet Data Services Limited (“SBDS”) was incorporated on 23 March 2016 (Company Number: 10081847). SBDS is a limited liability company incorporated in England and Wales and domiciled in the UK. The address of the registered office is Studio 11, Tiger House, Burton Street, London, WC1H 9BY.

SBDS is the ultimate parent company to the subsidiaries listed at Note 11, together referred to as “the SBDS Group”. The principal activity of the SBDS Group is marketing services through the application of big data technologies to reduce friction.

The historical financial information presents the financial track record of the SBDS Group and its subsidiaries for the three-year period ended 31 December 2020.

These are the Group's first set of IFRS accounts. The Group has not previously presented consolidated accounts. The adoption of IFRS 16 and IFRS 9 have not resulted in any significant changes to the financial statements.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee (“IFRIC”) as adopted by the European Union (“IFRS”). The accounting policies have been applied consistently throughout the period.

The consolidated historical financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The presentational currency of the Group is GBP with functional currencies of the subsidiaries disclosed at Note 11 being GBP, EUR and AUD.

These financial statements present the consolidated results of SBDS and its subsidiaries, as listed at Note 11. Subsidiaries are consolidated from date at which control is acquired.

GOING CONCERN

The directors have prepared detailed budgets and forecasts covering the period to 31 December 2022 which are based on the strategic business plan. These take into account all reasonably foreseeable circumstances and include consideration of trading results, cash flows and the level of facilities the SBDS Group requires on a month by month basis. Additional forecasting has been undertaken following the impact of COVID-19 that has considered the impact on the core business.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein following the initial public offering, the directors have a reasonable expectation that the company and the SBDS Group has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

2. Significant accounting policies

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the historical financial information in accordance with IFRS requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounts that require estimates as the basis for determining the stated amounts include performance obligations surrounding revenue recognition (see below).

REVENUE RECOGNITION

IFRS 15 – Revenue from Contracts with Customers has been applied for all periods presented within the historical financial information. The timing of all revenue recognised by the SBDS Group during the reporting period was satisfied over time in accordance with IFRS 15 recognition criteria. None of the SBDS Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

Revenue relating to service contracts is invoiced according to milestones defined within each contract, the terms of which vary on a case-by-case basis. In all cases the revenue is recognised in line with the provision of the services or, where the quantum and timing of the services cannot be reliably predicted, rateable over the period of the agreement.

Invoices against services contracts are raised on a monthly basis with adjustments for accrued or deferred income where the agreed invoicing timescale does not match the valuation of provision of services.

TAXES

Corporation tax, where payable, is provided on taxable profits at the current rate.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, 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 assets 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 balance sheet date.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses. Cost comprises purchase cost together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Computer equipment – Straight line over 3 years

Right of use assets (included within property, plant and equipment) relate to leasehold buildings and are depreciated over their useful life.

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting period end date, the SBDS Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

FINANCIAL INSTRUMENTS

Silver Bullet Data Services Limited classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the date when the SBDS Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the settlement date when the SBDS Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Contract assets

Contract assets are recognised when revenue is recognised but payment is conditional on a basis other than the passage of time. Contract assets are included in trade and other receivables.

Contract liabilities

Contract liabilities are recognised when payment from a customer is received in advance of performance obligations being satisfied. Contract liabilities are recognised in trade and other payables.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the SBDS Group's cash management and are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

PROVISIONS

A provision is recognised in the statement of financial position when the SBDS Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

GRANT INCOME

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

EMPLOYEE BENEFITS

During the period the SBDS Group operated a defined contribution money purchase pension scheme under which it pays contributions based upon a percentage of the members' basic salary. The SBDS Group also paid other employee benefits including medical insurance.

All employee benefits are charged to the Statement of Comprehensive Income and differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

LEASES

The SBDS Group leases a number of properties in various locations in Europe, Australia, and the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

All leases held by SBDS were for a period of less than twelve months so no right-of-use assets have been recognised during the reporting period.

FINANCE INCOME AND EXPENSES

Finance expenses comprise interest payable and liabilities recognised in the statement of comprehensive income using the effective interest method, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

RECENT ACCOUNTING PRONOUNCEMENTS

The historical financial information include the adoption of the following standards:

IFRS 9, Financial Instruments

This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities. The introduction of IFRS 9 impacts the SBDS Group's accounting policy for trade receivables, where the SBDS Group has moved to an expected loss method of providing for future impairment. This replaces the previous accounting policy to initially recognise trade receivables at fair value, and then subsequently state at amortised cost less allowances for estimated irrecoverable amounts. There was no adjustment upon transition to IFRS 9.

IFRS 15, Revenue from Contracts with Customers

This standard introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards under IAS 18 'Revenue'. On all the SBDS Group's engagement types the point at which revenue is recognised has not changed, as the point of transfer of control under IFRS 15 (which determines revenue recognition) is the same as the point of transfer of risks and rewards (which determines revenue recognition under IAS 18). As such, there were no adjustments upon transition to IFRS 15.

IFRS 16, Leases

This standard specifies how the SBDS Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. From the date of incorporation, for each lease the SBDS Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been an impact on the cash flow statement due to the increase in the financing costs, depreciation of the right-of-use asset and the cash outflows from financing activities due to the additional lease liability payments. There has also been an impact on the Statement of Comprehensive Income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

ADOPTION OF NEW AND REVISED STANDARDS

The following standards and interpretations relevant to the SBDS Group are in issue but are not yet effective and have not been applied in the historical financial information. In some cases these standards and guidance have not been endorsed for use in the European Union.

- IAS 1 Presentation of liabilities as current or non-current
- IAS 1 Disclosure of accounting policies
- IAS 8 definition of accounting estimates
- Interest rate benchmark reform – IFRSs 7, 9 and 16

The above standards are not expected to materially impact the SBDS Group.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the historical financial information requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the historical financial

information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Accounting judgement: Impairment of trade receivables

The SBDS Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.

3. Revenue and Operating Segments

Revenue analysed by geographical market:

	<i>31 December</i> 2018 £	<i>31 December</i> 2019 £	<i>31 December</i> 2020 £
United Kingdom	737,433	317,847	535,423
Rest of Europe	406,958	539,648	452,766
Rest of the world	55,149	139,902	459,531
	<u>1,199,540</u>	<u>997,397</u>	<u>1,447,720</u>

The timing of all revenue recognised by the SBDS Group during the reporting period was transferred over time in accordance with IFRS 15 recognition criteria. None of the SBDS Group's activities result in the transfer of control of a product at a point in time for revenue recognition purposes.

No individual customer accounted for more than 10 per cent. of revenue.

4. Operating (loss)

The operating loss is arrived at after charging/(crediting):

	<i>31 December</i> 2018 £	<i>31 December</i> 2019 £	<i>31 December</i> 2020 £
Depreciation of property plant and equipment	1,558	3,952	9,649
	<u>1,558</u>	<u>3,952</u>	<u>9,649</u>

5. Other operating income

	<i>31 December</i> 2018 £	<i>31 December</i> 2019 £	<i>31 December</i> 2020 £
Grant income	—	—	100,575
	<u>—</u>	<u>—</u>	<u>100,575</u>

Grant income was received from international government bodies in response to the COVID pandemic.

6. Staff costs

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Wages and salaries	915,071	1,488,135	2,155,772
Social security costs	119,916	143,484	265,058
Pension costs – defined contribution	9,828	23,175	35,410
	<u>1,044,815</u>	<u>1,654,794</u>	<u>2,456,240</u>

Average number of staff

	31 December 2018	31 December 2019	31 December 2020
Services	9	17	23
Central	<u>2</u>	<u>2</u>	<u>2</u>
	<u>11</u>	<u>19</u>	<u>25</u>

7. Directors' remuneration

Key management personnel are considered to be the directors and their remuneration, employer's national insurance, and pension contributions are disclosed below:

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Directors' remuneration	258,333	263,486	319,803
Employer's national insurance contributions	34,226	34,165	30,902
Pension costs – defined contribution	2,640	2,632	2,299
	<u>295,199</u>	<u>300,283</u>	<u>353,004</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Directors' remuneration	159,333	161,986	199,352
Employer's national insurance contributions	20,862	21,256	25,160
Pension costs – defined contribution	<u>263</u>	<u>1,316</u>	<u>1,484</u>

The directors are remunerated, in respect of their services to the Company and the SBDS Group, through subsidiary companies.

8. Finance expenses

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
On bank overdrafts and loans	<u>3,048</u>	<u>7,492</u>	<u>2,938</u>
Total finance expense	<u>3,048</u>	<u>7,492</u>	<u>2,938</u>

9. Income tax provision

A deferred tax asset in respect of the SBDS Group's cumulative losses of £1,492,954 to date has not been recognised due to the uncertainty of the timing of future loss relief.

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Current tax			
UK corporation tax on losses for the current year	(90,000)	(28,135)	–
Foreign taxation	–	–	92
Total current tax	<u>(90,000)</u>	<u>(28,135)</u>	<u>92</u>
Deferred tax	–	–	–
Total tax (credit)/charge	<u><u>(90,000)</u></u>	<u><u>(28,135)</u></u>	<u><u>92</u></u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19 per cent. (2019: 19 per cent., 2018: 19 per cent.).

	31 December 2018	31 December 2019	31 December 2020
	£	£	£
Loss on ordinary activities before taxation	<u>(521,603)</u>	<u>(1,502,937)</u>	<u>(1,555,515)</u>
Loss on ordinary activities by rate of tax	(99,105)	(285,558)	(295,548)
Non-allowable expenses	537	6,531	1,838
Enhanced R&D expenditure	(90,000)	(28,135)	–
Movement in deferred tax not recognised	98,568	279,027	293,714
Foreign taxation	–	–	92
Tax on loss	<u><u>(90,000)</u></u>	<u><u>(28,135)</u></u>	<u><u>92</u></u>

10. Tangible assets

	<i>Computer equipment</i> £	<i>Total</i> £
COST		
At 1 January 2018	–	–
Additions	8,159	8,159
Disposals	–	–
	<hr/>	<hr/>
At 31 December 2018	8,159	8,159
At 1 January 2019	8,159	8,159
Additions	15,244	15,244
Disposals	–	–
	<hr/>	<hr/>
At 31 December 2019	23,403	23,403
At 1 January 2020	23,403	23,403
Additions	9,546	9,546
Disposals	–	–
	<hr/>	<hr/>
At 1 December 2020	32,949	32,949
DEPRECIATION		
At 1 January 2018	–	–
Charge for the period	1,558	1,558
Disposals	–	–
	<hr/>	<hr/>
At 31 December 2018	1,558	1,558
At 1 January 2019	1,558	1,558
Charge for the period	3,952	3,952
Disposals	–	–
	<hr/>	<hr/>
At 31 December 2019	5,510	5,510
At 1 January 2020	5,510	5,510
Charge for the period	9,649	9,649
Disposals	–	–
	<hr/>	<hr/>
At 1 December 2020	15,159	15,159
NET BOOK VALUE		
At 31 December 2018	<u>6,601</u>	<u>6,601</u>
At 31 December 2019	<u>17,893</u>	<u>17,893</u>
At 31 December 2020	<u>17,790</u>	<u>17,790</u>

Depreciation is charged to administrative expenses within the Statement of Comprehensive Income.

11. Investments in subsidiaries

As at the 31 December 2020 Silver Bullet Data Services Limited owned 100 per cent. of the ordinary share capital of the following entities:

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Registered office</i>	<i>Principal activity</i>
Silver Bullet Data Services GmbH	Germany	Herzogspitalstraße 24, 80331, Munich	Marketing services and data technologies
Silver Bullet Data Services Pty Ltd	Australia	452 Flinders St, Melbourne, 3000, Victoria	Marketing services and data technologies

Both subsidiaries were established during the three-year period under review as 100 per cent. operating subsidiaries of the Group.

12. Trade and other receivables

	<i>31 December 2018</i>	<i>31 December 2019</i>	<i>31 December 2020</i>
	£	£	£
Trade receivables	253,941	302,697	451,316
Other receivables	–	–	168,039
Prepayments	23,917	8,385	31,532
Contract assets	–	24,397	113,677
Corporation tax recoverable	–	82,179	–
	<u>277,858</u>	<u>417,658</u>	<u>764,564</u>

In determining the recoverability of accounts receivable, the SBDS Group considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date.

The accounts receivables that are neither past due nor impaired relates to customers that the SBDS Group has assessed to be creditworthy based on the credit evaluation process performed by management, which considers both customers' overall credit profile and its payment history with Group. Having considered the impact of IFRS 9 the directors concluded that the implementation would not materially impact on the provision already recognised.

13. Cash and cash equivalents

	<i>31 December 2018</i>	<i>31 December 2019</i>	<i>31 December 2020</i>
Cash at bank	<u>48,977</u>	<u>89,601</u>	<u>140,459</u>
	<u>48,977</u>	<u>89,601</u>	<u>140,459</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14. Trade and other payables

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Trade payables	81,622	147,890	130,778
Tax and social security	114,153	224,320	553,844
Other payables	15,606	61,811	26,672
Accruals	31,496	64,182	156,571
Contract liabilities	90,863	135,555	238,003
	<u>333,740</u>	<u>633,758</u>	<u>1,105,868</u>

The fair value of trade and other payables approximates to book value at each year-end. Trade payables are non-interest bearing and are normally settled monthly.

15. Loans and borrowings

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Current liabilities			
Other loans	27,093	1,323,022	2,804,428
	<u>27,093</u>	<u>1,323,022</u>	<u>2,804,428</u>

All loans outstanding at each period end were with group companies external to those consolidated in this Historical Financial Information. The loans were issued without security and are repayable on demand, no interest accrued on these balances.

16. Financial Instruments

Financial instruments and risk management

The SBDS Group's financial instruments may be analysed as follows:

	31 December 2018 £	31 December 2019 £	31 December 2020 £
Financial assets measured at amortised cost			
Cash and cash equivalents	48,977	89,601	140,459
Trade receivables	26,663	302,697	451,316
Other receivables	20,853	24,397	281,716
	<u>96,493</u>	<u>416,695</u>	<u>873,491</u>
Financial liabilities measured at amortised cost			
Trade payables	73,046	147,890	130,778
Other payables	113,081	125,993	352,430
Other Loans	27,093	1,323,022	2,804,428
	<u>213,220</u>	<u>1,596,905</u>	<u>3,287,636</u>

Financial assets measured at amortised cost comprise cash, trade receivables, other receivables, and contract assets.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loans, trade payables, other payables and accruals.

The debt instruments were initially recognised at fair value, and subsequently they were measured at amortised cost using the effective interest rate method, whereby the fair value of the debt approximates their carrying value.

The SBDS Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the SBDS Group's financial instruments are classified as loans and receivables.

The SBDS Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the SBDS Group is exposed are described below:

Credit risk

Generally, the SBDS Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised above.

Credit risk is the financial risk to the SBDS Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the SBDS Group's receivable balances, the time taken for payment by entities and the associated credit risk are dependent on the type of engagement.

Credit risk is minimised substantially by ensuring the credit worthiness of the entities with which it carries on business. Credit terms are provided on a case-by-case basis. The SBDS Group's trade and other receivables are actively monitored. The SBDS Group has not experienced any significant instances of non-payment from its customers.

Expected credit losses are estimated based on historical experience adjusted for forward expectations of future credit losses.

Liquidity risk

Liquidity risk represents the contingency that the SBDS Group is unable to gather the funds required with respect to its financial obligations at the appropriate time and under reasonable conditions in order to meet their current obligations. The SBDS Group attempts to manage this risk so as to ensure that it has sufficient liquidity at all times to be able to honour its current and future financial obligations under normal conditions and in exceptional circumstances. Financing strategies to ensure the management of this risk include the issuance of equity or debt securities as deemed necessary.

All of the SBDS Group's financial liabilities mature within twelve months of the three reporting periods. In each of these cases, the financial liabilities matured within two years of the reporting date.

Foreign currency risk

The SBDS Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily Australian Dollars and Euros. The SBDS Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The SBDS Group's exposure to foreign currency risk at the end of the respective reporting periods were as follows:

	<i>31 December 2018</i>		<i>31 December 2019</i>		<i>31 December 2020</i>	
	<i>AUD</i>	<i>EUR</i>	<i>AUD</i>	<i>EUR</i>	<i>AUD</i>	<i>EUR</i>
Assets and liabilities	(42,883)	(49,694)	(207,772)	46,050	(360,564)	(833,134)

*Assets and liabilities include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The SBDS Group is exposed to foreign currency risk on the relationship between its functional currencies and other currencies in which the SBDS Group's material assets and liabilities are denominated. The table below summaries the effect on reserves had the functional currencies of the SBDS Group weakened or strengthened against these other currencies, with all other variables held constant.

	<i>As at</i> <i>31 December</i> <i>2018</i> £	<i>As at</i> <i>31 December</i> <i>2019</i> £	<i>As at</i> <i>31 December</i> <i>2020</i> £
10% weakening of functional currency	<u>(6,212)</u>	<u>(6,509)</u>	<u>(83,465)</u>
10% strengthening of functional currency	<u>13,045</u>	<u>13,669</u>	<u>175,277</u>

The impact of a change of 10 per cent. has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

17. Share capital and premium

During the reporting periods the company's issued share capital was acquired by Silver Bullet Data Services Group Limited. As part of this acquisition new shares were issued raising a total of £437,395 in the equity issues. Movements in issued share capital and share premium accounts during these periods are summarised below:

	<i>31 December 2018</i>		<i>31 December 2019</i>		<i>31 December 2020</i>	
	<i>No.</i>	£	<i>No.</i>	£	<i>No.</i>	£
Ordinary share capital						
Issued and fully paid						
Ordinary	14,331	143	14,851	149	14,851	149
	<u>14,331</u>	<u>143</u>	<u>14,851</u>	<u>149</u>	<u>14,851</u>	<u>149</u>

	<i>31 December</i> <i>2018</i> £	<i>31 December</i> <i>2019</i> £	<i>31 December</i> <i>2020</i> £
Share premium			
Ordinary shares	<u>756,863</u>	<u>851,650</u>	<u>851,650</u>
	<u>756,863</u>	<u>851,650</u>	<u>851,650</u>

All classes of share in issue carry equal voting rights and participation in dividends.

18. Other reserves

	<i>31 December</i> <i>2018</i> £	<i>31 December</i> <i>2019</i> £	<i>31 December</i> <i>2020</i> £
Retained earnings	(776,833)	(2,251,637)	(3,807,242)
Foreign exchange reserve	<u>(7,570)</u>	<u>(31,790)</u>	<u>(32,040)</u>
	<u>(784,403)</u>	<u>(2,283,427)</u>	<u>(3,839,282)</u>

The retained earnings reserve represents the Group's cumulative losses to date including subsidiary trade since their respective dates of acquisition.

The foreign exchange reserve incorporates all currency translation differences for overseas subsidiaries since their respective dates of acquisition.

19. Related party transactions

Transactions with other Group companies not consolidated in this report are not disclosed here as the consolidated Historical Financial Information for the SBDS Group as a whole is publicly available.

Key management personnel and director's remuneration is detailed at note 7.

Purple Lime Accountancy Limited: is a related party to the SBDS Group by virtue of having Directors closely related to Key Management Personnel of the SBDS Group. Accountancy and finance services were provided during the year ended 31 December 2020 totalling £38,273 (2019: £19,282 and 2018: £nil). Amounts outstanding at 31 December 2020 totalled £3,144 (2019: £nil and 2018: £nil).

20. Nature of financial information

The financial information on the SBDS Group presented above does not constitute statutory financial statements for either of the three years ended 31 December 2018, 2019 and 2020.

PART V

UNAUDITED PRO-FORMA FINANCIAL INFORMATION

(A) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



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21 June 2021

The Directors
Silver Bullet Data Services Group Limited
Studio 11
Tiger House
Burton Street
London, WC1H 9BY

The Directors
Strand Hanson Limited
26 Mount Row
Mayfair
London, W1K 3SQ

Dear Sirs,

We report on the unaudited pro forma statement of net assets of the Group (the "Pro Forma Financial Information") set out section B of Part V of the Company's AIM admission document dated 21 June 2021 (the "Document").

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Group.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Sections 1 & 2 of Annex 20 of the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (together, the "Prospectus Regulation").

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Prospectus Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of preparation

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing the audited financial information for the period ended 31 December 2020. This report is required by Section 3 of Annex 20 of the Prospectus Regulation and is given for the purpose of complying with that schedule and for no other purpose.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of the Company and Insight in accordance with relevant ethical requirements. In the United Kingdom this is 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.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

Declaration

For the purposes of Section 3 of Annex 20 of the Prospectus Regulation, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Section 3 of Annex 20 of the Prospectus Regulation.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro-forma statement of net assets of the Group (the “Pro Forma Financial Information”), which has been prepared on the basis of the financial information of the Group as at 31 December 2020, as adjusted for:

- shares issued through the Pre-IPO Fundraise; and
- the receipt of the net proceeds from the Placing

as set out in the notes below. The Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual financial position of the Group as at the date of Admission.

Unaudited pro-forma net assets

	At 31 December 2020 (audited) £	Pre-IPO Fundraise (Note 1) £	Net proceeds from the Placing (Note 2) £	(Unaudited) Pro forma net assets of the Company £
Non-current assets				
Goodwill	4,330,222	–	–	4,330,222
Intangible assets	1,242,717	–	–	1,242,717
Tangible assets	36,940	–	–	36,940
Right-of-use assets	–	–	–	–
Total non-current assets	5,609,879	–	–	5,609,879
Current assets				
Trade and other receivables	1,723,280	–	–	1,723,280
Cash and cash equivalents	654,792	2,973,455	8,143,579	11,771,826
Total current assets	2,378,072	2,973,455	8,143,579	13,495,106
Total Assets	7,987,951	2,973,455	8,143,579	19,104,985
Current liabilities				
Trade and other payables	3,272,101	–	–	3,272,101
Loans and other borrowings	–	–	–	–
Total current liabilities	3,272,101	–	–	3,272,101
Non-current liabilities				
Loans and borrowings	188,570	–	–	188,570
Deferred tax liability	223,921	–	–	223,921
Total non-current liabilities	412,491	–	–	412,491
Total liabilities	3,684,592	–	–	3,684,592
Net assets	4,303,359	2,973,455	8,143,579	15,420,393

Notes:

1. The financial information of the Group as at 31 December 2020 has been extracted without further adjustment, from Part III, section B of this Document “Historical financial information of the Group”. No account has been taken of the activities of the Group subsequent to 31 December 2020, except for those set out in the notes below.
2. The Group raised £3,125,505 and incurred associated transaction costs of £150,050 (excluding VAT), as part of a Pre-IPO Fundraise.
3. The gross proceeds of the Placing were approximately £9.50 million and associated costs of the Placing were approximately £1.36 million (excluding VAT). The net proceeds from the Placing received by the Group were approximately £8.14 million.
4. No account has been taken of any movement in the net assets of the Group since 31 December 2020, nor of any other event save as disclosed above.

PART VI

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors, whose names are set out on page 9 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 13 May 2013 under the Companies Act as a private limited company with the name IO Technologies Limited and registered number 08525481.
- 2.2 On 21 May 2013 the Company changed its name by special resolution to IO Technologies Group Limited.
- 2.3 On 27 November 2019 the Company changed its name by special resolution to Silver Bullet Data Services Group Limited.
- 2.4 On 10 June 2021 the Company re-registered as a public limited company with the name Silver Bullet Data Services Group PLC.
- 2.5 The liability of the Company's members is limited to the amount, if any, unpaid on the Ordinary Shares respectively held by them.
- 2.6 The Company is governed by, and its securities were created under, the Companies Act and the regulations made thereunder.
- 2.7 The Company's registered office and principal place of business is located at Studio 11 Tiger House, Burton Street, London, United Kingdom, WC1H 9BY. The Company's registered office and principal place of business does not have a telephone number. The operations of the Group are primarily located at Studio 11 Tiger House, Burton Street, London, United Kingdom, WC1H 9BY.
- 2.8 The Company's website for the disclosure of information required by Rule 26 of the AIM Rules for Companies is www.wearesilverbullet.com.
- 2.9 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee and the Audit Committee.
- 2.10 The Company's principal activity following Admission will be to act as the holding company of the Group, with the principal business of the Group being the development and licensing of a master data management platform solution.

3. THE GROUP

3.1 The Company is the ultimate holding company of the Group. The Company has the following wholly owned subsidiaries:

<i>Name</i>	<i>Country of incorporation (registered number)</i>	<i>Date of incorporation</i>	<i>Issued share capital</i>	<i>Activity</i>
Silver Bullet Data Services Limited	England (10081847)	23 March 2016	14,851 ordinary shares of £0.01 each	Data consulting services
Silver Bullet Media Services Limited	England (06216702)	18 April 2007	20,000 ordinary shares of £1 each	Data software platform development and programmatic media activation
iotec Native Limited	England (08286180)	8 November 2012	1 ordinary share of £1	Dormant
Silver Bullet Data Services S.r.l.	Italy (8740530962)	4 August 2014	€100,000	Data consulting services and programmatic media activation
Silver Bullet Data Services GmbH	Germany (250370)	29 July 2019	€25,000	Data consulting services
Silver Bullet USA Inc.	USA (3684828)	17 September 2020	1,000 common shares of US\$0.10 each	Data consulting services
Silver Bullet Data Services Pty Ltd	Australia (622838751)	14 November 2017	1,000 ordinary shares of AUS\$0.01 each	Data consulting services

3.2 In addition, the Company has the following non-wholly owned subsidiary:

<i>Name</i>	<i>Country of incorporation (registered number)</i>	<i>Date of incorporation</i>	<i>Issued share capital</i>	<i>Activity</i>
Local Planet Data Services Limited	England (13123941)	11 January 2021	101 ordinary shares of £1 each held by: Silver Bullet Data Services Group Limited (51 shares) Local Planet International Limited (50 shares)	Data services

3.3 Except as stated in this paragraph 3, the Company does not have, nor has it taken any action to acquire, any significant investments.

4. SHARE CAPITAL

4.1 The Company was incorporated with 60,000 ordinary A shares of £0.001 each ("Ordinary A Shares"), all of which were issued as subscriber shares.

4.2 The Company's articles of association, in keeping with the Companies Act, do not place any limit on the Company's authorised share capital.

4.3 At the start of the period covered by the Historical Financial Information, the Company had 982,903 Ordinary A Shares, 35,448 ordinary B shares of £0.001 each ("Ordinary B Shares") and 10 ordinary C shares of £5.00 each ("Ordinary C Shares") in issue.

4.4 During the period covered by the Historical Financial Information and up to the date of this document, the Company has allotted and issued the following:

- (a) 336,970 Ordinary A Shares on 31 January 2018;
- (b) 206,626 Ordinary A Shares between 30 and 31 March 2018;
- (c) 464,689 ordinary D shares of £0.10 each, subsequently converted to ordinary D shares of £0.001 each ("Ordinary D Shares") on 30 October 2018;
- (d) 20,298 Ordinary A Shares on 6 November 2018;
- (e) 562,652 ordinary G shares of £0.001 each ("Ordinary G Shares") and 780,093 ordinary H shares of £0.001 each ("Ordinary H Shares") on 31 May 2019;
- (f) 219,511 Ordinary G Shares on 24 July 2019;

- (g) 302,198 Ordinary G Shares on 31 December 2019;
- (h) 671,219 Ordinary G Shares on 31 January 2020;
- (i) 3,371,125 Ordinary G Shares between 8 February and 8 December 2020; and
- (j) 1,741,299 Ordinary G Shares on 1 March 2021.

4.5 By ordinary and special resolutions passed on 1 April 2021, the following changes were made to the Company's share capital:

- (a) the Ordinary A Shares, Ordinary B Shares, Ordinary D Shares, Ordinary G Shares and Ordinary H Shares in the capital of the Company were each reclassified into ordinary shares of £0.001 each; and
- (b) the Ordinary C Shares were bought back by the Company and cancelled.

4.6 By special resolutions passed on 7 May 2021:

- (a) 87,255,279 ordinary shares of £0.001 were allotted to the Company's existing shareholders *pro rata* to their existing holdings;
- (b) the Company's share premium account was reduced to zero; and
- (c) the entire share capital of the Company was consolidated so that every ten ordinary shares of £0.001 were consolidated into one Ordinary Share.

4.7 The Placing will result in the issue of 3,696,498 Ordinary Shares, diluting holders of Ordinary Shares immediately prior to the Placing by 27.55 per cent.

4.8 The holders of vested options over 27,453 Ordinary Shares have confirmed they will exercise their options immediately prior to Admission.

4.9 The issued, fully paid, share capital of the Company as at 21 June 2021 (being the latest practicable date before publication of this document), including the exercise of the options referred to at paragraph 4.8 above, was as follows:

	<i>Number</i>	<i>Nominal Value</i>
Ordinary Shares	9,722,484	£0.01

4.10 Assuming completion of the Placing, the issued, fully paid, share capital of the Company, immediately following Admission, is expected to be as follows:

	<i>Number</i>	<i>Nominal Value</i>
Ordinary Shares	13,418,982	£0.01

4.11 The Company has granted options over Ordinary Shares to current and former employees, as follows:

<i>Aggregate number of options</i>	<i>Exercise price</i>	<i>Exercise conditions</i>	<i>Lapse date</i>
23,794	3,293 at £0.01 625 at £0.81 3,829 at £4.28 188 at £12.40 15,859 at £24.63	On a takeover or listing	Varies between October 2014 and May 2030
45,314	44,794 at £0.81 270 at £4.28 250 at £12.40	On a takeover or listing (but only to the extent vested)	Varies between January 2025 and October 2030
107,931	£0.81	Fully vested and can be exercised at any point	June 2028

<i>Aggregate number of options</i>	<i>Exercise price</i>	<i>Exercise conditions</i>	<i>Lapse date</i>
2,889	£0.81	2,547 fully vested and can be exercised at any point (balance vesting in monthly increments until December 2021)	June 2028
455,500	£0.01	Vest in thirds on 01/03/2022, 01/03/2023 and 01/03/2024	June 2028
117,686	£1.05	Vest in thirds on 01/03/2022, 01/03/2023 and 01/03/2024	June 2028
241,646	£1.05	67,124 fully vested. A further 67,124 vest on 15/02/2022, 35,799 on 15/08/2022, 35,799 on 15/02/2023 and 35,800 on 15/02/2024.	June 2028
17,000	£1.05	Vest in thirds on 01/07/2022, 01/07/2023 and 01/07/2024	June 2028
690,000	Placing Price	Vest in thirds on the 1 st , 2 nd and 3 rd anniversaries of admission	7th anniversary of admission
76,530	£0.01	Vest in September 2021	7th anniversary of admission

4.12 Assuming exercise of all of the vested outstanding options in full, the options will represent 13.25 per cent. of the Enlarged Share Capital on Admission. The Company retains the ability to make further awards under the Share Option Schemes.

- 4.13 Save as disclosed in paragraphs 4.7 and 4.8 and as described in paragraph 10 of this Part V:
- no share or loan capital of the Company has been issued or is proposed to be issued;
 - there are no Ordinary Shares in the Company not representing capital or that are not fully paid up;
 - there are no shares in the Company held by or on behalf of the Company itself;
 - there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
 - there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;
 - no person has any preferential or subscription rights for any share capital in the Company; and
 - no share or loan capital of the Company is under option and the Company has not agreed conditionally or unconditionally to put any share or loan capital of the Company under option.

5. SECURITIES BEING ADMITTED

- 5.1 The Ordinary Shares are ordinary shares of £0.01 each in the capital of the Company, issued in British Pounds Sterling.
- 5.2 The International Security Identification Number (ISIN) of the Ordinary Shares is GB00BNXM0Z89 and the Stock Exchange Daily Official List (SEDOL) number will be BNXM0Z8.
- 5.3 The Ordinary Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form in CREST. The Company's registrars are Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD.

- 5.4 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraph 9 of this Part V.
- 5.5 Section 561 of the Companies Act gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Companies Act). Subject to limited exceptions and to the extent authorised pursuant to the resolutions of the Shareholders described in paragraph 5.8 below, unless Shareholders' approval is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares which are to be issued for cash to existing shareholders pro-rata to their shareholdings.
- 5.6 Each Ordinary Share will be entitled, on a *pari passu* basis with all other issued Ordinary Shares, to share in any surplus on a liquidation of the Company.
- 5.7 The Ordinary Shares have no redemption or conversion rights.
- 5.8 By way of special resolutions in writing, dated 7 May 2021, pursuant to Chapter 2 of Part 13 of the Companies Act:
- (a) the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot ordinary shares in the capital of the Company or grant rights to subscribe for, or convert any security into ordinary shares ("**Rights**") up to an aggregate nominal value of £250,000; and
 - (b) pursuant to section 570 of the Companies Act to make allotments of equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the general authority conferred above as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary;
 - (ii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £75,000 in connection with the Placing; and
 - (iii) otherwise than pursuant to sub-paragraph (i) and (ii) above, up to an aggregate nominal amount not exceeding £25,775,

provided that such authorities shall expire on the earlier of 19 May 2022 and the conclusion of the next annual general meeting of the Company after the passing of the resolution (unless renewed, varied or revoked by the Company prior to or on that date) and save that the Company may, at any time before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares and grant Rights in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

6. TAKEOVERS

- 6.1 The Takeover Code applies to the Company. Rule 9 of the Takeover Code ("**Rule 9**") therefore applies to any person, or group of "persons acting in concert" (as defined in the Takeover Code), who acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of the Company. It would also apply to any person who, together with persons acting in concert with him, is already interested in shares which in aggregate carry not less than 30 per cent. (but not more than 50 per cent.) of the voting rights of the Company if that person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested. Where Rule 9 applies, the person or concert party group is normally required by the Takeover Panel to make a general offer in cash to acquire from the other shareholders the remaining shares in the company at not less than the highest price paid by him or them within the preceding twelve months. Rule 9 is subject to a number of dispensations.

- 6.2 Under the Companies Act, a person who makes an offer to acquire shares in the Company (an “offeror”) may require Shareholders to transfer their shares to the offeror, on the terms of that offer, provided that the offer is approved or accepted by the holders of 90 per cent. or more of the shares to which the offer relates within three months of the last day on which the offer can be accepted. In order to enforce this right, the offeror must give notice to any Shareholder not approving or accepting the offer within certain time limits, notifying them of the offeror’s wish to acquire their shares in the Company (the “**Squeeze-out Notice**”). After the expiration of six weeks after the giving of the Squeeze-out Notice, the offeror can require that the Company registers the shares in their name provided that the consideration due to the holders of such shares is delivered to the Company to be held on trust for such Shareholders. The consideration offered to such Shareholders whose shares are acquired compulsory under the Companies Act must, in general, be the same as the consideration that was available under the offer.
- 6.3 The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the 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 shares, any holder of the shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of 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 its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
- 6.4 No person has made a public takeover bid for the Company’s issued share capital in the financial period to 31 December 2020 or in the current financial year.

7. DISCLOSURE OF INTERESTS

- 7.1 A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules published by the FCA, to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. In addition, Rule 17 of the AIM Rules for Companies requires notification without delay of any changes to the holding of a significant shareholder (as defined in the AIM Rules for Companies, which may include a Director) above three per cent. which increase or decrease such holding through any single percentage. Schedule 5 to the AIM Rules for Companies specifies what information must be disclosed.
- 7.2 Pursuant to Part 22 of the Companies Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company’s shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

8. CONTROL

- 8.1 Save as set out in paragraph 10.1 and 10.2 below, to the best of the knowledge of the Company, there are no persons who at the date of this document directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company.
- 8.2 The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

9. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Articles, adopted on re-registration on 10 June 2021, include provisions to the following effect:

9.1 *Objects of the Company*

Under the Companies Act, the objects of the Company are unrestricted. The Articles do not specify any restrictions on the objects of the Company.

9.2 *Voting Rights*

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls in respect of shares held by him have not been paid.

9.3 *Notices of General Meetings*

An annual meeting of the Company shall be called on 21 clear days' notice, that is excluding the date of deemed receipt of such notice and the date of the meeting. Any general meeting of the Company shall be called on 14 clear days' notice, subject, in either case to the Companies Act. The Directors can call a general meeting at any time they think fit. The Company is required to send notice to members (except where the member is not entitled to such notice under the Articles or pursuant to any other restrictions imposed), the Company's Directors and Auditors. Notice will be sent to those registered in the register of members of the Company at such relevant time as is decided by the Directors in accordance with the Articles.

No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member.

9.4 *Sanctions on Shareholders*

Any member representing 0.25 per cent. or more in nominal value of the issued shares of any class shall not be entitled to vote, receive payment of dividend or other distribution or transfer their shareholding (except in certain circumstances) if he, having been given a section 793 notice, has failed to give the information thereby required within 14 days of such notice. Such restrictions will cease to apply within seven days of the earlier of (a) the Company receiving notice of registration of a transfer of such member's shares pursuant to an arm's length sale; or (b) upon such information being provided.

9.5 *Variation of Rights*

The Articles do not include any special rules for changing the rights attaching to any of its shares. Therefore the rights attached to any class of shares may, in accordance with the Companies Act be altered or cancelled with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

Subject to the provisions of the Companies Act, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount and, as set out in the Companies Act, by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law.

Subject to applicable law, the Company may purchase its own shares.

9.6 **Lien and Forfeiture**

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company whether called or payable at a fixed time in respect of that share. The Board may sell shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days of notice requiring the holder to do so.

Subject to the Articles and the terms on which the shares are allotted, the Board may make such calls on shareholders in respect of any money unpaid on their shares. Each shareholder shall (subject to receipt of at least 14 days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or part the Board may give the member not less 14 clear days' notice requiring payment together with interest and expenses. The notice should also state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

9.7 **Directors**

A director is not required to hold any qualification shares.

Board Powers

The Directors are responsible for the management of the Company's business and the Directors may exercise all the Company's powers and may do on its behalf anything that can be done by the Company. The Board may delegate any of its power to such persons or committees as it thinks fit. The members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

Directors' Interests and Conflicts

A Director who is in any way, directly or indirectly, interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement with the Company, must declare the nature of his interest to the other Directors. Save in relation to "**permitted causes**", any Director so interested cannot count as part of a meeting of the Directors in relation to voting or for quorum purposes.

The permitted causes referred to above are:

- (a) the giving of any guarantee, security or indemnity to a director in respect of money lent by him or obligations incurred by him at the request or for the benefit of the Company or any of its subsidiary undertakings;
- (b) any security given by the Company to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings which the Director has himself guaranteed or secured in whole or in part;
- (c) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of or by the Company or by reason of any other interest in or through the Company;
- (d) any contract or arrangement in which he is interested directly or indirectly as shareholder holding less than 1 per cent. of any class of the equity share capital of, or the voting rights in such company as an officer, shareholder, creditor or otherwise howsoever;
- (e) any proposal concerning the adoption, modification or operation of an employee's share scheme, a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the Company or any of its Subsidiaries and does not provide in respect of any director any such privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (f) any arrangement for the benefit of employees of the Company or of any of its Subsidiaries under which the Director benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates; and
- (g) any proposal, contract, transaction or arrangement concerning the purchase or maintenance of insurance for the benefit of directors or persons who include directors.

Subject to any applicable law, the Company may by ordinary resolution suspend or relax the above provisions relating to declarations of interest, or ratify any transactions not duly authorised by reason of a contravention of such provisions.

The Directors shall also have the power to authorise certain matters which would otherwise involve a Director breaching his duty to avoid conflicts of interest under the Companies Act, provided that the relevant Director does not vote or count in the quorum in respect of any decision on such authorisation.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money, indemnify and guarantee, and to mortgage or charge all or any part of its undertaking, property, assets (present and future), and to create debenture and loan stock whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors' Meetings

The quorum for a meeting of the Board is two Directors. If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote.

9.8 **Directors Remuneration and Expenses**

The Directors are entitled to such remuneration as the directors determine for their services to the Company as directors, and for any other service which they undertake for the Company.

The Directors are entitled to be repaid all expenses properly incurred by them respectively in connection with their attendance at meetings of directors or committees of directors, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers in relation to the Company.

9.9 **Retirement and Appointment of Directors**

The Board and the Company in general meeting each have power at any time, and from time to time, to appoint any person willing to act and who is permitted by law to do so, to be a director. Any director so appointed shall hold office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting.

A Director will also automatically cease to be a director of the Company if he becomes prohibited by law from holding such office in certain circumstances, or if a resolution is passed unanimously by the Board (excluding the affected Director) for the removal of that Director.

9.10 **Retirement by Rotation**

Each Director must retire from office at the next annual general meeting after his appointment, or after the annual general meeting or general meeting (as the case may be) at which he was last re-appointed. A director who retires at an annual general meeting may, if willing to act, be re-appointed.

9.11 **Directors' indemnity and insurance**

Subject to the Act, the Company will indemnify any Director or other officer of the Company against all costs, charges, expenses, losses and liabilities which he may incur in connection with the execution of his duties and powers or otherwise in relation to them.

The Company will indemnify such person against any liability incurred by him in defending civil or criminal proceedings which relate or are alleged to relate to his actions or omission as a director and in which judgment has been given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty by him) or in which he is acquitted.

The Company may also purchase and maintain for any Director or other officer of the Company, insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

9.12 **Transfers**

Subject to the provisions of the Companies Act, all transfers of shares held in certificated form may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee. The Directors may refuse to register the transfer of a certificated share if it is not fully paid, the transfer is not lodged at the Company's registered office or such other appointed place, it is not duly stamped, it is in respect of more than one class of share or if it is in favour of more than four transferees. All transfers of share held in uncertificated form will be effected by means of the relevant system.

9.13 **Dividends**

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition, the Directors may pay interim dividends if justified by the profits of the Company available for distribution.

Unless otherwise specified, the dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All dividends unclaimed for one year after having been declared may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall revert to the Company.

There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. Subject to the passing of an ordinary resolution by the members, members may be offered the right to elect to receive Ordinary Shares, credited as fully paid, rather than cash.

The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

10. **INTERESTS OF THE DIRECTORS AND SIGNIFICANT SHAREHOLDINGS**

10.1 As at the date of this document and as expected to be immediately following the issue of the Placing and Admission, the interests of the Directors and persons connected to them (within the meaning of section 252 of the Companies Act) in the share capital of the Company, the existence of which is known to or could with reasonable diligence be ascertained by the Directors, are (other than the rights set out in paragraph 10.3 of this Part V) as follows:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>Percentage of Existing Ordinary Share Capital</i>	<i>Number of Ordinary Shares at Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Ian James	433,522	4.46%	433,522	3.23%
Umberto Torrielli	133,433	1.37%	133,433	0.99%
Steven Clarke	20,525	0.21%	20,525	0.15%
Nigel Sharrocks	11,905	0.12%	11,905	0.09%
Darren Poynton	4,015	0.04%	4,015	0.03%
Keith Sadler	–	–	–	–
Martyn Rattle	–	–	–	–
Total	603,400	6.2%	603,400	4.50%

10.2 As at the date of this document and as expected to be immediately following the issue of the Placing and Admission, the Directors and persons connected to them (within the meaning of section 252 of the Companies Act) hold the following options over Ordinary Shares:

<i>Director options</i>	<i>Number of options</i>	<i>Option scheme</i>	<i>Exercise price</i>	<i>Date of grant</i>	<i>Date of expiry</i>	<i>Vesting terms</i>
<i>Directors</i>						
Nigel Sharrocks	25,510	Share Option Scheme for non-executive directors and consultants	0.01	On Admission	7th anniversary of grant	Vest in September 2021 Automatic vesting if the Company is acquired
Ian James	102,500	New Share Option Scheme for employees and executive directors	0.01	02/06/2021	Jun-28	Vest in thirds on 01/03/2022, 01/03/2023 and 1/3/24 Automatic vesting if the Company is acquired
	200,000	New Share Option Scheme for employees and executive directors	2.57	On Admission	7th anniversary of grant	Vest in thirds on 1 st , 2 nd and 3 rd anniversaries of Admission Automatic vesting if the Company is acquired
Umberto Torrielli	105,000	New Share Option Scheme for employees and executive directors	0.01	02/06/2021	Jun-28	Vest in thirds on 01/03/2022, 01/03/2023 and 01/03/2024 Automatic vesting if the Company is acquired
	200,000	New Share Option Scheme for employees and executive directors	2.57	On Admission	7th anniversary of grant	Vest in thirds on 1 st , 2 nd and 3 rd anniversaries of Admission Automatic vesting if the Company is acquired
Darren Poynton	50,000	New Share Option Scheme for employees and executive directors	0.01	02/06/2021	Jun-28	Vest in thirds on 01/03/2022, 01/03/2023 and 01/03/2024 Automatic vesting if the Company is acquired
	80,000	New Share Option Scheme for employees and executive directors	2.57	On Admission	7th anniversary of grant	Vest in thirds on 1 st , 2 nd and 3 rd anniversaries of Admission Automatic vesting if the Company is acquired
Keith Sadler	25,510	Share Option Scheme for non-executive directors and consultants	0.01	On Admission	7th anniversary of grant	Vest in September 2021 Automatic vesting if the Company is acquired
Martyn Rattle	25,510	Share Option Scheme for non-executive directors and consultants	0.01	On Admission	7th anniversary of grant	Vest in September 2021 Automatic vesting if the Company is acquired

- 10.3 Save as disclosed in paragraph 10.1 above, the Company is not aware of any interest in the Company's Ordinary Shares which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Enlarged Share Capital, other than the following:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>Percentage of Existing Ordinary Share Capital</i>	<i>Number of Ordinary Shares at Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Keith Morris	1,501,840	15.45%	1,501,840	11.19%
Neil Donovan	927,171	9.54%	1,067,149	7.95%
Gresham House	–	–	972,750	7.25%
Chelverton Asset Management	–	–	657,500	4.90%
Nick Mason	602,071	6.19%	602,072	4.49%
Sir Peter Michael	298,894	3.07%	–	–

The voting rights of the Shareholders set out in paragraphs 10.1 and 10.3 do not differ from the voting rights held by other Shareholders.

- 10.4 Save as disclosed in this paragraph 10, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 10.5 Save as otherwise disclosed in this document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 10.6 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

11. CONVERTIBLE SECURITIES

Former Share Option Scheme

- 11.1 The Company adopted a share option scheme on 1 October 2014 (amended on 3 April 2020) under which the Company granted Enterprise Management Incentive (EMI) options, and also non-EMI options to employees or executive directors who were not eligible to be awarded EMI options. All options granted under this scheme can only be exercised (to the extent vested) on a sale or listing.

New Share Option Scheme for Employees and Executive Directors

- 11.2 On 27 May 2021, the Company adopted a new share option plan to grant options to employees and executive directors of the Group. The scheme enables the Company to grant options, but also allows the Company to grant non-EMI options to employees or executive directors who are not eligible to be awarded EMI options.
- 11.3 A summary of the rules of the scheme is set out below.

Grant of options

- 11.4 Options may be granted by the Company to employees and executive directors of the Group.
- 11.5 Options may not be granted:
- at any time when that grant would be prohibited by, or in breach of, MAR or any other law, regulation with the force of law or the AIM Rules for Companies; or

- after the tenth anniversary of the date the share option plan is adopted.

11.6 No option can be transferred, assigned or charged. No amount is payable on grant of an option.

Exercise conditions

11.7 Grants may be made subject to exercise conditions.

11.8 The Board may vary or waive such exercise conditions, provided that the new conditions must not be more onerous than the original conditions and must be considered by the Board a fairer measure of performance than the original conditions.

Overall grant limits

11.9 The rules of the scheme reflect the statutory limit that no more than £3,000,000 worth of shares (valued at the date of grant) in a particular company can be subject to EMI options at any time. Any options granted in excess of the limit would be treated as a non-EMI option.

11.10 The Company may not grant options if that grant would result in the total number of shares that are currently under option, together with shares previously issued to fulfil options, exceeding 15 per cent. of the issued share capital of the Company. Options that have lapsed and can no longer be exercised are excluded when calculating this limit.

Termination of employment

11.11 If an option holder dies whilst still an employee or executive director, his estate may exercise his option within a period of 12 months of his death (although if he dies before the option is fully vested the proportion exercisable is reduced to reflect this).

11.12 If an option holder leaves employment for “good leaver” reasons (including, but not limited to, as a result of ill health, disability, redundancy or retirement), he can exercise his option within a period specified by the Board (being not less than 90 days following cessation of employment). However, if he leaves before the option is fully vested the proportion exercisable is reduced to reflect this. The Board can permit him to exercise a greater proportion if it chooses. The option will lapse to the extent not exercised in the period specified by the Board.

11.13 If an option holder leaves employment for any other reason (a “bad leaver”) then the option will lapse immediately. However, the Board has power to determine otherwise and permit him to exercise all or part of his option at its discretion.

Relationship with employment/consultancy contract

11.14 Whilst it may not be enforceable in all circumstances, the scheme provides that the option holder has no right of damages on cessation of employment in relation to the option.

11.15 Benefits under the share option plan are not pensionable.

Takeovers and liquidation

11.16 If the Board considers that a change of control is likely to occur, the Board can allow the option holders to exercise their options before the acquiror obtains control.

11.17 If a change of control occurs, then the option holders have 90 days to exercise their options. If they do not exercise their options in 90 days, they will lapse.

11.18 If the Shareholders receive notice of a resolution for the voluntary winding up of the company, any option holder may exercise the proportion of the option already capable of exercise when notice is received at any time before the resolution is passed, conditional upon the passing of that resolution, and if the option holder does not exercise the option, it shall lapse when the winding up begins.

Variation of share capital

11.19 If there is any variation of the share capital of the company (e.g. a rights issue, consolidation, subdivision or reduction of capital) that affects the value of options, the Board may adjust the number and description of shares subject to each option or the exercise price, in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate (provided that the total amount payable on the exercise of any option in full shall not be increased).

Administration and amendment

11.20 The Board may amend the plan from time to time at its discretion however no amendment may apply to any option granted before an amendment is made if:

11.20.1 the proposed amendment materially adversely affects the interests of an option holder, except where the option holder consents to the application to his option of such an amendment; or

11.20.2 if the grantor is not the Company, without the consent of the grantor (which shall not be unreasonably withheld).

11.21 Details of the options over Ordinary Shares granted by the Company are set out at paragraph 4.11 of this Part VI above.

New Share Option Scheme for Non-executive Directors and Consultants

11.21 On 27 May 2021, the Company adopted a new share option plan to grant options to non-executive directors and consultants. The terms of this plan mirror the terms of the new share option plan for employees and executive directors but with appropriate amendments to take account of the fact that the participants are not employees. The 15 per cent. dilution limit does not apply given the plan is not an employees' share scheme (within the meaning of the Companies Act 2006) and is not therefore eligible for the exemptions that such plans enjoy in relation to directors' allotment authorities and pre-emption rights.

Details of Options granted

11.22 Details of the options over Ordinary Shares granted by the Company are set out at paragraph 4.11 of this Part VI above.

12. DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT

The Company has entered into service agreements/letters of appointment with the Directors as follows:

Executive directors

12.1 A service agreement with Ian James dated 21 June 2021 pursuant to which he was appointed as an executive director (CEO) of the Company for an annual fee of £225,000, payable monthly in arrears. The appointment is for an initial term of 12 months and is then terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the agreement.

12.2 A letter of appointment with Umberto Torrielli dated 21 June May 2021 pursuant to which he was appointed as a director of the Company. The appointment is for an initial term of 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the agreement. Mr Torrielli is not entitled to be paid any fee for his services as a director under the letter of appointment. He carries out his executive duties as CSO in the US only, in respect of which he is separately employed by Silver Bullet USA, Inc. under a contract of employment dated 15 September 2021. Under that contract of employment he is entitled to a starting salary of \$270,000 per year, payable on Silver Bullet USA, Inc.'s regular payroll dates. He is also eligible for a discretionary annual bonus of not less than \$130,000. His employment is not for a specific term and is "at will", meaning that either Mr Torrielli or Silver Bullet USA, Inc. may terminate the employment at any time and for any reason.

- 12.3 A service agreement with Darren Poynton dated 21 June 2021 pursuant to which he was appointed as an executive director (CFO) of the Company for an annual fee of £170,000, payable monthly in arrears. The appointment is for an initial term of 12 months and is then terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the agreement.

IPO Bonus

- 12.4 The Company has agreed that on, or shortly following, Admission the Executive Directors and other senior executives shall be awarded a one-off bonus in recognition of the work undertaken in connection with Admission (the "IPO Bonus"). Ian James, Umberto Torrielli and Darren Poynton will each be entitled to an IPO Bonus worth £90,000, £90,000 and £70,000 respectively, to be paid in cash (less any deductions required by law).

Non-executive directors

- 12.5 A letter of appointment with Nigel Sharrocks dated 21 June 2021, conditional upon Admission, pursuant to which he was appointed as non-executive chairman of the Company for an annual fee of £50,000, payable monthly in arrears. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.
- 12.6 A letter of appointment with Keith Sadler dated 21 June 2021, conditional upon Admission, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £50,000, payable monthly in arrears. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.
- 12.7 A letter of appointment with Martyn Rattle dated 21 June 2021, conditional upon Admission, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £50,000, payable monthly in arrears. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.
- 12.8 A letter of appointment with Steven Clarke dated 21 June 2021, conditional upon Admission, pursuant to which he was appointed as a non-executive director of the Company for an annual fee of £50,000, payable monthly in arrears. The appointment is for 12 months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, he is in material breach of the terms of the appointment.

13. ADDITIONAL INFORMATION ON THE DIRECTORS

- 13.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document¹:

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Nigel Sharrocks	64	Electric House Group Ltd Local Planet International Limited Brightmove Media Limited Broadcasters' Audience Research Board Limited Digital Cinema Media Limited	Project Iconic Holdings Limited Outdoor Plus Limited

¹ Can the directors each review and confirm.

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Keith Sadler	62	The HR Dept Limited Warpaint London PLC Hawkwing PLC Silver Bullet Data Services Holdings PLC	A Spokesman Said Limited Citi Sports Media Limited (Dissolved) Love Sport Radio Limited HR Dept PTY Ltd.
Martyn Rattle	58	Educated Solutions Limited Local Planet Data Services Limited Local Planet International Limited Local Planet Great Britain Limited Local Planet Studios Limited Local Planet UK Limited Marmalade Consultants Limited	None
Ian James	45	4Global Consulting Limited Arena Sports Services Ltd Educated Solutions Limited Fluency Media Limited iotec Native Limited Local Planet Data Services Limited Local Planet International Limited Silver Bullet Media Services Limited Silver Bullet Data Services Holdings PLC Silver Bullet Data Services Limited SilverBullet USA, Inc. Silver Bullet Data Services Pty Ltd	Verve Wireless, Ltd (Dissolved) Redbud Partners Ltd
Umberto Torrielli	38	Network Fantasy Holdings Limited Silver Bullet Data Services GmbH Silver Bullet Data Services Limited Silver Bullet Data Services S.r.l SilverBullet USA, Inc. Silver Bullet Media Services Limited	None
Darren Poynton	48	Depoy Limited Local Planet Data Services Limited Poynt One Enterprises Limited Silver Bullet Media Services Limited Silver Bullet Data Services Limited	45-51 Whitfield Limited AIS Group Limited Arena Media Holdings Limited Arena Media Limited Arnold KLP Limited Cooler King Limited Forward 1 UK Ltd Havas E Group Limited Havas Entertainment Limited Havas Media Limited Havas Sports Limited Organic Marketing Limited SIS Digital Vision Limited Superhero Screen Limited Target Live Limited The Audience Platform Limited
Steven Clarke	47	Create Cubed Limited Round World Digital WithU Holdings Limited	Huxley Ventures Limited Mobile5 Media Limited Orbit HR Limited S Clarke 2012 Limited Splendid Studios Limited

- 13.2 Darren Poynton was appointed as a director of SIS Digital Vision Limited, a subsidiary of the SIS group, on 14 December 2017 and resigned from this position on 8 November 2018. SIS Digital Vision Limited commenced insolvency proceedings on 9 August 2019. The Statement of Affairs dated 8 February 2021 estimated that there was £6.7 million outstanding to secured creditors and unsecured creditor claims, with additional £1.7 million of unclaimed unsecured credit obligations, attributable directly to the company. The administration process remains ongoing, with the latest estimated creditor shortfall across the wider SIS group cited as approximately £27 million, with, in aggregate, c.£9.5 million of claims having been brought.
- 13.3 Nigel Sharrocks was appointed as a director of Brightmove Media Limited on 21 January 2015. The company commenced voluntary insolvency proceedings on 11 January 2021, which remain ongoing. The Statement of Affairs dated 15 March 2021 estimated an aggregate shortfall to creditors of £481,511, of which, approximately £282,000 comprised unsecured directors' loans.
- 13.4 Save as disclosed above, none of the Directors has:
- (a) any unspent convictions in relation to indictable offences;
 - (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
 - (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

14. EMPLOYEES

On Admission, the Group will have 62 employees who are based across the Group's offices as follows:

- (a) 39 employees and four consultants in the UK;
- (b) 12 employees in Italy;
- (c) 2 employees in Australia;
- (d) 2 employees in Germany; and
- (e) 7 employees in the USA.

15. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been: (a) entered into by a member of the Group within the two years immediately preceding the date of this document and are, or may be, material; or (b) entered into by a member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is (or may be) material to the Group as at the date of this document.

15.1 *Placing Agreement*

On 21 June 2021, the Company, the Directors, Strand Hanson (as the Company's nominated adviser) and Oberon Capital (as the Company's broker), entered into the Placing Agreement, under which

Strand Hanson and Oberon Capital have been granted certain powers and authorities in connection with the Placing and the application for Admission. Under the terms of the Placing Agreement, the Company and the Directors have given certain customary warranties, and the Company has given an indemnity, in connection with the Placing and Admission, as well as other matters relating to the Group and its affairs.

Strand Hanson or Oberon Capital may terminate the Placing Agreement in certain specified circumstances prior to Admission, including if the Company or the Directors are in breach of any term of the Placing Agreement, any circumstance resulting in breach of any of the warranties, there has been a material adverse change in the financial or trading position or prospects of the Group, a material new factor, mistake or inaccuracy has been discovered relating to the information in the Admission Document, or there has been an adverse event in the markets effecting the London Stock Exchange or the economic financial or political environment, including any worsening of the COVID-19 pandemic. The Placing Agreement is subject to the satisfaction or waiver of a number of conditions prior to Admission, including, certain warranties remaining true and accurate, the allotment and issue of the Placing Shares (subject to Admission) taking place and Admission taking place by 28 June 2021 (or such later time as may be agreed by the Company, Strand Hanson and Oberon Capital, being not later than 31 July 2021).

In consideration of Oberon Capital's services under the Placing Agreement, the Company has agreed to pay the following, plus VAT (if any) and disbursements (as well as any reasonable out of pocket expenses incurred):

- (a) £25,000 in connection with Admission;
- (b) a broking commission of 5 per cent. of the aggregate value at the Placing Price of the Placing Shares conditional upon Admission; and
- (c) an annual retainer of £30,000 payable quarterly in advance.

15.2 **Strand Hanson Transaction Engagement Letter**

Pursuant to an engagement letter dated 8 January 2021, Strand Hanson agreed to act as the Company's financial adviser in connection with Admission and the Company's nominated adviser for the purposes of the AIM Rules. In consideration of the services set out in the engagement letter, the Company agreed to pay Strand Hanson a fee of £175,000 plus applicable VAT and disbursements.

15.3 **Nominated Adviser Agreement**

On 21 June 2021, the Company, the Directors, and Strand Hanson entered into the Nominated Adviser Agreement, pursuant to which the Company has appointed Strand Hanson to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Strand Hanson an annual fee payable in equal quarterly instalments, together with expenses for its services as Nominated Adviser under this agreement. The agreement contains certain customary undertakings given by the Company and the Directors and an indemnity from the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

15.4 **Broker Agreement**

On 27 November 2020, the Company and Oberon Capital entered into the Broker Agreement, pursuant to which the Company has appointed Oberon Capital to act as broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Oberon Capital an annual fee payable in equal quarterly instalments, as noted in paragraph 15.1 above, together with expenses for its services as broker under this agreement. The agreement contains certain customary undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

15.5 **Lock-in and Orderly Market Deeds**

Each of the Rule 7 Locked-in Shareholders have undertaken to the Company, Strand Hanson and Oberon Capital in accordance with rule 7 of the AIM Rules for Companies that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of their holdings through the Company's broker with a view to maintaining an orderly market in the shares.

Each of the Locked-in Existing Shareholders have undertaken to the Company, Strand Hanson and Oberon Capital that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of their holdings through the Company's broker with a view to maintaining an orderly market in the shares.

15.6 **Local Planet JV Agreement**

On 11 January 2021, SBDS Group Limited entered into the Local Planet JV Agreement to regulate the exercise of Local Planet International Limited and SBDS Group Limited's respective rights in relation to the Local Planet JV. Under the terms of the agreement, the Local Planet JV is a member of the Local Planet international media network and a vehicle through which SBDS Group Limited is the exclusive provider of data, technology, analytics and associated advisory and consultancy services to all other agencies in the network.

The agreement will continue for so long as both parties hold shares in the Local Planet JV or until steps are taken to wind up the Local Planet JV. During this term, unless agreed in advance by Local Planet International Limited, SBDS Group Limited is restricted from providing advisory and consultancy services to any network or independent media agencies with the direct or indirect object that they will be better able to compete with the Local Planet network. This does not prevent SBDS Group Limited from providing product-related services such as 4D to such entities. In addition, for the duration of the agreement and for a period of 12 months after SBDS Group Limited ceases to be a shareholder of the Local Planet JV, no member of its Group is permitted to deal or actively seek the custom of any person that is, or has been within the previous 12 months, a client of Local Planet International Limited or one of its network members. This does not apply to any client of SBDS Group Limited which it introduced to the network.

The maximum aggregate liability of each party (other than fees) arising out of the agreement is £2,000,000 and SBDS Group Limited is obliged to maintain professional indemnity insurance to an equivalent amount in relation to the services it provides.

The agreement is governed by the law of England and Wales. Any dispute arising out of or in connection with the agreement is subject to the exclusive jurisdiction of the courts of England and Wales.

15.7 **Acquisition of Videobeet and Technobeet**

On 20 December 2019, the Company entered into an agreement to acquire the entire issued share capital of Videobeet Italia S.r.l. ("**Videobeet**") and Technobeet S.r.l. ("**Technobeet**") (now Silver Bullet Data Services S.r.l.) from a number of individual selling shareholders.

The agreed consideration was c. £1.1m satisfied by the issue of shares in the Company.

Under the agreement, the Company has the benefit of representations and warranties given by the sellers, backed by an indemnity in case of breach. The sellers' liability is subject to a *de minimis* threshold of €500, a minimum aggregate value of €5,000 and is capped at the value of the consideration received by the sellers. Except for liability arising from any breach of the non-competition and non-solicitation provisions in the agreement, each seller is liable in proportion to their respective shareholding in either Videobeet or Technobeet (as the case may be).

Stefano Camisasca, the majority selling shareholder, is restricted from carrying out any competing business or soliciting any employees, customers or suppliers of either company until 20 December 2021 (being two years from the completion date). A separate fixed penalty of €250,000 will be payable to SBDS Group Limited in case of breach.

The agreement is governed by the laws of the Republic of Italy. Any disputes are to be referred to the Arbitration Chamber of Milan or, in the case of proceedings which cannot be submitted to arbitration, are subject to the exclusive jurisdiction of the courts of Milan.

On 17 December 2020, a deed was executed whereby Technobeet was merged by incorporation into Videobeet and the company changed its name to Silver Bullet Data Services S.r.l.

15.8 **Acquisition of Silver Bullet Data Services Limited**

On 31 May 2019, the Company entered into a share purchase agreement to acquire the entire issued share capital of Silver Bullet Data Services Limited from a number of individual selling shareholders, including co-founders Ian James and Umberto Torrielli.

The initial consideration was £250,000 in cash plus the issue of shares in SBDS Group Limited. In addition, deferred consideration was payable as follows:

- £1,000,000 on 1 August 2019; and
- £1,250,000 on 31 July 2020.

The obligations of the Company to pay the deferred consideration were secured by a share charge and a debenture which were subsequently released.

The total consideration was subject to adjustment by a completion accounts mechanism.

Ian James, Umberto Torrielli and Simon Theakston gave certain warranties in favour of the Company on a joint and several basis. Their liability in respect of any claim under the warranties is several and limited (save in the case of fraud, wilful misstatement, concealment or non-disclosure) as follows:

- limited to a period of 15 months from completion in relation to a non-tax claim (i.e. ended on 31 August 2020);
- limited to a period of 7 years from completion in relation to a tax claim or a claim in respect of certain fundamental warranties (i.e. ending on 31 May 2026);
- subject to a de minimis threshold of £10,000 and a minimum aggregate value of £50,000;
- the aggregate liability for all breach of warranty claims (save in respect of fundamental warranties) is capped at 30 per cent. of the value of the consideration received by each of them, and for all other claims under the agreement shall not exceed the total consideration received by each of them.

In addition, the Company gave certain warranties to the sellers. Liability for breach was capped at £750,000 in the aggregate and limited to a period of 12 months from completion (i.e. ended on 31 May 2020).

Save as required in the course of their subsequent duties as an employee of a Group company, Ian James, Umberto Torrielli and Simon Theakston severally undertook not to carry out any competing business, solicit any employees or clients, or use any trade or business name of Silver Bullet Data Services Limited or Silver Bullet Data Services Pty Limited for a two year period ending on 31 May 2021.

The agreement is governed by English law. Any dispute arising out of or in connection with the agreement is subject to the exclusive jurisdiction of the English courts.

15.9 **Warrant Instruments**

On 21 June 2021 the Company entered into a warrant deed pursuant to which the Company, conditional upon Admission, grants to Strand Hanson Limited 134,190 Warrants over New Ordinary Shares exercisable at the Placing Price (subject to usual adjustment and anti dilution provisions) during the period starting on Admission and ending on the fifth anniversary thereof.

On 21 June 2021 the Company entered into a warrant deed pursuant to which the Company, conditional upon Admission, grants to Oberon Capital 134,190 Warrants over New Ordinary Shares exercisable at the Placing Price (subject to usual adjustment and anti dilution provisions) during the period starting on Admission and ending on the fifth anniversary thereof.

16. RELATED PARTY TRANSACTIONS

- 16.1 The executive directors of the Company have been allotted shares in the Company as follows:
- (a) Nigel Sharrocks received Ordinary G Shares pursuant to the allotment referred to at paragraph 4.4(i) above;
 - (b) Ian James, Umberto Torrielli and Darren Poynton received Ordinary G Shares pursuant to the allotment referred to at paragraph 4.4(i) above;
 - (c) Ian James and Umberto Torrielli received Ordinary H Shares pursuant to the allotment referred to at paragraph 4.4(e) above;
 - (d) Each of Nigel Sharrocks, Ian James, Umberto Torrielli and Darren Poynton received bonus shares pursuant to the allotment referred to at paragraph 4.6(a) above.
- 16.2 Save as disclosed in paragraph 16.1 above, and in paragraph 24 of the Company's Historical Financial Information in Part III, and in paragraph 19 of the Group's Historical Financial Information in Part IV, during the period covered by the Historical Financial Information and up to the date of this document, the Company did not enter into any related party transactions.

17. LITIGATION

- 17.1 The Company is involved in an employment dispute relating to the dismissal of a former employee following an unsuccessful probation period. On 1 July 2020, the former employee submitted an un-particularised claim to the Employment Tribunal, alleging (i) discrimination on the basis of sex, sexual orientation and/or race, and (ii) non-payment in respect of accrued but untaken holiday. On 19 November 2020 the Company submitted its response, confirming that the employee was dismissed due to performance issues during the probationary period. All claims of discrimination and non-payment of holiday pay are denied.
- 17.2 Save as disclosed in this document, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings pending or threatened by or against any member of the Group, which may have or have had during the twelve months preceding the date of this document a significant effect on the financial position or profitability of the Group.

18. NO SIGNIFICANT CHANGE

Save for matters disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2020, being the date to which its last audited accounts were prepared.

19. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, that the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

20. TAXATION

20.1 Introduction

The following paragraphs are intended as a general guide only to the United Kingdom tax position of Shareholders who are the beneficial owners of Ordinary Shares in the Company who are United Kingdom tax resident and, in the case of individuals, domiciled in the United Kingdom for tax purposes and who hold their shares as investments (otherwise than under an individual savings account (ISA)) only and not as securities to be realised in the course of a trade.

Certain Shareholders, such as dealers in securities, traders, brokers, bankers, persons connected with the Company, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their (or another person's) employment or as an office holder may be taxed differently and are not considered. Furthermore, the following paragraphs do not apply to:

- prospective investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement; or
- persons with special tax treatment such as pension funds or charities.

Any prospective purchaser of Ordinary Shares in the Company who is in any doubt about their tax position or who is subject to taxation or domiciled in a jurisdiction other than the United Kingdom should consult their own professional adviser immediately.

Unless otherwise stated the information in these paragraphs is based on current United Kingdom tax law and published HMRC practice as at the date of this document. Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

20.2 **Income Tax – taxation of dividends**

The taxation of dividends paid by the Company and received by a Shareholder resident for tax purposes in the United Kingdom is summarised below.

United Kingdom resident individuals

Since 6 April 2016 a new system of taxation for dividends applies to United Kingdom resident individual shareholders. Dividends received are no longer grossed up to include a 10 per cent. notional tax credit. Instead individuals pay tax on the amount received.

Dividend income is subject to income tax as the top slice of the individual's income. Each individual has an annual dividend allowance of £2,000 (2021/22 tax year) which means that they do not have to pay tax on the first £2,000 of all dividend income they receive.

Dividends in excess of the dividend allowance are taxed at the individual's marginal rate of tax, with dividends falling within the basic rate band taxable (2021/22 tax year) at 7.5 per cent. (the "dividend ordinary rate"), those within the higher rate band taxable at 32.5 per cent. (the "dividend upper rate") and those within the additional rate band taxable at 38.1 per cent. (the "dividend additional rate").

United Kingdom discretionary trustees

The annual dividend allowance available to individuals is not available to United Kingdom resident trustees of a discretionary trust. Since 6 April 2016, United Kingdom resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate.

United Kingdom resident companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, may (subject to anti-avoidance rules) be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends paid by the Company from being chargeable to United Kingdom corporation tax. Such shareholders should seek independent advice with respect to their tax position.

Non-United Kingdom residents

Generally, non-United Kingdom residents will not be subject to any United Kingdom taxation in respect of United Kingdom dividend income. Non-United Kingdom resident shareholders may be subject to tax on United Kingdom dividend income under any law to which that person is subject outside the United Kingdom. Non-United Kingdom resident shareholders should consult their own tax advisers with regard to their liability to taxation in respect of the cash dividend.

Withholding tax

Under current United Kingdom tax legislation no tax is withheld from dividends or redemption proceeds paid by the Company to Shareholders.

20.3 **United Kingdom Taxation of capital gains**

The following paragraphs summarise the tax position in respect to a disposal of Ordinary Shares on or after 6 April 2017 by a Shareholder resident for tax purposes in the United Kingdom. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the amount paid for the Ordinary Shares will generally constitute the base cost of the Shareholder's holding.

A disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are United Kingdom tax resident or only temporarily non-United Kingdom tax resident, capital gains tax (2021/22 tax year) at the rate of 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain may be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index, but will not create or increase an allowable loss.

Individual Shareholders who continuously hold their Ordinary Shares for no less than three years from their issue date may, on a subsequent disposal of those Ordinary Shares, qualify for "Investors' relief". Investors' relief was introduced by the Finance Act 2016 and provides for a reduced rate of capital gains tax of 10 per cent. on gains realised on the disposal of certain ordinary shares, up to a lifetime limit of £10m of gains, subject to various conditions being met by both the investor and investee company.

For trustee Shareholders of a discretionary trust who are United Kingdom tax resident, capital gains tax (2021/22 tax year) at the rate of tax of 20 per cent. may be payable on any gain (after any available exemptions, reliefs or losses).

Non-United Kingdom resident Shareholders will not normally be liable to United Kingdom taxation on gains unless the Shareholder is trading in the United Kingdom through a branch, agency or permanent establishment and the Ordinary Shares are used or held for the purposes of the branch, agency or permanent establishment.

20.4 **Stamp duty and stamp duty reserve tax (SDRT)**

No UK stamp duty or SDRT will be payable on the issue or allotment of Ordinary Shares pursuant to the Subscription, nor on subsequent transfers or agreements to transfer Ordinary Shares by virtue of the exemption from stamp duty and SDRT of shares traded on AIM.

The statements in this paragraph 20.4 apply to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate than that referred to above or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities should not give rise to a liability to stamp duty or SDRT.

20.5 **Inheritance Tax**

Shares in AIM listed trading companies or holding company of a trading group may, after a relevant qualifying period (normally 2 years), qualify for business property relief for United Kingdom inheritance tax purposes, subject to the detailed conditions for the relief.

21. GENERAL

- 21.1 The net proceeds of the Placing are expected to be £8.14 million. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £1.36 (excluding VAT).
- 21.2 Save in connection with the application for Admission, none of the Ordinary Shares has been admitted to dealings on any recognised exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.
- 21.3 Crowe U.K. LLP (as reporting accountant) of 55 Ludgate Hill, London, EC4M 7JW, United Kingdom, has given and not withdrawn its written consent to the inclusion in this document of its accountants reports in Parts III, IV and V of this document in the form and context in which they appear and has authorised its reports for the purpose of Schedule Two of the AIM Rules.
- 21.4 Strand Hanson Limited (as nominated adviser) of 26 Mount Row, Mayfair, London, W1K 3SQ has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 21.5 Oberon Investments Limited (as broker) of Nightingale House, 65 Curzon Street, London, W1J 8PE has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 21.6 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 21.7 The accounting reference date of the Company is 31 December. The current accounting period will end on 31 December 2021.
- 21.8 The Placing Price of £2.57 represents a premium of £2.56 over the nominal value of £0.01 per Ordinary Share.
- 21.9 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.
- 21.10 Save as otherwise disclosed in this document, there are no patents or other intellectual property rights or licences which are of fundamental importance to the Group's business or profitability.

22. AVAILABILITY OF ADMISSION DOCUMENT

Copies of the document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company and the offices of Oberon Capital at 65 Curzon Street, London W1J 8PE, United Kingdom for one month from Admission. This document is also available on the Company's website at www.wearesilverbullet.com.

DATED: 21 June 2021

