

Corporate Governance

Silver Bullet Data Services plc -Statement of Compliance with the QCA Corporate Governance Code

Chairman's Statement

The Board of Directors is responsible for the long-term success of the Company and, as such, devises the Group strategy and ensures that it is implemented. The board is determined that the Company protects and respects the interests of all stakeholders and, in particular, is focused upon creating the right environment for its employees. A reward structure is therefore in place, which includes the grant of share options, enabling members of staff to participate in the growth of the Company, as appropriate. Fundamentally, we want our clients, who are an essential part of the Company; to be part of the SBDS plc development and we work closely with them to ensure that this is the case. Above all, the Company wishes to ensure that shareholders obtain a good return on their investment and that the Company is managed for the long-term benefit of all shareholders and other stakeholders. Appropriate Corporate Governance procedures will ensure that that is the case and reduce the risk of failure.

Nigel Sharrocks, Chairman

Adoption of the Quoted Companies Alliance (QCA) Corporate Governance Code

The board of directors ("Board") adopted the QCA Corporate Governance Code ("QCA Code") on 25 June 2021. The Board believes that this is the most appropriate Code for the Company to adopt at this stage in its development. The QCA Code is built around ten broad principles and a set of disclosures. The Board has considered each principle individually and the extent to which it is appropriate in the circumstances. This Corporate Governance Statement sets out in general terms how the Company complies with the ten principles of the QCA Code at present and any proposals for further compliance. Annual updates will be provided on our compliance with the QCA Code and more information will be set out in the Company's Annual Report for the year ending 31 December 2021.

Deliver Growth

Principle 1: Establish a Strategy and Business Model which promote long-term value for Shareholders

Our vision is to be a global leading integrated software platform for the marketing services industries.

1. Develop and build the Group's 4D platform and provide new product development that meets changing regulation and client needs
2. Develop and nurture the current core business
3. Grow Market Share
4. Develop the appropriate organisational structure, people strategy and organisational efficiency

We continue to review the businesses' structures, resources and capabilities with the objective of delivering the three-year strategic plan, communicating the plan to ensure that all employees are engaged, and rewarding employees suitably for doing a good job.

Principle 2: Seek to understand and meet Shareholder needs and expectations

The Company remains committed to communicating openly with all of our shareholders, both private and institutional. This enables the Company to ensure that its strategy, business model and performance are clearly understood. It also enables the Company to appreciate the needs and expectations of shareholders and respond to queries promptly and comprehensively.

All individual investor queries should be addressed to the Company Secretary at cosec@wearesilverbullet.com

Private Investors

The Board recognises that the AGM is an important opportunity to meet private shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the Board. All board directors endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

Institutional Shareholders

The Chief Executive Officer and the Chief Financial Officer make presentations to institutional shareholders and participate in Investor Presentations both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every executive officer participates in every investor presentation. The Chairman will participate in these presentations where appropriate and is always available to speak with shareholders. Dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable. The Board responds to and will take account wherever possible of recommendations made by proxy adviser companies.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions that deliver on our commitments. We take our corporate social responsibilities seriously. That means maintaining effective working relationships with stakeholders including employees, partners, customers, suppliers and regulatory authorities. There will be more detail on how we do this in our:

Corporate Responsibility Statement;
Directors' Report; and the
Section 172 Statement.

While promoting the business and its success through our operations and working methods, we balance the needs of all stakeholder groups. We promote a culture of respect, integrity and trust, and we expect all members of our team to operate in an honest and ethical way, whether dealing with individuals inside or outside the group.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company is exposed to a variety of risks that can have financial, operational and regulatory impacts on our business performance. The Board recognises that creating shareholder returns is the reward for taking and accepting risk. The effective management of risk is therefore critical to supporting the delivery of the Group's strategic objectives.

The assessment and management of risk is primarily the function of the executive officers, most specifically the Chief Executive Officer for strategic and business risk and the Chief Financial Officer for financial risk.

Any system of internal control has inherent limitations. The system is designed to manage risks rather than eliminate them. It provides only reasonable and not absolute assurance against material misstatement or loss and flags any new and material risks to the Board.

The principal risks identified by the Board are as follows:

Risk Management

The Group is exposed to a variety of risks that can have financial, operational and regulatory impacts on our business performance. The Board recognises that creating shareholder returns is the reward for taking and accepting risk. The effective management of risk is therefore critical to supporting the delivery of the Group's strategic objectives.

Currency / Foreign Exchange

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.

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.

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 the 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.

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.

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.

Insurance

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.

Cyber Attacks

There is an increasing risk that cybercrime will cause business interruption, loss of key systems, loss of online sales, theft of data or damage to reputation. The Group regularly review and invest in the development and maintenance of our IT infrastructure, systems and security. We have in place disaster recovery and business continuity plans that are tested annually in addition the Group has insurance cover for cyber crime up to £5.0 million.

Covid-19 Pandemic

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. The Group continues to monitor the developments of the Covid-19 Pandemic to limit the impacts on the business.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board

The Board currently comprises of the Chairman, Nigel Sharrocks, three non-executive directors, Steven Clarke, Martyn Rattle and Keith Sadler, and three Executive Directors, Ian James, Darren Poynton, and Umberto Torrielli.

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.

Keith Sadler will chair the Audit Committee and the Remuneration Committee.

The Board considers its composition to be appropriate at this stage of the Company's development, but this remains constantly under review as the Group grows in size. At this stage in the Company's development the Board does not consider that having a Senior Independent Director is appropriate but this will also remain under review.

The Board of directors is responsible for the long-term success of the Company. This includes formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions, and reporting to the shareholders. Dialogue occurs regularly between the Chairman and other Board members and between the directors themselves

outside of scheduled meetings. Meeting agendas include review and approval of minutes recorded, matters arising, a review of material operational matters relating to Group's businesses and other special items for discussion or consideration. Board papers are circulated in advance to allow directors adequate time for consideration.

Board Meetings

It is intended that the Board will meet monthly to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

In the event that directors are unable to attend a meeting, their comments on papers submitted may be discussed in advance with the Chairman enabling their contribution to be included in the wider board discussion.

The executive directors are each required to commit at least the following number of days per week to their roles: The Chief Executive Officer, five days; the Chief Financial Officer, five days and the Chief Strategy Officer, five days. The non-executive directors are required to provide such time as is required to fully and diligently perform their duties. All Board members are expected to attend all meetings of the Board and the committees on which they sit, wherever possible.

Audit, Remuneration and Insider Committees

The Audit Committee and the Remuneration Committee comprises two non-executive directors: Keith Sadler (Chair) and Steven Clarke.

From time to time separate committees are set up by the Board to consider specific issues when the need arises. Due to the size of the Group, the directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than a committee, but will regularly reconsider whether a Nominations Committee is required.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board retains a range of financial, commercial and entrepreneurial experience and there is a good balance of skills, independence, diversity and knowledge of both the Company and the sectors in which it operates including cosmetics, retailing, finance and computing, innovation, international trading, e-commerce, marketing and public markets. The non-executive directors have been appointed on merit and for their specific areas of expertise and knowledge. This enables them to bring independent judgement on issues of strategy and performance and to debate matters constructively.

The Board seeks external advice from time to time to enable it to effectively perform its duties including from its lawyers, accountants, nominated adviser and corporate broker, financial PR advisers and insurance brokers. Advice has been sought from h2glenfern Limited in connection with a review of executive compensation across the Group with a view to the recommendation and adoption of incentive arrangements (including share options) which reward success and enhance the performance of the Group. All directors have access to the advice and services of the General Counsel & Company Secretary, who is responsible for

ensuring that Board procedures are followed and that the Company complies with applicable rules, regulations and obligations.

The skills brought to the Board are as follows:

Nigel Sharrocks (Chairman)
Public Companies, Industry Knowledge and Experience

Ian James (Chief Executive Officer)
Co-Founder of SBDS, Entrepreneurship, Industry Knowledge and Experience

Umberto Torrielli (Chief Strategy Officer)
Co-Founder of SBDS, Entrepreneurship, Industry Knowledge and Experience

Darren Poynton (Chief Finance Officer)
Financial skills, Industry and Public Company Experience

Martyn Rattle (Non-Executive Director)
Industry Knowledge and Experience

Steven Clarke (Non-Executive Director)
Industry Knowledge and Experience

Keith Sadler (Non-Executive Director)
Financial skills Industry and Public Company Experience

Directors attend seminars and other regulatory and trade events where appropriate to ensure that their knowledge industry sector contacts remains current.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Group's performance is reported monthly against headline performance and agreed budgets and reviewed by the Board (as a minimum) at each monthly board meeting. The Board challenges the executive directors and senior management on performance against budgets, forecasts and key business milestones. The Board have adopted a set of KPI's against which the performance of the Company and therefore the Board, can be measured.

The Company remains at a relatively early stage in its development as a quoted company and is yet to adopt a formal performance evaluation procedure for the Board and directors individually. This will remain under review and the Board will consider the implementation of performance evaluations facilitated by external advisers for the Board, both individually and as a group, to ensure the efficient and productive operation of the Board. As the business of the Group grows, the expertise required at management level is expanded and developed although there are no prescribed procedures for succession planning at Board level.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Board maintains a corporate culture consistent with the Group's strategic objectives which aims to promote an ethical and responsible business.

The corporate culture is monitored by the Chief Executive Officer who appraises the Board of any issues arising. In addition, the Board receives monthly reports from the Chief Financial Officer on HR and employee matters. The culture is implemented through a number of policies on Anti-Bribery, Whistleblowing, Modern Slavery, Employment and the Environment which are described below and regularly reviewed:

Anti-Bribery

The Group has in place an anti-bribery and anti-corruption policy which sets out its zero-tolerance position and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues. During the period to 31 December 2020 there were no incidents for consideration.

Whistleblowing

The Group's 'whistleblowing' procedures ensure that arrangements are in place to enable employees and suppliers to raise concerns about possible improprieties on a confidential basis. Any issues raised are investigated and appropriate actions are taken. Should any significant issue arise they are highlighted to the Board.

Modern Slavery and Human Trafficking

The Group has relationships with businesses around the world and is opposed to modern slavery and human trafficking wherever it may occur. The Group's processes and supply chains are examined and reviewed at least annually to ensure that slavery and human trafficking are prevented in its business and supply chains. Compliance with the Modern Slavery Act 2015 or equivalent anti-slavery, human trafficking laws are mandatory in all supply contracts.

Employees and Equal Opportunities

At senior management level there are 4 female managers and 11 male managers. Throughout the Group, the proportion of female to male employees is approximately 23% to 77%.

Environment

Silverbullet has a limited environmental footprint. GHG emissions are effectively limited to scope 3 through third party electricity supply and AWS cloud computing. Silverbullet has a presence in five countries but only three fixed offices, they utilise co working meeting facilities and the flexibility of working from home where appropriate. Overseas travel is minimised where possible and in the UK Silverbullet has an active cycle scheme in place for staff.

Charitable Causes

During the year ended 31 December 2020 the group undertook two campaigns for trans rights and Save the Children on a pro bono basis. No other charitable donations were made.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Board Operation

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board for its decision. These include formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions, and reporting to the shareholders.

The Board aims to meet monthly for regular Board meetings, which are scheduled prior to the commencement of each financial year. These meetings are scheduled to coincide with the announcement of the Company's annual and half yearly accounts and throughout the remainder of the year at regular monthly intervals. These are supplemented by additional meetings where required for business including informal business reviews, to review budgets and focus on strategy. Dialogue occurs regularly between directors outside of scheduled meetings.

A formal agenda is produced for each meeting and for in person board meetings which includes the review and approval of minutes recorded, matters arising, a review of material operational matters relating to Group's businesses and other special items for discussion or consideration. Board papers are circulated to board and committee members in advance to allow directors adequate time for consideration. Any specific actions arising from such meetings are agreed by the Board or relevant Committee, circulated after the relevant meeting by the Company Secretary and then followed up by the Company's management. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each scheduled meeting. The Board challenges the executive directors and senior management on performance against budgets, forecasts and key business milestones. Monthly updates on performance are reviewed at each formal board meeting. The Board have adopted a set of KPI's against which the performance of the Company and therefore the Board, can be measured.

The Company's Articles of Association require that one-third of the directors must stand for re-election by shareholders annually in rotation and that any new directors appointed during the year must stand for election at the AGM immediately following their appointment.

Roles of the Chairman, Chief Executive Officer, Chief Financial Officer and Company Secretary

The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is primarily responsible for implementing and driving the Group strategy once it has been approved, investor relations and overseeing the management of the Company through the executive team.

The Chief Financial Officer works closely with the Chief Executive Officer and is primarily responsible for the provision of monthly financial information to the Board, control of working capital, overseeing the audit and preparation of all Group company statutory accounts and consolidated Interim Statements along with the overall financial management of the Group and its processes. The executive officers are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets to approved by the board of directors.

The Company Secretary is responsible for the oversight of legal issues and regulatory compliance along with executive share schemes, investor queries, HR matters, insurances and policy implementation. In addition, the Company Secretary assists the Chairman and other committee chairs in ensuring all meetings of the Board and committees are informed and effective.

Audit and Remuneration Committees

The Board has established the Audit Committee and Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. The full terms of reference of each committee can be found as follows:

Audit Committee here

Remuneration Committee here

From time to time separate committees are set up by the Board to consider specific issues when the need arises. Due to the size of the Group, the directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than a committee, but will regularly reconsider whether a nominations committee is required.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company's principal means of communication with shareholders is through the Annual Report and Accounts, the full-year and half-year announcements and the Annual General Meeting (AGM). Investor queries may be addressed to the Company Secretary at cossec@wearesilverbullet.com

A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website www.investors.wearesilverbullet.com

In addition, the Board receives regular updates on the views of shareholders through briefings and reports from the Executive Directors, the Company's brokers and PR Advisers. The Chief Executive Officer and the Chief Financial Officer make presentations to institutional shareholders and participate in Investor Presentations both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every executive officer participates in every investor presentation. The Chairman will participate in these presentations in future where appropriate and is always available to speak with shareholders. Dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable.