

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK, or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold only part of your holding of Existing Ordinary Shares, please contact the bank, stockbroker or other agent through whom or by whom the sale or transfer was made immediately.

This document is an admission document prepared in accordance with the AIM Rules for Companies and has been issued in connection with the application for admission to trading of the entire issued and to be issued share capital of the Company to trading on AIM. This document does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. **Application has been made for all of the issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on AIM on 19 December 2016. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.**

The Company and the Directors of HubCo Investments plc, whose names appear on page 6 of this document, accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who 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.

The whole text of this document should be read. Your particular attention is drawn to the letter from the Chairman of the Company which is set out in Part I and to the risk factors set out in Part III of this document. The whole of this document should be read in light of those risk factors.

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 UK Listing Authority. 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.

HUBCO INVESTMENTS PLC

(Incorporated in England and Wales with Registered Number 07847321)

PROPOSED ACQUISITION OF BIG SOFA LIMITED

APPROVAL OF WAIVER OF THE OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE

CHANGE OF NAME TO BIG SOFA TECHNOLOGIES GROUP PLC

PLACING OF 29,411,770 NEW ORDINARY SHARES AND SUBSCRIPTION FOR 6,525,276 NEW ORDINARY SHARES, EACH AT A PRICE OF £0.17 PER NEW ORDINARY SHARE

ADMISSION OF THE ENLARGED ISSUED SHARE CAPITAL TO TRADING ON AIM

SHARE CONSOLIDATION

AND

NOTICE OF GENERAL MEETING

Nominated Adviser



SPARK Advisory Partners Limited
Authorised and regulated by the Financial
Conduct Authority

Broker

HOBART
CAPITAL
MARKETS

Hobart Capital Markets LLP
Authorised and regulated by the Financial
Conduct Authority

Issued ordinary share capital immediately following Admission

New Ordinary Shares of
3p each

Number
56,753,104

The New Ordinary Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

SPARK Advisory Partners Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of SPARK Advisory Partners Limited or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. SPARK Advisory Partners Limited's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by SPARK Advisory Partners Limited, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. Apart from the responsibilities and liabilities, if any, which may be imposed on SPARK Advisory Partners Limited by the FSMA or the regulatory regime established thereunder, SPARK Advisory Partners Limited does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. SPARK Advisory Partners Limited accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Hobart Capital Markets LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of Hobart Capital Markets LLP or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. No representation or warranty, express or implied, is made by Hobart Capital Markets LLP, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Notice convening a General Meeting of the Company to be held at the offices of Jeffrey's Henry LLP, Finsgate, 5-7 Cranwood Street, London EC1V 9EE on 16 December 2016 at 11.00 a.m. is set out at the end of this document. A Form of Proxy accompanies this document. To be valid, the Form of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's registrars, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, not later than 11.00 a.m. on 14 December 2016. The completion and depositing of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, at the Company's website www.hubcoinvestments.co.uk (at the date of this document) and www.bigsofa.co.uk (post Admission). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Admission Document and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of the Company, or the Board, concerning, among other things, the Company's results of operations, financial position, liquidity, prospects, growth and strategy.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets may differ materially from those described in, or suggested by, the forward looking statements contained in this Admission Document. In addition, even if the development of the markets and those sectors are consistent with the forward-looking statements contained in this Admission Document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, currency fluctuations, political and economic uncertainty and other factors discussed in the sections Part I "Letter from the Chairman", Part III "Risk factors", Part IV "Historical Financial Information", Part V "Unaudited Pro Forma Statement of Net Assets of the Enlarged Group" and Part VI "Additional Information" of this Admission Document.

Any forward-looking statements in this Admission Document reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's strategy. Investors should specifically consider the factors identified in this Admission Document which could cause results to differ before making an investment decision. These forward-looking statements speak only as at the date of this Admission Document. Subject to any applicable obligations, the Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this Admission Document (including the Risk Factors set out in Part III of this Admission Document) which could cause actual results to differ before making an investment decision. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statement made as to sufficiency of working capital in paragraph 17 of Part VI of this Admission Document.

INFORMATION FOR OVERSEAS SHAREHOLDERS

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by SPARK Advisory Partners Limited or Hobart Capital Markets LLP that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. 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.

This document does not constitute an offer to sell, or a solicitation of an offer to subscribe for or buy, Ordinary Shares to any person in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not, subject to certain exceptions, for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa, or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, Japan, or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States of America, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States of America.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas shareholders 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.

BASES AND SOURCES

Various market data and forecasts used in this Admission Document have been obtained from independent industry sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Various figures and percentages in tables in this Admission 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 Admission Document may vary slightly from the actual arithmetical totals of such data.

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

CONTENTS

	<i>Page</i>
KEY STATISTICS	4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS	6
DEFINITIONS	8
GLOSSARY	13
PART I LETTER FROM THE CHAIRMAN	14
1 Introduction and background	14
2 Information on Big Sofa	15
3 Principal Terms of the Acquisition	19
4 Current Trading, Strategy and Prospects of the Enlarged Group	19
5 Directors and Senior Management	20
6 Share Consolidation	23
7 Admission to AIM and Dealings	24
8 Lock-in and orderly market arrangements	24
9 Relationship Agreement	24
10 Takeover Code and Whitewash Resolution	24
11 Corporate governance	27
12 Details of the Placing and the Subscription and use of proceeds	28
13 HubCo Concert Party	29
14 Dividend Policy	29
15 Share options, warrants, and loans convertible into shares	29
16 Taxation	29
17 Risk Factors and further information	30
18 General Meeting	30
19 Action to be taken	30
20 Recommendations	31
PART II INFORMATION ON THE BIG SOFA CONCERT PARTY AND ADDITIONAL DISCLOSURES REQUIRED UNDER THE TAKEOVER CODE	32
PART III RISK FACTORS	37
PART IV HISTORICAL FINANCIAL INFORMATION	44
A Historical Financial Information on HubCo Investments plc	44
B Historical Financial Information on Big Sofa Limited	59
PART V UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE ENLARGED GROUP	85
PART VI ADDITIONAL INFORMATION	86
NOTICE OF GENERAL MEETING	119

KEY STATISTICS

Issue Price per Consideration Share, Subscription Share and Placing Share	£0.17
Number of Existing Ordinary Shares in issue as at the date of this document	8,855,000 ⁽¹⁾
Number of Ordinary Shares post 3:1 Share Consolidation	2,951,667
Maximum Number of Consideration Shares to be issued	17,864,391
Number of Placing Shares to be issued	29,411,770
Number of Subscription Shares to be issued	6,525,276
Enlarged Issued Share Capital	56,753,104
Percentage of Enlarged Issued Share Capital represented by the Consideration Shares	31.5 per cent.
Percentage of Enlarged Issued Share Capital represented by the Placing Shares and the Subscription Shares	63.3 per cent.
Number of Shares subject to conversion rights in issue on Admission	13,697,342
Diluted Enlarged Issued Share Capital on Admission ⁽²⁾	70,450,446
Gross proceeds from the Placing and the Subscription	£6.109 million
Estimated net proceeds of the Placing and the Subscription receivable by the Company ⁽³⁾	£5.43 million
Market capitalisation of the Enlarged Group on Admission at the Issue Price ⁽⁴⁾	£9.65 million
International Security Identification Number (“ISIN”) of the New Ordinary Shares	GB00BZ1B7619
New Tradeable Instrument Display Mnemonic following Admission and Change of Name (“New TIDM”)	BST

Notes:

- 1 Excluding the one new Existing Ordinary Share to be issued to the Company Secretary to ensure the total number of Existing Ordinary Shares is exactly divisible in accordance with the consolidation ratio.
- 2 Diluted by the exercise of all the New Warrants, New Options and conversion of the NWOOG Convertible Loan.
- 3 Net proceeds receivable by the Company are stated after deducting the total expenses of the Proposals of approximately £0.675 million excluding VAT.
- 4 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 Issue Price.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and dispatch of this document	30 November 2016
Latest time and date for receipt of the Form of Proxy for the General Meeting	11.00 a.m. on 14 December 2016
Time and date of the General Meeting	11.00 a.m. on 16 December 2016
Share Consolidation Record Date	6.00 p.m. on 16 December 2016
Completion of the Proposals, Admission and commencement of unconditional dealings in the Ordinary Shares on AIM	8.00 a.m. on 19 December 2016
CREST accounts credited in respect of the New Ordinary Shares	19 December 2016
Despatch of definitive share certificates, where applicable, in respect of the New Ordinary Shares within 14 days of Admission	

* All references to times in this timetable are to London times and each of the times and dates are indicative only and may be subject to change. Any such change will be notified by an announcement on a regulatory information service.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors on Admission

Nicholas Mustoe *Non-Executive Chairman*
Simon Lidington *Chief Executive Officer*
Joseph MacCarthy ACA *Chief Financial Officer*
Matthew Lynch *Chief Strategy Officer*
Adam Reynolds *Non-Executive Director*
Steven Metcalfe *Non-Executive Director*
Paul Clark *Non-Executive Director*

All of:
72-76 Borough High Street
London SE1 1GD

Existing Directors

Adam Reynolds *Non-Executive Chairman*
Stephen Bourne *Non-Executive Director* (to resign following the GM)

All of:
Finsgate
5-7 Cranwood Street
London EC1V 9EE

Company Secretary

Stephen Bourne (up until the date of the GM)
Joseph MacCarthy ACA (from the date of the GM)

Registered Office

Finsgate
5-7 Cranwood Street
London EC1V 9EE

Nominated Adviser

SPARK Advisory Partners Limited
5 St John's Lane
London EC1M 4BH

Broker

Hobart Capital Markets LLP
8-10 Grosvenor Gardens
London SW1W 0DH

Reporting Accountants

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London EC1V 9EE

Solicitors to HubCo

BPE Solicitors LLP
St James House
St James Square
Cheltenham GL50 3PR

Solicitors to the Nominated Adviser and Broker

Addleshaw Goddard LLP
Milton Gate
Chiswell Street
London EC1Y 4AG

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Website

www.hubcoinvestments.co.uk at the date of this document
www.bigsofa.co.uk post Admission

DEFINITIONS

The following words and expressions apply throughout this Admission Document unless the context requires otherwise:

“£”, “British pound sterling”, “p” and “pence”	lawful currency for the time being of the United Kingdom;
“Acquisition”	the proposed acquisition by the Company of the issued share capital of Big Sofa Limited pursuant to the terms of the Acquisition Agreements;
“Acquisition Agreements”	the conditional acquisition agreements dated 30 November 2016 between (1) the Company and the Majority Vendors, (2) the Company and the Big Sofa Concert Party (other than the Majority Vendors), and (3) the Company and Peter Reynolds, David Newton, Nicholas Mustoe, Adam Reynolds and Steven Metcalfe, in relation to the sale and purchase of Big Sofa Limited, further details of which are set out in paragraphs 12(i), 12(ii) and 12(iii) of Part VI of this document;
“Admission”	admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies, which is expected to occur on 19 December 2016;
“Admission Document”	this document;
“AIM”	AIM, a market of that name operated by the London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time (including, without limitation, any guidance notes) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM;
“Articles”	the articles of association of the Company at the date of this document;
“Audit Committee”	the audit committee of the Company from Admission;
“Big Sofa Concert Party”	the parties, as more fully set out in Part II of this document, who are deemed to be acting in concert under the Code;
“Big Sofa Limited”, “Big Sofa” or “BST”	Big Sofa Limited, a company incorporated in England and Wales with company number 08687045 and whose registered office address is 27/28 Eastcastle Street, London, W1W 8DH;
“Board”	the directors of the Company from time to time;
“Cash Consideration”	the cash consideration payable to Vendors (other than the Big Sofa Concert Party) under the Drag Along Notice, whereby they will receive cash consideration equivalent to 17p in place of each Consideration Share due to them;
“Companies Act” or “Act”	the Companies Act 2006 as amended from time to time;
“Company” or “HubCo”	HubCo Investments plc, a company incorporated in England and Wales with registered number 07847321 whose registered office is at Finsgate, 5-7 Cranwood Street, London EC1V 9EE;

“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreements;
“Consideration Shares”	up to 17,864,391 New Ordinary Shares to be issued to the Vendors pursuant to the terms of the Acquisition Agreements;
“Connected Person”	so far as could be known from reasonable investigation, a person connected with an individual or company within the meaning of sections 252 to 255 of the Companies Act;
“Conversion Shares”	the New Ordinary Shares to be issued to NWOG if it exercises its conversion rights under the NWOG Convertible Loan;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended, and any applicable rules made under those regulations;
“Directors”	the Existing Directors together with the Proposed Directors;
“Disclosure Committee”	the disclosure committee of the Company from Admission;
“Disclosure and Transparency Rules” or “DTR”	the Disclosure Guidance and Transparency Rules being the disclosure requirements and the disclosure guidance published by the FCA in its Disclosure Guidance and Transparency Rules sourcebook;
“Drag Along Notice”	the notice to be served on the Vendors (other than the Big Sofa Concert Party);
“Enlarged Group”	the Company and its subsidiaries following completion of the Acquisition;
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company as enlarged by the issue of the Consideration Shares, the Placing Shares and the Subscription Shares;
“Existing Directors”	Stephen Bourne and Adam Reynolds;
“Existing Issued Share Capital”	the 8,855,000 Ordinary Shares in issue at the date of this document;
“Existing Ordinary Shares”	ordinary shares of 1p each in issue as at the date of this document;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the form of proxy which is enclosed with this document for use by holders of Existing Ordinary Shares in connection with the GM;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting” or “GM”	the general meeting of the Company scheduled for 16 December 2016;
“Group”	the Company and its subsidiaries from time to time;
“Hobart Capital Markets”	Hobart Capital Markets LLP, the Company’s broker;
“Independent Shareholder”	the holder of Existing Ordinary Shares other than any person who is a member of the Big Sofa Concert Party or a subscriber in the Placing;

“ISDX”	ISDX Growth Market;
“Issue Price”	£0.17 per New Ordinary Share, being the price at which the Consideration Shares, the Placing Shares and the Subscription Shares are to be issued;
“Lock-In Deed”	the conditional lock-in deed dated 30 November 2016, further details of which are contained in paragraph 12(vi) of Part VI of this document;
“Locked-in Persons”	the Directors, the members of the Big Sofa Concert Party, Nicholas Mustoe, David Newton, Peter Reynolds, Steven Metcalfe, Joseph MacCarthy and Adam Reynolds;
“London Stock Exchange”	London Stock Exchange PLC;
“Majority Vendors”	Dr Simon Lidington and Mr Matthew Lynch;
“MAR”	Market Abuse Regulation No. 596/2014;
“Member Account ID”	the identification code or number attached to any member account in CREST;
“New Options”	new share options to subscribe for New Ordinary Shares following Admission, as more fully set out in paragraph 6 of Part VI of this document;
“New Ordinary Shares”	ordinary shares of 3p each in the capital of the Company following the Share Consolidation;
“New Warrants”	warrants to subscribe for New Ordinary Shares following Admission, as more fully set out in paragraph 6 of Part VI of this document;
“Notice”	the notice of the General Meeting set out at the end of this document;
“NWO”	New World Oil and Gas plc;
“NWO Convertible Loan”	the £675,000 loan from NWO to Big Sofa which, conditional upon Admission, is convertible into New Ordinary Shares in the Company, details of which are set out in paragraph 12(xii) of Part VI of this document;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares”	prior to the Share Consolidation, the ordinary shares of 1p each in the capital of the Company and, after the Share Consolidation, the ordinary shares of 3p each in the capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;
“Placing Agreement”	the agreement dated 30 November 2016 between the Company, the Existing Directors, the Proposed Directors, Hobart Capital Markets and SPARK relating to the Placing, further details of which are set out in paragraph 12(v) of Part VI of this document;
“Placing Shares”	the 29,411,770 New Ordinary Shares which are the subject of the Placing;

“Placing”	the conditional placing of the Placing Shares with investors at the Issue Price per New Ordinary Share;
“Proposals”	together the Acquisition, the Placing, the Subscription, the Change of Name, the Whitewash Resolution, the Share Consolidation, the issue of New Options and New Warrants, and Admission;
“Proposed Directors”	Nicholas Mustoe, Simon Lidington, Joseph MacCarthy, Matthew Lynch, Steven Metcalfe and Paul Clark;
“QCA”	Quoted Companies Alliance;
“Record Date”	16 December 2016;
“Registrars”	Capita Asset Services;
“Relationship Agreement”	the relationship agreement between Simon Lidington, Matthew Lynch, Paul Clark, Terence Back, SPARK and the Company dated 30 November 2016, further details of which are set out in paragraph 12(viii) of Part VI of this document;
“Remuneration Committee”	the remuneration committee of the Company from Admission;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
“Restricted Jurisdiction”	the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or any other country outside of the United Kingdom where the distribution of this document may lead to a breach of any applicable legal or regulatory requirements;
“Rule 9”	Rule 9 of the Takeover Code;
“Share Consolidation”	the proposed consolidation of every 3 Existing Ordinary Shares into 1 New Ordinary Share;
“Shareholders”	holders of issued Ordinary Shares;
“SPARK Advisory Partners” or “SPARK”	SPARK Advisory Partners Limited, the Company’s financial adviser and nominated adviser;
“Subsidiary” or “Subsidiaries”	a subsidiary undertaking (as defined by section 1162 of the Companies Act) of the Company and “Subsidiaries” shall be construed accordingly;
“Subscribers”	the persons who have confirmed their agreement to subscribe for the Subscription Shares, conditional on Admission;
“Subscription Shares”	the 6,525,276 New Ordinary Shares which are the subject of the Subscription;
“Subscription”	the subscription by certain Vendors to subscribe for New Ordinary Shares at the Issue Price;
“Takeover Code” or “Code”	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel;
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
“Vendors”	the shareholders of Big Sofa Limited;
“Waiver”	the waiver which has been granted by the Panel, conditional upon the approval by Independent Shareholders of the Whitewash Resolution on a poll, of the obligations to make a mandatory offer for the entire issued and to be issued share capital of the Company not already held by the Big Sofa Concert Party which might otherwise be imposed on the Big Sofa Concert Party under Rule 9 of the Takeover Code, as a result of, <i>inter alia</i> , the issue of the Consideration Shares or Subscription Shares to members of the Big Sofa Concert Party pursuant to the Proposals; and
“Whitewash Resolution”	an ordinary resolution to approve the Waiver set out in the Notice.

GLOSSARY

“Advanced Encryption Standard 256 CBC”	a type of symmetric block cipher used by the U.S. government to protect classified information; it is implemented in software and hardware throughout the world to encrypt sensitive data;
“Amazon Web Services”	an on-demand computing platform that offers a suite of cloud-computing services;
“Amazon’s Simple Storage Service”	offers a simple web services interface that is used by developers to store and retrieve data, at any time, from anywhere on the web. It gives developers access to the highly scalable, reliable, fast, inexpensive data storage infrastructure that Amazon uses to run its own global network of web sites;
“Application Programming Interfaces” or “API”	a set of routines, protocols, and tools for building software applications. An API specifies how software components should interact and APIs are used when programming graphical user interface components;
“b2b”	a situation where one business makes a commercial transaction with another;
“cloud-based”	applications, services or resources made available to users on demand via the Internet from a cloud computing provider’s servers;
“IP”	Internet Protocol address, a numerical label assigned to each device (e.g. computer, printer) participating in a computer network that uses the Internet Protocol for communication;
“Rails web”	a web application development framework written in the Ruby language. It is designed to make programming web applications easier by making assumptions about what every developer needs to get started. It allows less code to be written to accomplish more than many other languages and frameworks;
“Ruby language”	a dynamic, reflective, object-oriented, general-purpose programming language;
“SaaS”	software as a service;
“Single Sign On options”	a property of access control of multiple related, but independent software systems. With this property a user logs in with a single ID and password to gain access to a connected system or systems without using different usernames or passwords, or in some configurations seamlessly sign on at each system;
“Structured data”	data with a high level of organisation, such as information in a relational database. When information is highly structured and predictable, search engines can more easily organize and display it in creative ways;
“Unstructured data”	information that either does not have a pre-defined data model or is not organised in a pre-defined manner;
“URL”	Uniform Resource Locator;
“video analytics”	the capability of automatically analysing video to detect and determine temporal and spatial events; and
“video mining”	the process of discovering knowledge, structures, patterns and events of interest in the video data.

PART I

LETTER FROM THE CHAIRMAN

HubCo Investments plc

(Incorporated in England and Wales with registration number 07847321)

Directors:

Adam Reynolds (*Chairman*)*
Stephen Bourne*

* non-executive

Registered Office:

Finsgate,
5-7 Cranwood Street,
London
EC1V 9EE

30 November 2016

Dear Shareholder,

Proposed Acquisition of Big Sofa Limited
Approval of Waiver of the obligations under Rule 9 of the Takeover Code
Change of Name to Big Sofa Technologies Group plc
Placing of 29,411,770 New Ordinary Shares and Subscription for 6,525,276 New Ordinary
Shares at the Issue Price
Admission of the Enlarged Issued Share Capital to trading on AIM
Share Consolidation
and
Notice of General Meeting

1. Introduction and background

The Company was incorporated on 14 November 2011. On 31 January 2012, the Company's Ordinary Shares were admitted to trading on ISDX as an investment vehicle with an investing strategy to acquire interests in small and medium sized private companies in the UK with strong management and significant growth opportunities, initially focused on the leisure and consumer services sectors. In August 2015, the Company announced that it had identified an acquisition in the healthcare sector, however, following due diligence the Directors were unable to recommend that this opportunity be pursued further. The Company was de-listed from ISDX in April 2016 due to its investing policy not being implemented in the required timeframe.

The Directors have assessed Big Sofa as having significant potential to increase shareholder value. The Directors propose that, subject to Shareholders' approval of the Resolutions, the Company will acquire the entire issued share capital of Big Sofa, which will have the effect of changing the status of the Company from an investing vehicle to an operating company, and the Enlarged Group will be admitted to trading on AIM. The Enlarged Group's operations would thereafter constitute exclusively those of Big Sofa. Details of the business and operations of Big Sofa are set out in paragraph 2 of this Part I.

The Company is also raising £6.1 million (before expenses) by means of the Placing and the Subscription which will be used to fund the cash consideration of the Acquisition, invest in sales and marketing, ongoing development expenditure on systems, together with funding general working capital requirements. Further details of the Placing and the Subscription are set out in paragraph 12 of this Part I.

In addition, the Company is proposing to undertake a share consolidation, to grant New Options and New Warrants and to change the Company's name.

As a consequence of the Proposals, the Big Sofa Concert Party comprising certain Shareholders of the Enlarged Group who are deemed to be acting in concert will on Admission hold 17,531,216 Ordinary Shares, representing 30.89 per cent. of the Enlarged Issued Share Capital, and New Options over a further 418,054 New Ordinary Shares. Details of the Big Sofa Concert Party are set out in Part II of this document.

Under Rule 9 of the Takeover Code, the Big Sofa Concert Party would normally be obliged to make a general offer to all Shareholders (other than the Big Sofa Concert Party) to acquire their Ordinary Shares. The Panel has agreed to waive this obligation subject to the approval of the Independent Shareholders of the Whitewash Resolution (on a poll) at the General Meeting. Your attention is drawn to paragraph 10 of this Part I which contains further information on the Takeover Code and the Whitewash Resolution.

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek your approval of the Resolutions at the General Meeting. The notice of General Meeting is set out at the end of this document. The Proposals are conditional, *inter alia*, on the passing of the Resolutions and Admission occurring. The General Meeting has been convened for 11.00 a.m. on 16 December 2016 at the offices of Jeffreys Henry LLP, Finsgate, 5-7 Cranwood Street, London EC1V 9EE at which the Resolutions will be proposed. If the Resolutions are approved by the relevant Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on or about 19 December 2016.

You should read the whole of this document and not just rely on the information in this letter. In particular, you should consider carefully the “Risk Factors” set out in Part III of this document. Your attention is also drawn to the information set out in Part II, and Parts IV to VI of this document.

2. Information on Big Sofa

2.1 Overview of Big Sofa

Big Sofa is a business to business technology company that provides video analytics, currently serving both brand owners and market research agencies. Big Sofa’s scalable platform enables users to ingest, manage, search and perform detailed analysis of video, images and audio content. BST enables consumers to upload unstructured video content to its proprietary, cloud-based analytics platform. The platform then transcodes and, where appropriate, transcribes the data into a structured, downloadable archive of content.

By enabling users to isolate and interrogate specific moments of video based on what is being said or done at that point, the platform turns video into a source of mineable data that can be manipulated and used for understanding and insight.

Content can be uploaded from most current generation camera devices and the output translated from almost all spoken languages.

2.2 History of Big Sofa

Big Sofa, originally a division of The Insight Exchange Partnership LLP, was founded as a market research agency by Dr Simon Lidington and Matthew Lynch in 2009 to capitalise on the growth of visual content being produced and consumed.

Big Sofa began as an approach to conducting unstructured exploratory qualitative research in public locations across the United Kingdom. As well as filming these interviews, Big Sofa also filmed all of its research conducted via conferences and focus groups. In three years, it had conducted and filmed a mass of interviews and unstructured conversations and for this reason, the founders decided to co-develop with a third party a scalable, cloud-based analytics platform with the aim of reducing the inherent inefficiencies that arise when managing unstructured visual content. Realising the potential of such a platform, Big Sofa moved away from being a research agency that specialised in visual content analytics to becoming a visual content analytics specialist. It also brought the software development in-house. As a result, Big Sofa had created an analytics platform that provides a portfolio of intellectual property in the areas of video ingestion, transcoding, playback, content management and analysis. In November 2013, BST won Best Innovation at the Market Research Society Awards.

In 2014, it started to win global clients which included Barclays and British Airways. At this stage Big Sofa stopped seeking market research commissions to concentrate on this activity.

On 9 May 2016, Big Sofa signed heads of terms with AIM-quoted New World Oil and Gas plc (“NWOG”), with a view to NWOG acquiring Big Sofa by way of a reverse takeover. During the negotiation and diligence period since that time NWOG made loans totalling £675,000 to Big Sofa.

NWOG announced on 17 October 2016 that an issue had arisen in connection with a transaction previously carried out by NWOG which may have a material impact on its financial condition. Big Sofa Limited terminated discussions due to the uncertainty surrounding this legacy issue.

NWOG subsequently agreed with Big Sofa and HubCo that its £675,000 loan to Big Sofa would, on Admission, be varied so that NWOG had the option to convert the loan into New Ordinary Shares in the Company. Further details of this are set out in paragraph 12(xii) of Part VI of this document.

2.3 ***The Growth of Video and Video Analytics Market Research***

By 2020, video is expected to account for 79 per cent. of all consumer internet traffic up from 63 per cent. in 2015 (Source: Visual Networking Index Whitepaper by Cisco). The Directors believe that the proliferation of smartphones and tablets is transforming video into a fundamental means of communication, between companies and consumers and between consumers themselves. Mobile data traffic is expected to grow at three times the rate of fixed IP traffic between 2014 and 2019 (Source: CISCO), and between April and September 2015, the number of videos being played back each day on Facebook doubled from 4 billion to 8 billion video views per day (Source: Facebook).

It is for these reasons that the market for video analytics is anticipated to expand at a compound annual growth rate of 20.6 per cent. to £7.19bn during the forecast period from 2015 to 2023 (Source: Transparency Market Research).

High-profile developments in live and 3D video (e.g. Periscope, Oculus) have created further opportunities for consumers to view, share and edit their own content, as well as that of companies that seek to engage with them. Additionally, the growth in nano- and wearable technology that records video, which is estimated to become a \$70 billion market in 10 years’ time, (Source: IDTechEx Research) means that it has now become far easier to record, discard and archive video at scale as a source of entertainment, understanding or evidence.

The Directors believe that the volume of digital video now being created and viewed, and the ease with which it can be done, presents an increasing number of commercial opportunities, many of which are in a b2b context:

- *consumer intelligence*: video is now widely used by corporations to understand the detail of how consumers live, how they use specific products and services, and to identify and test new product and innovations;
- *training and service improvement*: video is being used to study and improve how individuals and groups behave, at a micro level;
- *conferences and education*: video is increasingly used as a way of (re-)watching events, with the focus moving away from one-off events and towards content production and management; and
- *archiving and evidence*: video is being collected and stored alongside (and increasingly in replacement of) traditional sources and as an incontrovertible source of time-specific evidence.

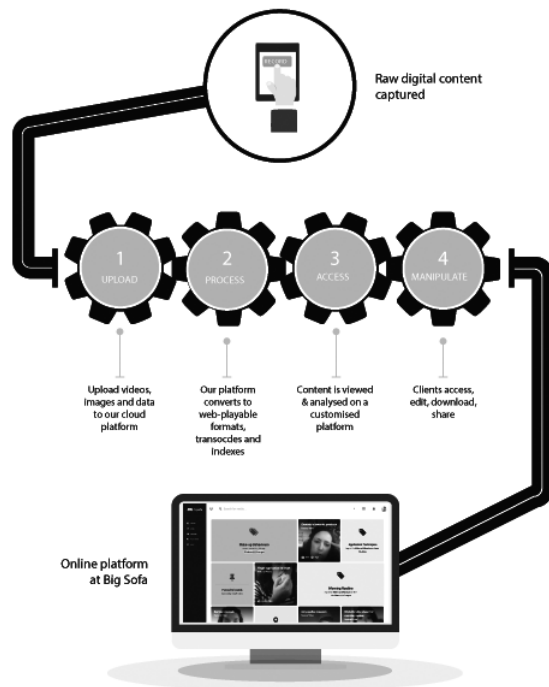
The Directors believe that, hitherto, a fundamental barrier to the wide use of video as a marketing tool had been the lack of structure of its availability. By its nature, unstructured data makes compilation a time and energy consuming task. The Directors believe that a mechanism of data analysis, therefore, that transforms this unstructured data into structured data will be a highly valuable tool in the marketing analysis process. This is the opportunity that Big Sofa is focussing on, bringing structure and search functions to video content.

Big Sofa has developed its offering in response to the two major technological requirements that these opportunities have created:

- *the need to manage, organise, search and manipulate digital video at speed and at scale, from different sources; and*
- *the need to mine, analyse and gain an understanding from large volumes of video in a time and cost efficient manner.*

2.4 **Big Sofa's platform**

The graphic below demonstrates how the Big Sofa platform works.



The platform's core functionality enables the automatic upload of video, image and audio files of any size from most current generation camera devices, in almost all spoken languages. The software then runs an automatic association of the data uploaded which enables a deeper and more accurate search for the content a client wishes to view. This process involves the transcoding, transcribing and translating of dialogue, allowing the client to categorise context by the key theme(s) that they require. A suite of other user features include the ability to:

- *search for key words or actions across or within videos, in original or translated language and tag specific actions or moments within videos;*
- *filter, sort, view, clip, download, make playlists, share;*
- *view summary data in dashboard; and*
- *export video data outside of platform as a source of quantifiable, mass data.*

These features enable clients to use the platform to help them drive innovation and consumer understanding by:

- *analysing and understanding real-life consumer behaviour at scale;*
- *quantifying consumer behaviour as a new source of predictive analytics;*
- *conducting 'video mining' of attitudes and behaviours to aid foundational consumer understanding;*
- *creating a collaborative resource where teams can interact around video insight; and*
- *combining with existing mobile research approaches.*

Access to the platform

The platform can be used on a Software as a Service basis or in conjunction with Big Sofa's account teams. This means that customers are able to choose to manage as much or as little of the end-to-end process as they would like.

In addition to the core analytics platform, Big Sofa has developed a range of ancillary services that make it easier for brands, agencies and consumers to upload video into the core platform. These technologies enable:

- *integration with existing survey software to enable video capture in any survey;*
- *extraction of video from surveys into the core platform; and*
- *images or videos to be sent out for testing and video feedback to be received in response.*

Big Sofa is ISO27001 accredited and operates to IL2 UK Government Security standards.

2.5 Technology

Big Sofa has built a robust platform developed in the Ruby language and using the Rails web framework. It uses Amazon Web Services cloud-based offering and Amazon's Simple Storage Service providing encrypted data at rest to ensure a high level of security and scalability for the platform. Big Sofa has built Application Programming Interfaces to maximise flexibility through its ability to integrate with other systems and allowing the ingestion of video more easily.

2.6 Customers

Big Sofa's current customers can be split into two key categories:

- *Major brand owners/international companies*

Current clients include Procter and Gamble, Unilever, SC Johnson, British Airways and Public Health England.

- *Market research agencies*

Market research agencies have developed both online and mobile technology to conduct research with consumers. Big Sofa is engaging with global market research companies including Ipsos, Flamingo, Survey Sampling International LLC, Kantar and GfK Group to better enable them to capture the advantages of visual data analytics to supply their end clients.

2.7 Competition

There are other market research companies with visual data analytics capabilities which, the Directors' believe validate, to some extent, the value of video to major international clients. However, in a growing market place for video analytics, the Directors believe there is significant opportunity to grow.

2.8 Future Strategy of the Enlarged Group

Big Sofa organises its platform development roadmap into five broad categories: capture, management, analytics, operations and security. Across these areas the fundamental purpose behind all development work is to enable individual users and teams to improve analytics throughout an organisation.

Big Sofa intends to continue to invest in its technical development teams and to enforce its platform's capabilities. This will enable the business to focus on the different and more complex types of analysis that become possible through the development and integration of existing and new analytical technologies around image, motion, voice and text. Central to these initiatives will be the focus on how Big Sofa's platform can facilitate the transition from classification to interpretation of visual data. At the same time, Big Sofa will invest effort in new approaches to key technologies (e.g. transcription,

translation) that enable more efficient workflow and better value for customers without sacrificing profit margins.

Big Sofa will also invest in business development and support resource to maximise the opportunities that are already presenting themselves across global organisations. These businesses tend to have a complex combination of centralised and distributed buying points, as well as user support needs.

2.9 *Historic Financial Information on Big Sofa*

Set out below are extracts from the comprehensive income statement and statement of financial position for the period from 1 May 2013 to 30 April 2016 relating to the continuing operations of Big Sofa, as derived without adjustment from the Accountant's Report set out in Part B of Part IV of this document.

<i>Period ended</i>	<i>15 months ended 30 April 2016</i>	<i>9 months ended 31 January 2015</i>	<i>12 months ended 30 April 2014</i>
Revenue	£452,913	£159,095	£54,964
Loss before Tax	£(964,010)	£(381,843)	£(486,543)
Net Liabilities	£(408,572)	£(32,796)	£(82,701)

3. **Principal Terms of the Acquisition**

On 30 November 2016, the Company entered into the Acquisition Agreements, pursuant to which it has conditionally agreed to acquire approximately 99.9 per cent. of the issued share capital of Big Sofa for a purchase price of £4.146 million comprising the issue of 17,864,391 New Ordinary Shares at the Issue Price and cash of £1,109,297. In addition, under the Acquisition Agreements the Majority Vendors have agreed to serve the Drag Along Notice as permitted under Big Sofa's articles, whereby all the remaining shares in Big Sofa will be compulsorily acquired for, in aggregate, cash of approximately £4,000. Separately, certain of the Vendors, representing 26.7 per cent. of Big Sofa's share capital, have irrevocably undertaken to re-invest their cash proceeds of £1,109,297 by way of the Subscription.

The Acquisition is conditional upon, *inter alia*:

- the passing of the Resolutions at the General Meeting;
- the Placing Agreement becoming unconditional in all respects; and
- Admission.

Further details of the Acquisition Agreements and the Drag Along Notice are set out in paragraphs 12(i), (ii), (iii) and (iv) of Part VI of this document.

4. **Current Trading, Strategy and Prospects of the Enlarged Group**

HubCo has been an investing company since its incorporation, and has no operating business.

Big Sofa made a loss of £0.964 million for the 15 month period ended 30 April 2016. Since then the Company continues to be loss making, as it continues to invest in its infrastructure, including increasing its headcount from 17 to 23 employees, which has been funded by loans from its directors, the £675,000 loan from NWO, the £100,000 loan from HubCo and a recent £150,000 equity investment.

Following Admission, the Enlarged Group will seek to leverage Big Sofa's existing relationships with global consumer packaged goods clients and consumer insight clients, and focus on the organic development of the Big Sofa technology platform.

In addition to the above, the Directors intend to continue to identify and evaluate other possible opportunities for the acquisition of complementary businesses.

The Directors wish to seek Admission in order to provide additional capital with which to develop the business and to enhance the profile of the Big Sofa business with potential clients.

As the Acquisition is being effected largely by a share-for-share exchange the effect on the assets and liabilities of the Enlarged Group is as set out in Part V of this document. As the Company has no current trading business, the future earnings of the Enlarged Group will comprise earnings generated by Big Sofa.

5. Directors and Senior Management

5.1 *The Existing Board*

The current board comprises:

Adam Reynolds (*aged 54*) *Non-Executive Chairman*

Adam Reynolds is a former stockbroker with over 35 years' experience within the UK financial services sector. In 2000, Adam founded Hansard Group plc which was admitted to trading on AIM in 2000. Adam is currently a director of several AIM-quoted companies: he is a non-executive director of EKF Diagnostics Holdings plc, a point-of-care, central laboratory, and molecular diagnostics company, Optibiotix plc, a life sciences business developing compounds to tackle obesity, high cholesterol and diabetes; and Premaitha Health Plc, a company involved in the development of prenatal screening devices. Adam is also a director of a number of other public and private companies including New World Oil and Gas plc. Adam is a shareholder in Hub Capital Partners Limited. Adam joined the Board in 2011.

Stephen Bourne, (*aged 59*) *Non-Executive Director*

Stephen Bourne is a former National Head of Corporate Finance for BDO Stoy Hayward, where, over 10 years, he has worked on a host of transactions, including IPOs, acquisitions, disposals and MBOs. He was appointed as a director of the Company in 2011. Stephen is a director and shareholder of Hub Capital Partners Limited. He will resign from the Board following the conclusion of the General Meeting.

5.2 *The Board of the Company on Admission*

On Admission, the Board will comprise Adam Reynolds, who will revert to being a non-executive director, together with:

Nicholas Mustoe (*aged 55*) *Non-Executive Chairman*

Nicholas started his career in 1981 working for London advertising agencies Foote Cone and Belding (three years) followed by Lowe Howard Spink (nine years). In this time he worked across a wide range of clients including Vauxhall Cars, Heineken, Whitbread, Tesco, Reebok and Hanson Group companies. In 1993, Nicholas started his own agency, Mustoe Merriman Levy (Mustoes), which he ran for 15 years, with a brief period under the ownership of Japanese multinational Hakuhodo. During this time the agency managed client accounts including Kia Cars, Lloyds Pharmacy, Doctor Marten, Bauer Publishing, Coca Cola and Unilever. In 2008, Mustoes merged with a leading PR agency Geronimo to form Kindred, the first fully integrated PR and advertising agency. Nicholas subsequently led an MBO of Kindred in 2010 and remains Chief Executive and principal shareholder.

Aside from his media career, Nicholas has been involved in supporting many start-up companies starting with funding Hall and Partners (research) in 1992, Caravell (industrial refrigeration MBO), ABC Connection (on-line publishing and software), Sosandar (fashion label) amongst others. Currently, Nicholas has a number of non-executive roles, including acting as Chairman of Starlight Children's Foundation and as a director of Hub Capital Partners Limited and AIM-quoted Premaitha Health Plc.

Simon Lidington (*aged 62*) *Chief Executive Officer*

Over the last 35 years, Simon has worked across many sectors and built enduring relationships at senior levels with many blue chip clients including Audi, Regus, QVC, Volkswagen Group, Prodrive, B.A.R, Coca Cola, Vauxhall Motors, Barclays, VW Financial Services, NatWest, Alliance & Leicester, Nokia, the Office of Government Commerce, Business in the Community, Royal Mail Wholesale, Amex and Citroen UK.

Simon worked extensively as a management consultant with CEOs, boards and management teams, as well as serving as CEO at Research International for 18 months before setting up Big Sofa with Matt Lynch.

Simon has an Honours BA in Sociology and a Masters in Inter-organisational Relations both from Exeter University, and an Honorary Doctorate from Middlesex University. He is a Fellow of the Market Research Society, a Fellow of the RSA, and sat on the Advisory Council for the Economic & Social Research Council's 'Cultures of Consumption' Programme between 2003 and 2008.

Matthew (“Matt”) Lynch (*aged 44*) *Chief Strategy Officer*

Matt began his career in marketing and category management after graduating from Oxford University. He went on to develop his advisory experience across a range of research and consulting roles, before completing a Masters in Organisational Behaviour.

Matt is experienced in leading engagements for blue chip organisations (Procter and Gamble, Coca Cola, Unilever, BP, Barclays); in working alongside global agencies; and in collaborating with tech partners of all sizes.

His role at Big Sofa is to lead the Company's strategic direction and to ensure that the business constantly innovates to deliver maximum client value.

Joseph (“Joe”) MacCarthy, ACA (*aged 36*) *Chief Financial Officer*

Joe started his career with PricewaterhouseCoopers and for the past 10 years has been working in investment management, with a particular focus on start-ups and smaller company investing. He has been responsible for managing more than £100 million of investments across a variety of sectors including media and infrastructure. Joe holds a degree in Economics from Durham University, is a Chartered Accountant and also holds a Diploma in Corporate Finance from the Institute of Chartered Accountants in England and Wales. Joe joined Big Sofa as CFO in 2016.

Steven Metcalfe (*aged 46*) *Non-Executive Director*

Steven is a former stockbroker with more than 28 years' experience in the financial industry. In 2005, as Head of UK Equities at Hichens Harrison, he was involved in the management buyout and then subsequent sale to Religare Capital Markets. For the last seven years, he has been involved with institutions, hedge funds and HNWs within the regulated arena. Since leaving Investment Banking in mid-2016, he is now using his substantial background and history within the financial and corporate world and has set up a consultancy business that advises SMEs on finance, strategy and growth within their chosen area.

Paul Clark (*aged 64*) *Non-Executive Director*

Paul has more than 40 years of experience in the IT sector, beginning in the 1970s as a programmer and analyst. He then worked extensively in the technology product and services sector.

Paul specialises in start-up or recovery of underperforming/stalled operations. His most recent role involved the turnaround (and eventual sale) of a struggling software product company, Invigia Ltd, into a market dominant, highly profitable, cash generative organisation. Prior to this, he enjoyed considerable success building and re-energising both consultancy and product businesses serving a broad range of sectors in both the commercial and government arena.

He is now engaged in a portfolio of advisory roles to a range of fast growth businesses, both as non-executive director and consultant. Paul is also currently a non-executive director of Cyber Challenge Ventures Ltd, a not-for-profit organisation, whose purpose is to identify and career signpost untapped Cyber Security talent.

5.3 *Senior Management & Employees*

Terence (“Terry”) Back *Non-Executive Director, Big Sofa Limited*

Terry qualified as a Chartered Accountant in 1980 at Cape and Dalglish and became a partner there in 1983. In 1994, they merged with Grant Thornton. Terry was a partner there for a further 20 years, retiring in 2014. During his time at Grant Thornton, Terry was elected to its non-executive board for ten years; he also served on the board of Grant Thornton International Limited for five years.

Terry specialises in the TMT sector and founded Grant Thornton’s Media and Entertainment Group in 1996 which he led for 12 years before being appointed as Global Head of Industries of Grant Thornton International.

Since retiring, Terry set up SE16 LLP, a consultancy business that advises SMEs on finance, strategy and their growth in the TMT sector.

Richard Collins – *Chief Customer Officer – Director, Big Sofa Limited*

Richard joined Big Sofa to lead the global development of strong, enduring commercial relationships with key agency partners and corporate clients.

Richard is a highly experienced Commercial Director in the Market Research, Analytics, Business Intelligence and Enterprise Feedback Management arenas.

Richard graduated with a BA Hons in Economics & Business Administration at University of Wales, Cardiff in 1988. He began his career as Sales Executive at Quantime Ltd, joined SPSS as UK Sales Manager being promoted to Global Account Manager within two years. He then joined Pulse Train in 2003 later Conformat.

Richard left Conformat to start the EMEA operation for Decipher (known as Decrypt in the UK). He built the Decrypt business rapidly, selling both software and service projects to end clients directly and to market research agencies. He grew the EMEA team to 20 people and revenues of more than \$3 million from a standing start.

Richard was chosen to lead the new combined FocusVision group as EMEA MD after Decrypt & Decipher were acquired by FocusVision in January 2015. Richard was then responsible for \$10 million of annual revenue from a portfolio of software products and services to key international clients including Sky TV, Lightspeed GMI, Universal Music, Skype, PayPal, Unilever, P&G and GlaxoSmithKline.

Steven Aukers, Ph.D. – *US Chief Executive Officer – Director, Big Sofa Limited*

Steve joined Big Sofa to start and lead its US company, with responsibility for growing it as an integral part of Big Sofa globally.

He is a seasoned chief executive, professor and management consultant. Steve served as Chief Executive for J. Reckner Associates, including custom research arm, Blueberry - a top 30 research consulting firm serving the Fortune 500.

Previously, he served as an executive on the North American Operating Board of TNS Global leading turnaround efforts as the head of strategy. His tenure at TNS included leadership of business development, client services, and serving as the Chief Executive for a joint venture with ESPN and TNS Sport.

Steve served as an executive for Deutsche Post/DHL leading business intelligence and customer strategy and serving on the executive turn around team. Previously, Steve led as the Chief Executive of a healthcare non-profit organisation, HealthShare, Inc, was a professor and consulting specialist at Texas A&M University and professor at DeSales University and an executive for Eppley Institute – a consulting institute at Indiana University. Steve earned a B.A., M.S. and Ph.D. from Indiana University, U.S.A.

Hugh Reid – Chief Technology Officer – Director, Big Sofa Limited

Hugh is responsible for leading Big Sofa’s software development team and technical strategy. He joined Big Sofa with over 10 years’ experience as a CTO and has extensive experience of managing distributed teams in consultancies, SaaS models and operations management.

Before joining Big Sofa, Hugh spent six months as interim CTO for the Go-Ahead Group PLC covering 15 operating companies in three countries.

Prior to this, Hugh was CTO for Ministry of Sound (“MoS”) for two years, in a group wide role covering the technical strategy of corporate investments, music label, event venue and digital music services. He was responsible for all IT systems, digital product development, marketing systems, web presence, big data, business reporting systems, and all in-house and outsourced systems development. He also led the SoundLabs internal innovation hub working closely with the HR team to drive cultural change and hire/mentor the full digital product team.

His experience before MoS included four years as Principal Platform Architect for Omnicore and six years as CTO for Point Solutions. Hugh graduated from the University of Wales, Aberystwyth, with a degree in Computer Science in 1993.

6. Share Consolidation

Admission is conditional upon the approval and completion of the Proposals, including the Share Consolidation.

The Share Consolidation, which is expected to take place after close of business on the Record Date, will involve every three Existing Ordinary Shares being consolidated into one New Ordinary Share. The Share Consolidation is subject to Shareholder approval of Resolution 10 at the General Meeting.

In order to ensure that the total number of Existing Ordinary Shares is exactly divisible in accordance with the consolidation ratio the Company will issue one Existing Ordinary Shares to the Company Secretary.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a “Fractional Shareholder”), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares (“Fractional Entitlement Shares”).

These Fractional Entitlement Shares will be aggregated and sold in the market and the net proceeds of the sale attributable to each Fractional Shareholder shall be distributed *pro rata* to each Fractional Shareholder, save that any net proceeds per Fractional Shareholder of less than £3 shall be retained by the Company for the benefit of all Shareholders.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Change of Name and the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid.

Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The Share Consolidation will result in an issued ordinary share capital of 2,951,667 New Ordinary Shares.

7. Admission to AIM and Dealings

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM, subject to the passing of the Resolutions. It is expected that Admission will take place, and dealings in the New Ordinary Shares on AIM will commence, on 19 December 2016.

The Consideration Shares, the Placing Shares and the Subscription Shares, when issued, will rank *pari passu* in all respects with the other Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue. The Placing and Subscription are conditional, *inter alia*, upon the Acquisition completing and Admission becoming effective.

Placees who have asked to hold their New Ordinary Shares in uncertificated form will have their CREST accounts credited on the day of Admission. Where placees have requested to receive their New Ordinary Shares in certificated form, share certificates will be despatched at the placee's risk within 14 days of Admission.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Articles permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Regulations. The Existing Ordinary Shares can already be transferred by means of the CREST system and it is expected that the New Ordinary Shares will also be transferable by means of the CREST system.

8. Lock-in and orderly market arrangements

The Directors and the Locked-in Persons have agreed not to, and to procure that their related parties will not, dispose of any interests in Ordinary Shares held by them, for a period of 12 months following Admission. For the following 12 month period, the Directors and the Locked-in Persons, have agreed not to, and to procure that their related parties will not, dispose of any interest in Ordinary Shares held by them unless such disposals are effected through the Company's broker so as to ensure an orderly market in the Ordinary Shares.

The restrictions on the disposal of Ordinary Shares contained in the Lock-In Deed do not apply in certain circumstances. Further details of the Lock-In Deed can be found in paragraph 12(vi) of Part VI of this document.

9. Relationship Agreement

Certain of the Vendors have agreed to exercise their votes as Shareholders and to procure the same in respect of any Connected Person in accordance with certain restrictions set out in the Relationship Agreement. The restrictions seek to ensure that the Enlarged Group is capable of carrying on its business and making decisions independently and in the best interests of the Enlarged Group and that any transactions between any member of the Enlarged Group and these Shareholders or any Connected Person are made on an arm's length basis.

The agreement shall terminate on these Vendors and any "associate" ceasing to hold New Ordinary Shares or instruments capable of converting into New Ordinary Shares conferring in aggregate 20 per cent. or more of the rights to vote at general meetings of the Company. Further details of the Relationship Agreement can be found in paragraph 12(viii) of Part VI of this document.

10. Takeover Code and Whitewash Resolution

Members of the Big Sofa Concert Party are deemed to be acting in concert under the Code and further details about them are set out in Part II of this document. The issue by the Company of the Consideration Shares to the Big Sofa Concert Party pursuant to the Acquisition, the participation of members of the Big Sofa Concert Party in the Placing or the Subscription and the issue of New Options, gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford to Shareholders are described below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company with its place of central management in the United Kingdom. The Company is such a company and Shareholders are entitled to the protections afforded by the Takeover Code and its provisions.

Under Rule 9 of the Takeover Code, any person or group of persons acting in concert who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry not less than 30 per cent. of the voting rights of 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, or any person acting in concert with him, which increases the percentage of shares carrying voting rights in which he is interested. Such persons should, however consult with the Panel in advance of making such further acquisitions. An offer under Rule 9 must be made in cash (or with a full cash alternative) at a price not less than the highest 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.

Details of the Big Sofa Concert Party are set out in Part II of this document.

Big Sofa Concert Party

As at the date of this document, members of the Big Sofa Concert Party have no interest in Existing Ordinary Shares in the Company.

As set out in Table 1 below pursuant to the Acquisition the Big Sofa Concert Party members are due to receive 15,801,491 of the Consideration Shares. In addition, various Big Sofa Concert Party members have agreed to subscribe, in aggregate, for 1,729,725 New Ordinary Shares under the Subscription. In addition, certain Big Sofa Concert Party members will be issued with, in aggregate, 418,054 New Options. Therefore, immediately following Admission, the Big Sofa Concert Party will own a total of 17,531,216 Ordinary Shares which will represent 30.89 per cent. of the Enlarged Issued Share Capital.

Table 1: Interests of the Big Sofa Concert Party on Completion of the Proposals

<i>Big Sofa Concert Party member</i>	<i>No of Consideration Shares to be issued</i>	<i>No of Subscription Shares subscribed</i>	<i>No of Placing Shares subscribed</i>	<i>Total No of Shares on Admission</i>	<i>% of Enlarged Issued Share Capital</i>	<i>No of New Options to subscribe for Ordinary Shares</i>	<i>Max No of New Ordinary Shares</i>	<i>% of the Enlarged Issued Share Capital*1</i>
Simon Lidington	10,286,026	–	–	10,286,026	18.12%	104,566	10,390,592	18.17%
Matt Lynch	4,121,470	–	–	4,121,470	7.26%	104,566	4,226,036	7.39%
Paul Clark	1,124,866	1,217,816	–	2,342,682	4.13%	–	2,342,682	4.10%
Iain MacDonald	–	126,946	–	126,946	0.22%	–	126,946	0.22%
BAMM Ltd	126,946	–	–	126,946	0.22%	–	126,946	0.22%
Paul Edwards	–	101,558	–	101,558	0.18%	–	101,558	0.18%
Moolamor LLC	101,558	–	–	101,558	0.18%	–	101,558	0.18%
Terence Back	–	88,863	–	88,863	0.16%	208,922	297,785	0.52%
Raheem Khan	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Nicholas Lidington	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Richard Fraser	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Johanna Campion	–	25,390	–	25,390	0.04%	–	25,390	0.04%
Amy Lynch	25,390	–	–	25,390	0.04%	–	25,390	0.04%
Michael MacDonald	15,235	–	–	15,235	0.03%	–	15,235	0.03%
Kylie Ray	–	15,235	–	15,235	0.03%	–	15,235	0.03%
Louise Lidington	–	509	–	509	0.00%	–	509	0.00%
Laurence Lidington	–	509	–	509	0.00%	–	509	0.00%
Edward Lidington	–	509	–	509	0.00%	–	509	0.00%
Rosie Lidington	–	53	–	53	0.00%	–	53	0.00%
Total	15,801,491	1,729,725	–	17,531,216	30.89%	418,054	17,949,270	31.40%

*1 Assuming only the New Options to be granted to members of the Big Sofa Concert Party are exercised.

Maximum potential controlling position

The maximum controlling position of the Big Sofa Concert Party is 17,949,270 New Ordinary Shares representing 31.40 per cent. of the Enlarged Issued Share Capital. This is based on the following assumptions:

- completion of: (i) the Share Consolidation, (ii) the Acquisition (resulting in the issue of the Consideration Shares), (iii) the Placing and (iv) the Subscription;
- the members of the Big Sofa Concert Party exercise all New Options in full at the earliest possible opportunity; and
- no other issue of Ordinary Shares, exercise of New Warrants or New Options or conversion of the NWOG Convertible Loan.

Rule 9 Waiver

Big Sofa Concert Party's interest in New Ordinary Shares resulting from the issue of the Consideration Shares and Subscription Shares to the Big Sofa Concert Party would ordinarily incur an obligation under Rule 9 of the Code for the Big Sofa Concert Party to make a general offer for the remainder of the issued share capital of the Company. Additionally, the exercise of the New Options to be granted to members of the Big Sofa Concert Party (if the aggregate percentage interest in the Company's voting rights at such time was below 50 per cent.) would also ordinarily incur an obligation under Rule 9 of the Code for the Big Sofa Concert Party to make a general offer for the remainder of the issued share capital of the Company. The Company has applied to the Panel for a waiver of Rule 9 of the Code in order to permit the Acquisition, the Subscription, the Placing and the exercise of New Options without triggering an obligation on the part of the Big Sofa Concert Party to make a general offer to shareholders. The Panel has agreed to waive these obligations subject to the approval of Independent Shareholders voting on a poll at the General Meeting. To be passed, the Whitewash Resolution will require a simple majority of votes entitled to be cast to vote in favour. No subscriber in the Placing (if they are an Existing Shareholder) is permitted to exercise their voting rights in respect of the Whitewash Resolution, but may exercise their voting rights in respect of the remainder of the Resolutions.

On Admission, the Big Sofa Concert Party will have an interest in shares carrying approximately 30.89 per cent. of the voting rights of the Company. Without a waiver of the obligations under Rule 9, the Big Sofa Concert Party would be obliged to make a general offer to Shareholders under Rule 9.

Shareholders should note that, following the completion of the Acquisition, the Big Sofa Concert Party collectively will hold over 30 per cent. but less than 50 per cent. of the voting rights of the Company and, for so long as the Big Sofa Concert Party remains treated as acting in concert, will not be entitled to increase its interests in the voting rights of the Company without incurring a further obligation under Rule 9 of the Code to make a general offer. Shareholders should also note that individual members of the Big Sofa Concert Party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without the Panel's consent. Following approval of the Proposals, the Big Sofa Concert Party will not be restricted from making an offer for shares in the Company.

Intentions of the Big Sofa Concert Party

The Big Sofa Concert Party has confirmed that, following completion of the Proposals, its intention is that the business of the Company is changed to that of developing the Big Sofa business as described under "Information on Big Sofa" as set out in paragraph 2 above.

Other than (i) this change to the Company's strategy and (ii) that the Company's shares are at present unquoted, but that post Admission they will be traded on AIM, the Big Sofa Concert Party has specifically confirmed that no changes will be made regarding:

- the location of the Company's places of business;
- the continued employment of the Company's employees and management, including any material changes to the conditions of their employment; or
- employer contributions into the Company's pension schemes, the accrual of benefits for existing members and the admission of new members,

nor will there be any redeployment of the fixed assets of the Company as a result of the Proposals.

Independent Advice

SPARK Advisory Partners has provided advice to the Existing Directors in respect of the Proposals as required under Rule 3 of the Code. Neither of the Existing Directors is deemed to be independent, given (i) Stephen Bourne's participation in the Placing (as set out in paragraph 12 below) and (ii) the holding of shares in Big Sofa at the time of the Acquisition by Adam Reynolds. Therefore SPARK Advisory Partners, as financial advisor to the Company, is making the recommendation in respect of the Whitewash Resolution to Independent Shareholders.

11. Corporate governance

The Directors recognise the importance of sound corporate governance. The Company intends to continue, following Admission, so far as is practicable for a company of its size, to follow the QCA Corporate Governance Guidelines for AIM companies. Adam Reynolds is not regarded as an independent director, given he is a director of NWOOG. The Board considers that the actions and decisions of the other non-executive directors will be independent in both character and judgement. In reaching this conclusion the Board is mindful of the numerous financial interests that the non-executive directors have in companies and enterprises other than the Company.

The Board will meet regularly and is responsible for formulating, reviewing and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions. On Admission, the Company will have in place an audit committee, a remuneration committee, a nomination committee and a disclosure committee with formally delegated rules and responsibilities.

11.1 *Audit Committee*

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring 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 twice in each financial year and will have unrestricted access to the Group's external auditors. At Admission, the Audit Committee will comprise Adam Reynolds, Steven Metcalfe and Nicholas Mustoe who will chair the committee.

11.2 **Remuneration Committee**

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. 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. In exercising this role, the directors shall have regard to the recommendations put forward in the QCA Guidelines and, where appropriate, the UK Corporate Governance Code guidelines. On Admission, the Remuneration Committee will comprise Nicholas Mustoe, Paul Clark and Adam Reynolds, who will chair the committee.

11.3 **Nomination Committee**

The Nomination Committee will be responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board, and the Chair of each such committee. The Nomination Committee will also arrange for evaluation of the Board. The Nomination Committee will initially comprise Adam Reynolds, Steven Metcalfe and Paul Clark, who will chair the committee. The Nomination Committee will meet at least twice a year.

11.4 **Disclosure Committee**

The Disclosure Committee will have the primary responsibility and authority to make decisions on disclosure delay for the purposes of MAR. On Admission, the Disclosure Committee will comprise Nicholas Mustoe, Paul Clark and Steven Metcalfe, who will chair the committee.

11.5 **Share Dealing Code**

The Board has adopted a share dealing code consistent with MAR and Rule 21 of the AIM Rules for Companies to regulate dealings in the Ordinary Shares by Directors and any other applicable employees. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted on AIM.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code.

12. Details of the Placing and the Subscription and use of proceeds

The Company proposes to raise up to £6.109 million (before expenses) comprising:

- a Placing through the issue of 29,411,770 New Ordinary Shares at the Issue Price to raise £5.0 million; and
- a Subscription of 6,525,276 New Ordinary Shares at the Issue Price to raise £1.109 million.

The Company has entered into the Placing Agreement with, *inter alia*, Hobart Capital Markets pursuant to which Hobart Capital Markets has conditionally agreed to implement the settlement of subscriptions for 29,411,770 New Ordinary Shares in the Placing. Further details of the Placing Agreement are set out in paragraph 12(v) of Part VI of this document.

Moreton Acquisitions Limited, a company in which Stephen Bourne is a shareholder has agreed to subscribe £25,000 in the Placing for 147,058 New Ordinary Shares at the Issue Price.

The Placing and the Subscription are conditional, amongst other things, upon:

- the passing of the Resolutions in general meeting;
- completion of the Acquisition; and
- Admission.

The net proceeds from the Placing and the Subscription will be used as follows:

- £1.109 million to fund the Cash Consideration element of the Acquisition;
- £1.20 million to invest in sales and marketing;
- £0.71 million investment in platform development; and
- £2.415 million for the general working capital requirements of the Enlarged Group following Admission.

The Directors recommend that Shareholders vote to disapply the pre-emption rights set out in the Act (in the terms set out in Resolution 12) in order to permit, amongst other things, the Placing, the Subscription, the grant of the New Warrants and the grant of New Options to be effected on a timely basis and to avoid the timetabling, and uncertainty of funding issues associated with effecting a pre-emptive offer.

13. HubCo Concert Party

Under presumption 6 of the Code's definition of acting in concert, founders of a company to whom the Code applies will be deemed to be acting in concert. Therefore, a further concert party ("the HubCo Concert Party") exists which comprises all of the founding shareholders of HubCo, which includes all of the existing shareholders of Hub Capital Partners Limited, which owns 880,000 shares in the Company, and other persons deemed to be acting in concert with them, including Peter Reynolds (the father of Adam Reynolds). This HubCo Concert Party therefore includes all the existing shareholders of HubCo and will own 9,921,393 Ordinary Shares upon Admission, representing 17.48 per cent. of the Enlarged Issued Share Capital.

14. Dividend Policy

The nature of the Enlarged Group's business means that it is unlikely that the Directors will be in a position to recommend a dividend in the early years following Admission. The Directors believe that the Enlarged Group should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

15. Share options, warrants, and loans convertible into shares

As at the date of this document, the Company has no outstanding options and warrants. New share option schemes are being put in place as set out in paragraph 6 of Part VI of this document. Assuming the Resolutions are passed and Admission occurs, the Company will issue the New Warrants and grant the New Options over 9,416,896 New Ordinary Shares in aggregate. In addition, if converted, the NWOOG Convertible Loan converts into up to 4,280,446 New Ordinary Shares.

16. Taxation

Your attention is drawn to the taxation section contained in paragraph 9 of Part VI of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. If you are in any doubt as to your tax position, or are subject to tax in jurisdictions other than the UK you are strongly advised to consult your own independent financial adviser immediately.

17. Risk Factors and further information

Your attention is drawn to the Risk Factors set out in Part III and to the section entitled “Forward Looking Statements” on page 2 of this document. Prospective investors should, in addition to all other information set out in this document, carefully consider the risks described in those sections before making a decision on whether to invest in the Company. Your attention is drawn to Parts II to VI of this document which provide additional information on the Company and the matters described in this Part I.

18. General Meeting

There is a notice convening the General Meeting on pages 119-122 of this document, which is to be held at Jeffrey's Henry LLP, Finsgate, 5-7 Cranwood Street, London EC1V 9EE on 16 December 2016 at 11.00 a.m., at which Resolutions 1-10 (inclusive) which are Ordinary Resolutions, and 11-12 (inclusive) which are Special Resolutions will be proposed to approve:

1. the Whitewash Resolution (to be taken on a poll of Independent Shareholders);
2. the Acquisition;
3. the appointment of Simon Lidington as a director;
4. the appointment of Matthew Lynch as a director;
5. the appointment of Joseph MacCarthy as a director;
6. the appointment of Nicholas Mustoe as a director;
7. the appointment of Steven Metcalfe as a director;
8. the appointment of Paul Clark as a director;
9. authority for the Directors to allot the Consideration Shares, the Placing Shares, the Subscription Shares, the Shares to be issued in relation to the NWOOG Convertible Loan, the New Options, the New Warrants, the one New Ordinary Share to facilitate the Share Consolidation, and up to a further 19,000,000 new Ordinary Shares;
10. the Share Consolidation;
11. the change of name to Big Sofa Technologies Group plc; and
12. authority for the Directors to allot for cash the Placing Shares, the Subscription Shares, the one New Ordinary Share to facilitate the Share Consolidation, the New Warrants, the New Options, the Shares issuable in relation to the NWOOG Convertible Loan and up to a further 5,700,000 New Ordinary Shares.

To be passed, the Resolutions (other than the Whitewash Resolution) proposed to be passed as ordinary resolutions will require a simple majority, and the Resolutions proposed to be passed as special resolutions will require a three-quarters majority voting in person or on a poll by proxy in favour of the relevant Resolution.

In accordance with the Code, the Whitewash Resolution will be the subject of a poll of Independent Shareholders. To be passed, the Whitewash Resolution will require a simple majority of votes entitled to be cast to vote in favour. None of the members of the Big Sofa Concert Party (nor any adviser connected with them) nor any subscriber in the Placing (if they are an existing Shareholder) are permitted to exercise their voting rights in respect of the Whitewash Resolution.

19. Action to be taken

Enclosed with this document you will find a form of proxy for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the form of proxy to the Registrar as soon as possible but in any event so as to

arrive no later than 11.00 a.m. on 14 December 2016. The completion and return of a form of proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the General Meeting, they are urged to complete and return the form of proxy as soon as possible.

20. Recommendations

Resolution 1 – the Whitewash Resolution

Neither of the Existing Directors are able to give any recommendation in respect of the Whitewash Resolution (Resolution 1), given that (i) Stephen Bourne is participating in the Placing as set out in paragraph 12 above, and (ii) Adam Reynolds will have a holding of shares in Big Sofa at the time of the Acquisition. In the absence of any Existing Directors being able to make a recommendation to Shareholders, SPARK Advisory Partners, as the Company's Rule 3 Adviser under the Code, believe that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders.

Accordingly, SPARK Advisory Partners recommends that Independent Shareholders vote in favour of Resolution 1. The Existing Directors are not permitted to vote their Shares on Resolution 1, nor are members of the Big Sofa Concert Party nor any existing Shareholder who is participating in the Placing.

Resolutions 2 to 12 (inclusive)

The Directors recommend that Shareholders vote in favour of each of Resolutions 2 to 12 (inclusive).

The Directors recommend that Shareholders vote to disapply the pre-emption rights set out in the Act (in the terms set out in Resolution 12) in order to permit, amongst other things, the Placing, the Subscription, the grant of the New Warrants, the grant of the New Options and the potential conversion of the NWO Convertible Loan into New Ordinary Shares, to be effected on a timely basis and to avoid the timetabling, and uncertainty of funding issues associated with effecting a pre-emptive offer.

The Directors, who have, in aggregate, an interest in 1,505,000 Existing Ordinary Shares (which includes 880,000 shares held by Hub Capital Partners Limited), representing 17.0 per cent of the issued share capital, intend to vote, or to procure the voting of, their shares in favour of Resolutions 2 to 12 (inclusive).

Yours faithfully,

Adam Reynolds
Chairman

PART II

INFORMATION ON THE BIG SOFA CONCERT PARTY AND ADDITIONAL DISCLOSURES REQUIRED UNDER THE TAKEOVER CODE

1. Information on the Big Sofa Concert Party

Under presumption 9 of the Code's definition of acting in concert, shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Code applies are deemed to be acting in concert. Peter Reynolds (father of Adam Reynolds), Adam Reynolds, Nicholas Mustoe, David Newton, and Steven Metcalfe will be shareholders of Big Sofa at the time of the Acquisition as a result of short-term funding provided by them to Big Sofa in February 2016 (in relation to Peter Reynolds, David Newton and Nicholas Mustoe) and November 2016 (in relation to David Newton) and the purchase of shares from a trade investor in November 2016 (in relation to Adam Reynolds, Nicholas Mustoe and Steven Metcalfe). Each of Adam Reynolds, Nicholas Mustoe and David Newton are members of the HubCo Concert Party as described in paragraph 13 of Part I of this document. As a result of these parties' short-term funding involvement with Big Sofa, their presumed membership of the Big Sofa Concert Party has been rebutted. The Big Sofa Concert Party comprises 19 existing shareholders of Big Sofa. Full details of the members of the Big Sofa Concert Party are shown below.

As at the date of this document, members of the Big Sofa Concert Party have no interest in Existing Ordinary Shares in the Company. Set out below is a table showing the potential interests of the members of the Concert Party in the Enlarged Issued Share Capital, post Admission:

<i>Big Sofa Concert Party member</i>	<i>No of Consideration Shares to be issued</i>	<i>No of Subscription Shares subscribed</i>	<i>No of Placing Shares subscribed</i>	<i>Total No of Shares on Admission</i>	<i>% of Enlarged Issued Share Capital</i>	<i>No of New Options to subscribe for Ordinary Shares</i>	<i>Max No of New Ordinary Shares</i>	<i>% of the Enlarged Issued Share Capital*1</i>
Simon Lidington	10,286,026	–	–	10,286,026	18.12%	104,566	10,390,592	18.17%
Matthew Lynch	4,121,470	–	–	4,121,470	7.26%	104,566	4,226,036	7.39%
Paul Clark	1,124,866	1,217,816	–	2,342,682	4.13%	–	2,342,682	4.10%
Iain MacDonald	–	126,946	–	126,946	0.22%	–	126,946	0.22%
BAMM Ltd	126,946	–	–	126,946	0.22%	–	126,946	0.22%
Paul Edwards	–	101,558	–	101,558	0.18%	–	101,558	0.18%
Moolamor LLC	101,558	–	–	101,558	0.18%	–	101,558	0.18%
Terence Back	–	88,863	–	88,863	0.16%	208,922	297,785	0.52%
Raheem Khan	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Nicholas Lidington	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Richard Fraser	–	50,779	–	50,779	0.09%	–	50,779	0.09%
Johanna Campion	–	25,390	–	25,390	0.04%	–	25,390	0.04%
Amy Lynch	25,390	–	–	25,390	0.04%	–	25,390	0.04%
Michael MacDonald	15,235	–	–	15,235	0.03%	–	15,235	0.03%
Kylie Ray	–	15,235	–	15,235	0.03%	–	15,235	0.03%
Louise Lidington	–	509	–	509	0.00%	–	509	0.00%
Laurence Lidington	–	509	–	509	0.00%	–	509	0.00%
Edward Lidington	–	509	–	509	0.00%	–	509	0.00%
Rosie Lidington	–	53	–	53	0.00%	–	53	0.00%
Total	15,801,491	1,729,725	–	17,531,216	30.89%	418,054	17,949,270	31.40%

*1 Assuming only the New Options to be granted to members of the Big Sofa Concert Party are exercised.

The maximum controlling position of the Big Sofa Concert Party is 17,949,270 New Ordinary Shares representing 31.40 per cent. of the Enlarged Issued Share Capital. This is based on the following assumptions:

- completion of: (i) the Share Consolidation, (ii) the Acquisition (resulting in the issue of the Consideration Shares), (iii) the Placing and (iv) the Subscription;
- the members of the Big Sofa Concert Party exercise all New Options in full at the earliest possible opportunity; and

- no other issue of Ordinary Shares, exercise of New Warrants or New Options or conversion of the NWOOG Convertible Loan.

2. Information on the Big Sofa Concert Party

Except as disclosed otherwise, the address of each member of the Big Sofa Concert Party is 72-76 Borough High Street, London SE1.

- (i) Simon Lidington is the Chief Executive Officer of Big Sofa. Further details of Simon are set out in paragraph 5.2 of Part I of this document;
- (ii) Matthew Lynch is the Chief Strategy Officer of Big Sofa. Further details of Matthew are set out in paragraph 5.2 of Part I of this document;
- (iii) Paul Clark is a non-executive director of Big Sofa. Further details of Paul are set out in paragraph 5.2 of Part I of this document;
- (iv) Iain MacDonald is a personal friend of Matthew Lynch;
- (v) BAMM Limited is a client of Big Sofa;
- (vi) Paul Edwards is a friend and professional associate of Simon Lidington;
- (vii) Moolamor LLC is owned by John Pickett and Judy Foster, the latter of whom is a relative of Louise Lidington;
- (viii) Terence Back is a non-executive director of Big Sofa. Further details of Terence are set out in paragraph 5.3 of Part I of this document;
- (ix) Raheem (Raz) Khan is a friend and professional associate of Simon Lidington;
- (x) Nicholas Lidington is Simon Lidington's brother;
- (xi) Richard Fraser is a Crowdcube investor, who has taken a particular interest in Big Sofa;
- (xii) Amy Lynch is the wife of Matthew Lynch;
- (xiii) Johanna Champion is a Crowdcube investor, who has taken a particular interest in Big Sofa;
- (xiv) Michael MacDonald is a friend of Matthew Lynch;
- (xv) Kylie Ray is the friend of one of Big Sofa's senior employees;
- (xvi) Louise Lidington is the wife of Simon Lidington;
- (xvii) Laurence Lidington is the adult son of Simon Lidington;
- (xviii) Edward Lidington is the adult son of Simon Lidington; and
- (xix) Rosie Lidington is the adult daughter of Simon Lidington.

3. Interests of the Big Sofa Concert Party in the Company

- (a) No member of the Big Sofa Concert Party is currently interested in any voting rights of the Company.
- (b) No member of the Big Sofa Concert Party nor any member of his immediate family, related trusts or connected persons had an interest in or a right to subscribe for, or had any short position in relation to any Relevant Securities of the Company, nor had any such person dealt in such securities during the disclosure period;
- (c) No person acting in concert with the members of the Big Sofa Concert Party had an interest in or a right to subscribe for, or had any short position in relation to, any Relevant Securities of the Company, nor had any such person dealt in any such securities during the disclosure period; and

- (d) no member of the Big Sofa Concert Party nor any person acting in concert with them had borrowed or lent any Relevant Securities of the Company, save for any borrowed shares which have either been on-lent or sold.

(B) Definitions

For the purposes of this Part II:

- (a) references to persons “acting in concert” comprise 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. A person and each of its affiliated persons will be deemed to be acting in concert with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:
 - (i) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (ii) a company with any of its directors (together with their close relatives and related trusts);
 - (iii) a company with any of its pension funds and the pension funds of any company covered in (i);
 - (iv) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;
 - (v) a person, the person’s close relatives, and the related trusts of any of them, all with each other;
 - (vi) the close relatives of the founder of a company to which the Code applies, their close relatives, and the related trusts of any of them, all with each other;
 - (vii) a connected adviser with its client and, if its client is acting in concert with an offeror or with the offeree company, with that offeror or with that offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader); and
 - (viii) directors of a company which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent; and
 - (ix) shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Code applies, or who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Code applies.
- (b) an “arrangement” includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing;
- (c) a “connected adviser” means an organisation which is advising the offeror or the offeree company;
- (d) “connected person” means in relation to any person a person whose interest in shares is one in which the first mentioned person is also taken to be interested pursuant to Part 32 of the Act;
- (e) “control” means a holding, or aggregate holdings, of shares in the capital of a company carrying 30 per cent. or more of the voting rights of such company, irrespective of whether the holding or holdings give de facto control;

- (f) “dealing or dealt” include:
- (i) acquiring or disposing of Relevant Securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to Relevant Securities or general control of Relevant securities;
 - (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option in respect of any Relevant Securities;
 - (iii) subscribing or agreeing to subscribe for Relevant Securities (whether in respect of new or existing securities);
 - (iv) exercising or converting any Relevant Securities carrying conversion or subscription rights;
 - (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to Relevant Securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell Relevant Securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of Relevant Securities in which a person is interested or in respect of which he has a short position;
- (g) “derivative” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying securities;
- (h) “disclosure date” means 29 November 2016, being the latest practicable date prior to the publication of this document;
- (i) “disclosure period” means the period of 12 months ending on the disclosure date;
- (j) an “exempt fund manager” means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Code;
- (k) an “exempt principal trader” means a person who is recognised by the Panel as an exempt principal trader for the purposes of the Code;
- (l) being “interested” in Relevant Securities includes where a person (otherwise than through a short position):
- (i) owns Relevant Securities; or
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to Relevant Securities or has general control over them; or
 - (iii) by virtue of an agreement to purchase, option or derivative, has the right or option to acquire Relevant Securities or to call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (m) “Relevant Securities” means securities which comprise equity share capital (or derivatives referenced thereto) and securities convertible into rights to subscribe for and options (including traded options) in respect of any such securities; and

- (n) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

4. Additional disclosures required by the Code

At the close of business on the disclosure date, save as disclosed in this paragraph 4 of Part II of this document and paragraph 5 of Part VI of this document:

- (a) save as set out below, none of the Company nor the Existing Directors (including any members of such Existing Directors’ respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any Relevant Securities of Big Sofa nor has any such person dealt in any such securities during the disclosure period:–
- (i) on 8 February 2016 each of Nicholas Mustoe, David Newton and Peter Reynolds (father of Adam Reynolds) lent a sum of £100,000, interest free, to Big Sofa and also entered into a warrant agreement with Big Sofa, which entitles them to subscribe respectively for shares in Big Sofa representing 4 per cent. of its share capital. Messrs Mustoe, Newton and Adam Reynolds are shareholders in HubCo;
- (ii) on 29 November 2016, David Newton invested £150,000 in shares in Big Sofa at a subscription price of £0.29137 per share;
- (iii) on 30 November 2016, and conditional upon the passing of the Resolutions at the General Meeting, Adam Reynolds, Steven Metcalfe and Nicholas Mustoe each agreed to acquire 449,000 A ordinary shares in Big Sofa for £138,333 from Environics Research Group Limited, a trade investor in Big Sofa. Messrs Mustoe and Reynolds are shareholders in HubCo;
- (b) no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to any Relevant Securities of the Company, nor has any such person dealt in any such securities during the disclosure period;
- (c) none of the Company nor the Existing Directors (including any members of such Existing Directors’ respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any Relevant Securities of the Company, nor has any such person dealt in any such securities during the disclosure period;
- (d) the Company has not redeemed or purchased any of its Relevant Securities during the disclosure period;
- (e) there were no arrangements which existed between the Company or any person acting in concert with the Company or any other person;
- (f) neither the Company nor any person acting in concert with the Company had borrowed or lent any Relevant Securities of the Company, save for any borrowed shares which have either been on-lent or sold;
- (g) no member of the Big Sofa Concert Party nor any person acting in concert with them has entered into an agreement, arrangement or understanding (including any compensation arrangement) with any of the Existing Directors, recent directors, Shareholders, recent Shareholders or any other person interested or recently interested in Existing Ordinary Shares which are connected with or dependent upon the outcome of the Proposals; and
- (h) no member of the Big Sofa Concert Party has entered into agreement, arrangement or understanding to transfer any interest acquired in the Company, pursuant to the Proposals.

PART III

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this document before investing in Ordinary Shares. The investment offered in this document may not be suitable for all of its recipients. Potential investors are accordingly advised to consult a professional adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

In addition, it may be more difficult for an investor to realise his or her investment on AIM than it is to realise an investment in a company whose shares or other securities are quoted on the Official List. The AIM Rules for Companies are less demanding than the Listing Rules. Therefore, an investment in a share which is traded on AIM is likely to carry a higher risk than an investment in the same share if it were quoted on the Official List. The market for Ordinary Shares may be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. These factors include, amongst others, the following: changes in tax regime; additions or departures of key personnel at the Company; and adverse press, newspaper and other media reports.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

SPECIFIC RISKS RELATING TO AN INVESTMENT IN THE ENLARGED GROUP AND THE ORDINARY SHARES

Big Sofa has adapted its business model since 2014 to concentrate on becoming a visual content analytics specialist. Thus whilst the Big Sofa business has been in existence since 2009, its current business activities are relatively nascent. Big Sofa and the Enlarged Group's strategy relies on selling increasing amounts of activity directly to a small number of large brand owners and research agencies. Few of the current agreements with these clients stipulate minimum purchase quantities. Loss of a key customer or a failure of key current customers to purchase services in the amounts envisaged or in the anticipated time frames could have a detrimental effect on the Enlarged Group's business.

Lack of operating history; history of losses

Big Sofa has to date earned little revenue from sales since it adapted its business model in 2014 to concentrate on becoming a visual content analytics specialist and as a result the Company has incurred net losses since it was incorporated in 2013.

The Enlarged Group's development programme and growth plans, in relation to its commercial activities, including the proposed expansion in its technical development teams and general staffing levels, together with anticipated general administrative expenses, could result in the Enlarged Group sustaining significant

losses for the foreseeable future. Further details of the Enlarged Group's development programme and growth plans and its current trading and prospects, are set out under the headings "Future Strategy of the Enlarged Group" and "Current Trading, Strategy and Prospects of the Enlarged Group" in Part I of this document. In addition, there are risks associated with such expansion, including the need to control costs in the event that significant income does not materialise.

Technology risks

There can be no assurance that competitors either presently operating in the market or potential new entrants will not produce software that is more effective than that of the Enlarged Group. Superior technology would be likely to attract business from the Enlarged Group's actual or potential clients and could have a material adverse impact on the revenues and operating results of the Enlarged Group.

Dependence on key executives and personnel, employee retention and recruitment

Big Sofa has, and the Enlarged Group will have, a comparatively small number of current and proposed employees. The future success of the Enlarged Group depends partially on the expertise of the Directors and certain key employees. The loss of key personnel, and in particular Simon Lidington and Matt Lynch, and the inability to recruit further key personnel could have an adverse effect on the Enlarged Group's future through impairing the day to day running of the Enlarged Group and its ability to develop future products. An inability to attract such additional personnel as Big Sofa grows could have an adverse effect on the Company's business and trading results. In addition, the loss of the services of the executive directors, members of senior management and other key employees could damage the Enlarged Group's business. As described in this document in paragraph 15 of Part I and paragraph 6 of Part VI, the Company proposed to establish option incentive schemes in order to enhance its ability to retain key personnel.

Hosting and Storage

Strict rules govern situations where Personally Identifiable Information is stored or hosted on external servers. Certain of Big Sofa's existing or prospective customers have indicated they will only be able to engage with Big Sofa if "approved" specific hosting/storage platforms are used by suppliers such as Big Sofa. One particular customer has specified that Big Sofa uses Rackspace in order to become its global video analytics partner. Big Sofa is currently in the process of appointing Rackspace, however any delay or failure in so doing may adversely affect Big Sofa's prospects.

Delay in generating sales

Big Sofa is significantly increasing its infrastructural resources (and hence fixed overheads), both in terms of recruitment of senior and other employees as well as continued investment in the platform, in order to drive the business forwards. The Directors expect that this investment should over time result in significant uplift in business activity and turnover. Failure in translating promising opportunities into sales revenue from existing and prospective customers, or a delay in such translation, will accentuate the Enlarged Group's cash burn, and may require the Company to seek further funding, or reduce its investment programme.

Development into the United States

The Directors believe that there is a large opportunity to develop business in the United States (US), and that the creation of a US presence is important in assisting the achievement of this aim. A US Chief Executive has been appointed, and the process of developing a US presence is underway. However historical experience of British firms expanding into the US has often led to failure or an under-estimation of the difficulties in successfully penetrating such a market. Failure to win the anticipated business from US customers will adversely affect the Enlarged Group's performance.

Influence of Concert Party

On Admission, the Big Sofa Concert Party will have an interest in approximately 31 per cent. of the Enlarged Issued Share Capital. Accordingly they will be in a position potentially to exert significant influence over the

Company, its strategy and operations. The Company and, *inter alia*, certain major members of the Big Sofa Concert Party have agreed a Relationship Agreement governing their behaviour as significant shareholders in the Company, further details of which are set out in paragraph 12(viii) of Part VI of this document. Notwithstanding this, investors should be aware of the risk posed by having controlling shareholders who hold over 30 per cent. of the Enlarged Issued Share Capital.

Third party service providers and adequacy of IT infrastructure and systems

Whilst closely monitored and designed not to have any, any weakness or failures in the Enlarged Group's internal processes and procedures and other operational areas could materially adversely affect the Enlarged Group's operating results, financial condition and prospects, and could result in reputational damage.

Aspects of Big Sofa's business rely upon certain third party service providers. A deterioration or interruption in the performance of these service providers could impair the quality and timing of the Enlarged Group's services. Furthermore, if contracts with any of these service providers are terminated, Big Sofa may not find alternative suppliers on equivalent terms or on a timely basis.

Operational risks, through inadequate or failed internal processes, including financial reporting and risk monitoring processes, or from people-related or external events, including the risk of fraud and other criminal acts carried out against the Enlarged Group, are present in the Enlarged Group's businesses. Any weakness in third party providers or the Enlarged Group's internal controls and processes could have a negative impact on the Enlarged Group's results or its ability to report adequately such results during the affected period. Furthermore, damage to the Enlarged Group's reputation, including to client confidence, arising from actual or perceived inadequacies, weaknesses or failures in Company systems or processes could have a significant adverse impact on the Enlarged Group's businesses.

Systems failures or delays and loss of business continuity

The Enlarged Group's operations are highly dependent on technology, communications systems, including telephone and mobile networks, and the internet. The efficient and uninterrupted operation of the systems, technology and networks on which the Enlarged Group relies and its ability to provide customers with reliable, real-time access to its products and services is fundamental to the success of the Enlarged Group's business. Any damage, malfunction, failure or interruption of or to systems, networks or technology used by the Enlarged Group (including the platform) could result in a lack of confidence in the Enlarged Group's services and a possible loss of existing customers to its competitors or could expose the Enlarged Group to higher risk or losses, with a consequential material adverse effect on the Enlarged Group's operations and results.

If the Enlarged Group's connection to telephone or mobile networks or the internet is interrupted or not available, the Group may not be able to provide customers with its platform and services.

The Enlarged Group's platform and networks may also fail as a result of other events, such as:

- fire, flood or natural disasters;
- power or telecommunications failure;
- computer hacking activities; or
- acts of war or terrorism.

From time to time, the Enlarged Group introduces architectural upgrades to its existing systems and problems. Implementing any such upgrade might lead to delays or partial or total loss of service to the Enlarged Group's customers in any or all of the jurisdictions in which the Enlarged Group operates and to short-term interruption to the Enlarged Group's business. These types of events could expose the Enlarged Group to potential liability and could have a material adverse effect on the Enlarged Group's business, financial condition and operating results.

The Enlarged Group has disaster recovery procedures in place which involve data held in its network being automatically backed up every hour with the backups being transported offsite once a week for additional security. The offsite data is retained for a period of four weeks. Whilst such procedures are intended to mitigate the effects of events such as those listed above on the Enlarged Group's business, there can be no assurance that such policies can account for and protect against all eventualities or that they will be effective in preventing any interruption to the operations and systems of the Enlarged Group. Whilst to date there has been no significant malfunctioning of the Enlarged Group's technology and systems, any such events could result in a lack of confidence in the Enlarged Group's services, a possible loss of existing customers to its competitors and potential liabilities, with a consequential material adverse effect on the Enlarged Group's operations and results. In addition, financial services regulators expect that systems will be resilient and able to handle unexpected stresses.

Data protection

The Enlarged Group processes personal data, some of which may be sensitive, as part of its business. The Enlarged Group's operations are therefore subject to a number of laws relating to data privacy, including the United Kingdom's Data Protection Act 1998. If the Enlarged Group does not ensure its adherence to appropriate compliance procedures, the Enlarged Group could be in breach of data privacy legislation which could result in the Enlarged Group being subjected to claims from its customers, investigation or enforcement action by the Information Commissioner's Office in the UK, legal claims and reputational damage. If it acts, or is perceived to be acting inconsistently with the terms of its privacy policy, consumer expectations or the law, the Enlarged Group could suffer reputational damage and/or potential financial liabilities.

Growth management

There can be no assurance that the anticipated growth of the Enlarged Group will be successfully managed. The Enlarged Group may have to engage the services of additional personnel to handle a material growth in the Enlarged Group's business. Prior to such additional personnel being engaged, the additional demands placed on the Enlarged Group's existing resources could impair its ability to maintain its service levels to its customers.

Reputation

The ability of the Enlarged Group to attract new business and to retain its existing clients depends upon the maintenance of its reputation in the market. The industry in which the Enlarged Group operates demands a high level of integrity. Client trust is paramount and the Enlarged Group is thus susceptible to adverse market perception. Any fraud, mismanagement or failure to satisfy the Enlarged Group's responsibilities to its clients, any negative publicity resulting from such activities or the accusation of such actions associated with Big Sofa, could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Potential requirement for further development

Any future expansion, activity, acquisitions and/or business development may require additional capital. 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, dilution to the then existing shareholdings may result. If the Enlarged 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 and/or business development.

Competition

Competition is based on many factors, including brand recognition, product quality, reliability and price. Although the competition in this sector is limited at present there is always a risk that other companies may develop and start offering similar, equivalent or superior services and/or products at lower costs than the Enlarged Group. This could have a material adverse effect on the Enlarged Group's prospects, results of operations, business and financial condition.

Market risks

The Enlarged Group faces competitive and strategic risks that are inherent in the market. The Enlarged Group's success depends on market acceptance of its products and customers choosing its products over those of its competitors. Market opportunities targeted by the Enlarged Group may change and this could lead to an adverse effect upon its revenue and earnings.

In order to compete effectively, the Enlarged Group must keep up with rapid technological changes and changes in its customers' requirements and preferences

The technology industry is characterised by rapid changes and evolving industry standards. Customers constantly demand more sophisticated products and services and customer preferences change rapidly. To remain competitive, the Enlarged Group must continue to innovate, further enhancing and improving the responsiveness, functionality, accessibility and other features of its platform. The success of the Enlarged Group depends on its ability to anticipate and respond to technological changes and customer preferences in a timely and cost-effective manner. The Directors believe that the Enlarged Group is well placed to respond to these challenges bearing in mind that key technologies are developed in-house allowing it to respond to changes in customer preferences quickly and efficiently. However, there can be no assurance that the Enlarged Group will be able to effectively anticipate and respond to technological changes and customer preferences in the future. Failure to do so could have a material adverse effect on the Enlarged Group's business and operating results.

Litigation

While the Enlarged Group currently has no material outstanding litigation or dispute, there can be no guarantee that the actions of the Enlarged Group will not result in litigation and, without limitation as to the nature of any such potential claim.

The Directors cannot preclude that litigation may be brought against the Enlarged Group in the future. Such litigation may include claims involving the Enlarged Group's directors, officers, employees and advisors for which the Enlarged Group may be liable. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Enlarged Group's financial position, results or operations. The Enlarged Group's business may be materially adversely affected if the Enlarged Group and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Currency risk

A large proportion of Big Sofa's income and expenses are anticipated to be incurred in foreign currency. As a result, fluctuations in currency exchange rates could have an adverse effect on the financial condition, results of operation or cash flow of the Enlarged Group. Big Sofa would consider hedging against these movements however such hedging could prove insufficient to protect the Enlarged Group from severe swings in foreign exchange rates.

GENERAL RISKS RELATING TO AN INVESTMENT IN ORDINARY SHARES

General Market and Investment Risks relating to AIM traded securities

A prospective investor should consider with care whether an investment in the Company is suitable for him in light of his personal circumstances and the financial resources available to him. 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 which may result from the investment. Prospective investors should therefore consult an independent financial adviser authorised under the FSMA before investing if you are in the United Kingdom or, if not, another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities.

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's assets or investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The price of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect investments and the Company's prospects.

Notwithstanding the fact that an application will be made for the New Ordinary Shares to be admitted to trading on AIM, this should not be taken as implying that there will be a "liquid" market in the New Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Company may be difficult to realise. The New Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List.

Possible volatility in the price of Ordinary Shares

The market price of the Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in market sentiment regarding Ordinary Shares (or securities similar to them), any regulatory changes affecting the Company's operations, variations in its operating results, developments in the industry or its competitors, the operating and share price performance of other companies in the financial services and markets sector, or speculation about the Company's business in the press, media or investment communities. The Company's operating results and prospects from time to time, may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the New Ordinary Shares.

In general, prospective investors should be aware that the value of an investment in the New Ordinary Shares may go down as well as up. The Company can give no assurance that the market price of New Ordinary Shares will not decline below the relevant price at which potential investors subscribe for New Ordinary Shares.

Taxation risk

Any change in the Enlarged Group's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the Company's Ordinary Shares or the investments held by the Enlarged Group, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change.

Shareholder taxation

The tax consequences for each Shareholder of owning Ordinary Shares will depend, amongst other things, on tax laws in the jurisdiction in which that Shareholder is resident or domiciled. Prospective investors should consult their professional advisers on the possible tax consequences of subscribing for, buying, holding, selling or transferring Ordinary Shares under the laws of their country of citizenship, residence or domicile.

Substantial sales of New Ordinary Shares

On Admission, 24,982,311 New Ordinary Shares representing 44.02 per cent. of the Enlarged Issued Share Capital will be subject to a full lock-in for a period of 12 months post Admission and thereafter for a period of 12 months after the expiry of the initial lock-in period (the "Second Restricted Period") and for the purpose of maintaining an orderly market in the New Ordinary Shares, Shareholders subject to the Lock-In Deed will only be able to dispose of interests in the New Ordinary Shares through Hobart Capital Markets, as the Company's broker. Whilst these agreements are designed to ensure an orderly market in the New

Ordinary Shares, there can be no guarantee that a sale of a large number of New Ordinary Shares, particularly following the end of the relevant lock-in periods under the Lock-In Deed, will not adversely affect the market price of New Ordinary Shares.

Shareholders may sell their New Ordinary Shares in the future to realise their investment. Sales of substantial amounts of these New Ordinary Shares following Admission, or the perception that these sales could occur, could materially adversely affect the market price of the Ordinary Shares available for sale compared to the demand to buy New Ordinary Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate.

The risks noted above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.

There may be special risks if an investor holds Ordinary Shares in certain jurisdictions. At this time, the Company does not intend to make accommodations regarding its financial information to assist any holders with their tax obligations.

The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him.

PART IV

HISTORICAL FINANCIAL INFORMATION

Basis of financial information

Part IV of this Document contains the following financial information on the Enlarged Group:

Part A: Historical Financial Information for the financial periods ended 30 June 2016 on HubCo Investments plc

Part B: Historical Financial Information on Big Sofa Limited

PART A(i): HISTORICAL FINANCIAL INFORMATION ON THE COMPANY – 3 PERIODS ENDED 31 DECEMBER 2015

30 November 2016

The Directors
HubCo Investments Plc
Finsgate, 5-7 Cranwood Street
London
EC1V 9EE

and

The Directors
SPARK Advisory Partners Limited
5 St John's Lane
London EC1M 4BH

JH
JEFFREYS HENRY LLP

Chartered Accountants

Finsgate 5-7 Cranwood Street
London EC1V 9EE

Telephone 020 7309 2222

Fax 020 7309 2309

Email jh@jeffreyshenry.com

Website www.jeffreyshenry.com

Dear Sirs,

HubCo Investments Plc (“Company”)

We report on the financial information set out in this Part A of Part IV. This financial information has been prepared for inclusion in the AIM admission document (the “Admission Document”) of the Company dated 30 November 2016, on the basis of the accounting policies set out in paragraph 1 of the financial information.

Responsibilities

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of 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 assume any responsibility and will not accept any liability to any other person for any loss suffered by any such 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 Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in this Admission Document.

Basis of Preparation

The financial information has been based on the audited financial statements of the Company for the period ended 31 December 2015, years ended 30 November 2014 and 30 November 2013 respectively, to which no adjustments were considered necessary.

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of HubCo Investments Plc as at 31 December 2015, 30 November 2014 and 30 November 2013 of its results, financial position, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission 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 Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

The financial information included herein comprises:

- a statement of accounting policies;
- income statements, balance sheet, statements of changes in equity, cash flow statements;
- notes to the income statements and the balance sheets.

Yours faithfully

A handwritten signature in black ink that reads "Jeffrey's Henry LLP". The signature is written in a cursive, slightly stylized font.

JEFFREYS HENRY LLP

1. Accounting policies

HubCo Investments Plc ('the Company') is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.

1.1 Basis of accounting

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

1.2 Revenue

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured. The Company has not been trading under our review.

1.3 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term, highly liquid investments which are readily convertible to known amounts of cash, subject to insignificant risk of changes in value, and have a maturity of less than 3 months from the date of acquisition. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits.

1.4 Taxation

The major components of income tax on the profit or loss from ordinary activities include current and deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

1.5 Deferred taxation

Deferred tax is provided for using the liability method on temporary timing differences at the balance sheet date between tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised in full for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused losses can be utilised.

The carrying amount of deferred income tax assets is assessed 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it is no longer probable that future taxable profits will allow the deferred tax asset to be recovered.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

1.6 *Financial instruments*

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a contractual party to the instrument.

1.7 *Trade Receivables*

Trade receivables are recognised initially at their fair value which equates to their nominal value as reduced by any appropriate provision for irrecoverable amounts and subsequently at amortised cost.

1.8 *Trade payables*

Trade payables are recognised initially at their fair value and subsequently at amortised cost.

1.9 *Critical accounting estimates and judgements*

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The Company makes certain estimates and assumptions regarding the future. Actual experience may differ from these estimates and assumptions causing a consequent effect on results in future reporting periods. Given the current state of the Company the directors do not believe there are currently any estimates and assumptions that have a significant risk of having a material impact on the Company in future accounting periods.

1.10 *New standards, amendments and interpretations*

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods commencing 1 December 2014 and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Company.

2. **Statements of Comprehensive Income**

		<i>Period to 31 December 2015 £'000</i>	<i>Year ended 30 November 2014 £'000</i>	<i>Year ended 30 November 2013 £'000</i>
Revenue		–	–	–
Aborted acquisition costs	7.3	(223)	–	–
Administrative expenses	7.3	(73)	(31)	(33)
Total Administrative expenses		<u>(296)</u>	<u>(31)</u>	<u>(33)</u>
Operating loss		(296)	(31)	(33)
Finance income	7.2	–	–	–
Loss before taxation		(296)	(31)	(33)
Taxation	7.4	–	–	–
Total comprehensive loss for the year		<u>(296)</u>	<u>(31)</u>	<u>(33)</u>
Loss per share (pence)				
Basic and fully diluted	7.5	<u>(3.34)p</u>	<u>(0.35)p</u>	<u>(0.37)p</u>

3. Statements of Financial Position

		<i>As at</i> <i>31 December</i> <i>2015</i> <i>£'000</i>	<i>As at</i> <i>30 November</i> <i>2014</i> <i>£'000</i>	<i>As at</i> <i>30 November</i> <i>2013</i> <i>£'000</i>
	<i>Notes</i>			
Current assets				
Trade and other receivables	7.6	17	3	3
Cash and cash equivalents	7.7	353	567	606
Total assets		<u>370</u>	<u>570</u>	<u>609</u>
Current liabilities				
Trade and other payables	7.8	(101)	(5)	(13)
Net current assets		<u>269</u>	<u>565</u>	<u>596</u>
Net assets		<u>269</u>	<u>565</u>	<u>596</u>
Equity attributable to equity holders of the company				
Share capital	7.11	89	89	89
Share premium	4	639	639	639
Retained Loss	4	(459)	(163)	(132)
Total equity		<u>269</u>	<u>565</u>	<u>596</u>

4. Statements of Changes in Equity

	<i>Share premium</i> <i>£'000</i>	<i>Redeemable ordinary shares</i> <i>£'000</i>	<i>Retained Losses</i> <i>£'000</i>	<i>Share Capital</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
Balance at 14 November 2011	–	–	–	–	–
Issue of ordinary shares	729	–	–	89	818
Issue of redeemable ordinary shares	–	41	–	–	41
Redemption of redeemable ordinary shares	–	(41)	–	–	(41)
Cost on the issue of ordinary shares	(90)	–	–	–	(90)
Loss for the period	–	–	(99)	–	(99)
Balance at 30 November 2012	<u>639</u>	<u>–</u>	<u>(99)</u>	<u>89</u>	<u>629</u>
Loss for the year	–	–	(33)	–	(33)
Balance at 30 November 2013	<u>639</u>	<u>–</u>	<u>(132)</u>	<u>89</u>	<u>596</u>
Loss for the year	–	–	(31)	–	(31)
Balance at 30 November 2014	<u>639</u>	<u>–</u>	<u>(163)</u>	<u>89</u>	<u>565</u>
Loss for period	–	–	(296)	–	(296)
Balance at 31 December 2015	<u>639</u>	<u>–</u>	<u>(459)</u>	<u>89</u>	<u>269</u>

Share capital is the amount subscribed for shares at nominal value.

Share premium is the excess amount over the nominal value of subscribed shares.

Redeemable ordinary share is the amount issued for the purpose of redemption in the near future.

Cost on the issue of ordinary shares is the amount incurred on the issue of the ordinary shares and the redeemable ordinary shares.

Retained loss is the cumulative net gains and losses recognised in the income statement.

5. Statements of Cash Flows

		<i>Period ended 31 December 2015 £'000</i>	<i>Year ended 30 November 2014 £'000</i>	<i>Year ended 30 November 2013 £'000</i>
	<i>Notes</i>			
Net cash outflow from operating activities	6.1	(214)	(39)	(12)
Cash flows from investing activities				
Interest received	7.2	–	–	–
Cash flows from financing activities				
Issue of ordinary shares		–	–	–
Share issue costs		–	–	–
Net cash from financing activities		–	–	–
Net (decrease)/increase in cash and cash equivalents		(214)	(39)	(12)
Cash and cash equivalents at beginning of period		567	606	618
Cash and cash equivalents at end of period		353	567	606
Represented by:				
Bank balances and cash		353	567	606

6. Notes to the Statements of Cash Flows

Cash outflow from operations

	<i>Period to 31 December 2015 £'000</i>	<i>Year ended 30 November 2014 £'000</i>	<i>Year ended 30 November 2013 £'000</i>
Loss before interest and tax	(296)	(31)	(33)
Adjustments for:			
Interest income	–	–	–
Net cash consumed by operating activities	(296)	(31)	(33)
Decrease/(Increase) in receivables	(13)	(1)	32
Increase/(Decrease) in payables	95	(7)	(11)
Net cash outflows from operating activities	(214)	(39)	(12)

7. Notes to the financial information

7.1 *Employees and directors*

	<i>2015 £'000</i>	<i>2014 £'000</i>	<i>2013 £'000</i>
Director's fees paid	51	12	12
	51	12	12

Other than the directors' there are no employees in the company during all these three years. The above amount comprises of director's emoluments paid in respect of qualifying services to 'Hub Capital Partners Ltd' a company in which Stephen Bourne (director of the company) is a director. The amount disclosed above has been accounted in the Administrative expenses of the financial statements.

7.2 *Finance income*

	<i>2015</i> £'000	<i>2014</i> £'000	<i>2013</i> £'000
Interest received	—	—	—
	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>

7.3 *Loss for the year before taxation*

Expenses by nature:

	<i>2015</i> £'000	<i>2014</i> £'000	<i>2013</i> £'000
Director's fees (Note 7.1)	51	12	12
Audit and accountancy	7	6	5
Taxation services	—	1	1
Legal and professional fees	1	1	2
Registration fees	6	5	5
ISDX fees	5	6	8
Other expenses	3	—	—
Aborted acquisition costs	223	—	—
Total Administrative expenses	<u>296</u>	<u>31</u>	<u>33</u>

7.4 *Taxation*

(a) *Analysis of charge in the period*

	<i>2015</i> £'000	<i>2014</i> £'000	<i>2013</i> £'000
Current tax			
UK corporation tax and income tax of on results for the year	—	—	—
Total current tax	<u>—</u>	<u>—</u>	<u>—</u>

(b) *Factors affecting the tax charge for the period*

The tax assessed for the period does not reflect an expense equivalent to the profit before tax multiplied by the standard rate of corporation tax of 20%.

The reason for the difference between the actual tax credit for the years and the standard rate of corporation tax in the UK applied to losses for the years are as follows:

	<i>2015</i> £'000	<i>2014</i> £'000	<i>2013</i> £'000
Loss before tax	<u>296</u>	<u>31</u>	<u>33</u>
Expected tax recovery based on the standard rate of corporation tax in the UK of 20% (2014 – 20%, 2013 – 20%)	59	7	20
Expenses not deductible for tax purposes	—	—	(13)
Losses carried-forward	(59)	(7)	(7)
Total current tax for the year	<u>—</u>	<u>—</u>	<u>—</u>

Subject to an agreement with the HMRC, the company has excess management expenses of £393,428 (2014: £97,736 and 2013: £66,423) available for offset against future trading profits.

No other factors have been noted that may affect future tax charges.

7.5 *Loss per share*

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of the Company for the year of £295,692 (2014: £33,128 and 2013: £98,890) by the weighted average number of ordinary shares in issue during the three periods 8,855,000 ordinary shares of £0.01 per share (2014: 8,855,000 shares @ £0.01p per share and 2013: 8,855,000 shares @ £0.01p per share).

There are no potentially dilutive shares in existence.

7.6 *Trade and other receivables*

	2015 £'000	2014 £'000	2013 £'000
Prepayments	10	1	-
Other receivables	7	2	3
	<u>17</u>	<u>3</u>	<u>3</u>

The book values of prepayments and other receivables approximate to the fair values.

7.7 *Cash and cash equivalents*

	2015 £'000	2014 £'000	2013 £'000
Current account	<u>353</u>	<u>567</u>	<u>606</u>

7.8 *Trade and other payables – due within one year*

	2015 £'000	2014 £'000	2013 £'000
Trade payables	94	-	7
Accrued expenses	7	5	6
	<u>101</u>	<u>5</u>	<u>13</u>

The book value of trade and other payables approximate to the fair values.

7.9 *Deferred tax*

No deferred tax provision is required as there are no items of timing differences between the recognition of gains and losses in the financial statements of the company. A deferred tax asset of £38,000 at 20% has not been recognised on the excess management expenses as recovery cannot be foreseen with reasonable certainty.

7.10 *Financial instruments*

Principal financial instruments

The principal instruments used by HubCo Investments Plc, from which the financial instrument risk arises, include cash and cash equivalents, trade receivables and trade payables.

7.10 *Financial instruments*

A summary of the financial instruments held by category is shown below:

Categories of financial assets

	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Current financial assets			
Cash and other equivalents	353	567	606
Total current financial assets	<u>353</u>	<u>567</u>	<u>606</u>

Categories of financial liabilities

	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Current financial liabilities			
Trade payables	94	–	7
Accrued expenses	7	5	6
Total other financial liabilities	<u>101</u>	<u>5</u>	<u>13</u>

The Directors consider that the carrying value of the financial assets and liabilities approximates their fair value. All financial liabilities (trade and other payables) are due for payment within one year.

Financial risk management, objectives and policies

The Company's activities expose it to a number of financial risks. The principal risks to which the Company is exposed are market risk (including interest rate risk, and cash flow risk), credit risk, and liquidity risk. Management identify and evaluate financial risks on an on-going basis which have been applied consistently throughout the period, as set out below:

Interest rate risk

The Company's interest-bearing assets comprise only cash and cash equivalents. As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect of the Company's income.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Company seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs.

Capital risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal returns for shareholders and to maintain an efficient capital structure to reduce the cost of capital.

Foreign currency risk

The Company's functional currency is sterling and all of its assets are held in this currency, therefore the Company is exposed to minimal foreign currency risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables.

The principal focus of the directors has been to minimise any credit risk in relation to its cash deposits even at the expense of interest income received.

7.11 *Called up share capital*

	<i>Allotted, called up and fully paid</i>					
	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Ordinary shares of £0.01p each						
Shares issued	8,855,000	8,855,000	8,855,000	89	89	89
	<u>8,855,000</u>	<u>8,855,000</u>	<u>8,855,000</u>	<u>89</u>	<u>89</u>	<u>89</u>

All ordinary shares in issue have equal voting rights.

7.12 *Related party transactions*

During the period the Company purchased services from Hub Capital Partners Ltd, a company in which Stephen Bourne is a director. The total transaction amount for the year was £3,000 (2014: £12,000 and 2013: £12,000) and the balance owed at 31 December 2015 was nil (2014: nil and 2013: £6,630).

At 31 December 2015 the Company had made a prepayment to Hub Capital Partners Ltd of nil (2014: £1,200 and 2013: nil).

7.13 *Events after the reporting period*

Subsequent to the period end it was proposed to undertake a 3:1 share consolidation and acquire all the ordinary shares of Big Sofa Limited, and issue ordinary Shares at a placing price of 17p per ordinary share raising a total of £5 million before expenses in a Placing.

7.14 *Controlling party*

There is no ultimate controlling party.

7.15 *Auditors*

The auditors who reported on the years ended 30 November 2013, 30 November 2014 and period ended 31 December 2015 financial statements for HubCo Investments Plc were Haysmacintyre, 26 Red Lion Square, London, WC1R 4AG.

PART A(ii): INTERIM RESULTS FOR THE COMPANY FOR THE 6 MONTHS ENDED 30 JUNE 2016

**Unaudited Income Statement
For the 6 months ended 30 June 2016**

		<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
	<i>Notes</i>		
Revenue		–	–
Administrative expenses	3	(46)	(167)
Loss before taxation	3	(46)	(167)
Taxation		–	–
Total comprehensive loss for the period attributable to equity holders of the Company		<u>(46)</u>	<u>(167)</u>
Loss per share			
Loss per share (pence)			
Basic and fully diluted	5	<u>(0.52p)</u>	<u>(1.88p)</u>

Unaudited Statement of Financial Position as at 30 June 2016

		<i>As at 30 June 2016 Unaudited £'000</i>	<i>As at 30 June 2015 Unaudited £'000</i>
	<i>Notes</i>		
Current Assets			
Trade and other receivables		6	34
Cash and cash equivalents	8	267	426
Total Assets		<u>273</u>	<u>460</u>
Current liabilities			
Trade and other payables		(50)	(62)
Net current assets		<u>223</u>	<u>398</u>
Net Assets		<u>223</u>	<u>398</u>
Equity attributable to equity holders of the Company			
Share capital	6	89	89
Share premium		639	639
Retained loss		(505)	(330)
Total Equity		<u>223</u>	<u>398</u>

Statement of Cash Flows
For the 6 months to 30 June 2016

		<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
	<i>Notes</i>		
Net cash outflow from operating activities	7	(86)	(141)
Cash flows from investing activities		–	–
Cash flows from financing activities		–	–
Net increase/(decrease) in cash and cash equivalents		(86)	(141)
Cash and cash equivalents at beginning of period		353	567
Cash and cash equivalents at end of period		<u>267</u>	<u>426</u>
Represented by:			
Bank balances and cash		267	426
		<u>267</u>	<u>426</u>

Statement of changes in equity

	<i>Share capital £'000</i>	<i>Share Premium £'000</i>	<i>Retained Earnings £'000</i>	<i>Total £'000</i>
As at 1 December 2014	89	639	(163)	565
Total comprehensive deficit for the period	–	–	(167)	(167)
As at 30 June 2015	89	639	(330)	398
Total comprehensive deficit for the period	–	–	(129)	(129)
As at 31 December 2015	89	639	(459)	269
Total comprehensive deficit for the period	–	–	(46)	(46)
As at 30 June 2016	<u>89</u>	<u>639</u>	<u>(505)</u>	<u>223</u>

Notes to the Interim Financial Information

1. General Information

HubCo Investments Plc is a Public Limited Company. The registered office of the Company is located at Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

The principal activity of the Company is to invest in small and medium sized enterprises in the UK.

2. Basis of Preparation

The financial information in this interim report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and on the basis of the accounting policies described below.

The financial statements has been prepared under the accounting policies and presentation consistent with those applied in the preparation of the audited accounts for the period ended 31 December 2015, a copy of which has been filed with the Registrar of Companies. The auditors' opinion on these accounts was unqualified and contained no statement under section 498 (2) or (3) of the Companies Act 2006.

In addition, this interim financial report does not comply with IAS34 Interim Financial Reporting, which is not currently required to be applied under the AIM rules.

The Directors are of the opinion that the financial information should be prepared on a going concern basis in the light of the Company's financial resources.

The financial information included in this interim financial report for the 6 months ended 30 June 2016 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006, is unaudited and has not been subject to review by the Company's auditors.

Standards and Interpretations adopted with no material effect on financial statements

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on HubCo Investments Plc.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have material impact on HubCo Investments Plc.

3. Loss before taxation

Loss before taxation is arrived at after charging the following:

	<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
Auditors remuneration	6	2
AIM admission costs – payments on account	–	124
	<hr/>	<hr/>

4. Directors' emoluments

Other than the directors there were no employees in the period. The directors' aggregate emoluments in respect of qualifying services were:

	<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
Directors' fees	<u>30</u>	<u>27</u>

5. Loss per share

The calculation for the basic and diluted earnings per share for the 6 months ended 30 June 2016 and 7 months to 30 June 2015 are based on the following data:

	<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
Loss		
Loss for the period attributable to owners of HubCo Investments Plc	<u>(46)</u>	<u>(167)</u>
Weighted average number of shares in issue	<u>8,855,000</u>	<u>8,855,000</u>
Basic and diluted earnings per share		
Loss per share	<u>(0.52p)</u>	<u>(1.88p)</u>

There are no potentially dilutive shares in issue.

6. Called up Share Capital

The issued share capital as at 30 June 2016 was 8,855,000 ordinary shares of £0.01 each.

7. Cash flows from operating activities

	<i>6 Months to 30 June 2016 Unaudited £'000</i>	<i>7 Months to 30 June 2015 Unaudited £'000</i>
Loss before taxation	<u>(46)</u>	<u>(167)</u>
Net cash consumed by operating activities	<u>(46)</u>	<u>(167)</u>
(Increase)/decrease in receivables	10	(31)
Increase/(decrease) in payables	<u>(50)</u>	<u>57</u>
Net cash outflows from operating activities	<u>(86)</u>	<u>(141)</u>

8. Cash and cash equivalents

	<i>As at 30 June 2016 Unaudited £'000</i>	<i>As at 30 June 2015 Unaudited £'000</i>
Cash and bank balances	<u>267</u>	<u>426</u>
Cash and bank balances as presented in the statement of financial position and cash flow	<u>267</u>	<u>426</u>

9. Related-party transactions

The Company purchased services from Hub Capital Partners Ltd, a company in which Stephen Bourne is a director. The total transaction amounts for the period were £Nil and for the seven months to 30 June 2015 £3,000. There were no balances outstanding at each period end.

The Company was charged directors' fees during the period of £15,000 (2015: £11,667) by Reyco Limited, a company in which Adam Reynolds is a director. £2,500 (2015: £Nil) of the fees was outstanding the period end.

The company also incurred director fees to the value of £15,000 (2015: £11,667) from Moreton Acquisitions Limited a company in which Stephen Bourne is a director. £2,500 (2015: £Nil) of the fees was outstanding the period end.

10. Dividends

No dividends were declared during the period or during the comparative periods.

11. The unaudited results for period ended 30 June 2016 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

PART B : HISTORICAL FINANCIAL INFORMATION ON BIG SOFA LIMITED

The Directors
HubCo Investments plc
Finsgate
5-7 Cranwood Street
London EC1V 9EE

and

The Directors
SPARK Advisory Partners Limited
5 St John's Lane
London EC1M 4BH

**JEFFREYS HENRY LLP**

Chartered Accountants
Finsgate 5-7 Cranwood Street
London EC1V 9EE
Telephone 020 7309 2222
Fax 020 7309 2309
Email jh@jeffreysHenry.com
Website www.jeffreysHenry.com

30 November 2016

Dear Sirs,

Big Sofa Limited (“Big Sofa”)

We report on the financial information set out in Part B of Part IV of the AIM admission document (the “Admission Document”) of HubCo Investments plc (the “Company”). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Notes 1 and 2 to the financial information. This report is required by Paragraph 20.1 of Annex 1 of Appendix 3.1.1 of the Prospectus Rules as applied by Part (a) of Schedule 2 to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

Save for any responsibility arising under Paragraph 20.1 of Annex 1 of Appendix 3.1.1 of the Prospectus Rules as applied by Part (a) of Schedule 2 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 assume any responsibility and will not accept any liability to any other person for any loss suffered by any such 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 Paragraph 20.1 of Annex 1 of Appendix 3.1.1 of the Prospectus Rules as applied by Paragraph (a) of Schedule 2 to the AIM Rules for Companies, consenting to its inclusion in this Admission Document.

Basis of Preparation

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Big Sofa as 30 April 2016, 31 January 2015 and 30 April 2014, and of its results, financial position, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

Declaration

For the purposes of paragraph (a) of Schedule 2 to the AIM Rules for Companies we are responsible for this report as part of the Admission 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 Admission Document in compliance with item 1.2 of Annex 1 and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule 2 to the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- income statements, balance sheets, statements of changes in equity, cash flow statements;
- notes to the income statements and the balance sheets.

Yours faithfully

A handwritten signature in black ink that reads "Jeffreys Henry LLP". The signature is written in a cursive, slightly stylized font. The letters are connected, and there are some loops and flourishes, particularly around the 'J' and 'H'. The signature is positioned above a horizontal line.

JEFFREYS HENRY LLP

1. Accounting policies

Big Sofa is a limited company incorporated and domiciled in England and Wales. The registered office of Big Sofa is 27/28 Eastcastle Street, London, W1W 8DH. The registered company number is 08687045.

Big Sofa's principal activity is the provision of technological services in relation to video and image analytics.

The Directors of the Company are responsible for the financial information and contents of the AIM Admission Document in which it is included.

1.1 Basis of accounting

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Big Sofa acquired the net assets of The Insight Exchange Partnership LLP (registration number OC344669) in August 2015. This is a business combination involving entities under common control and these financial statements are issued in the name of Big Sofa, but they are a continuance of those of The Insight Exchange Partnership LLP.

The historical financial information does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. The accounting policies have been applied consistently in all material respects.

(a) New and amended standards adopted by Big Sofa

At the date of authorisation of this financial information, certain new standards, amendments and interpretations to existing standards applicable to Big Sofa's accounting period beginning after 30 April 2016 have been published but are not yet effective, and have not been adopted early by Big Sofa. These are listed below:

<i>Reference</i>	<i>Title</i>	<i>Summary</i>	<i>Application date of standard (Periods commencing on or after)</i>
IFRS 14	Regulatory deferral Accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	1 January 2016
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more information and relevant disclosures	1 January 2018
IFRS 16	Leases	Principles for the recognition, measurement, presentation and disclosure of leases	1 January 2019
Amendments to IFRS 11	Joint arrangements	On acquisition of interest in joint operations	1 January 2016

<i>Reference</i>	<i>Title</i>	<i>Summary</i>	<i>Application date of standard (Periods commencing on or after)</i>
Amendments to IAS 16 and IAS 41	IAS 16: Property plant and equipment and IAS 41: Agriculture	On Bearer plants	1 January 2016
Amendments to IAS 16 and IAS 38	Intangible assets	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 27	Separate financial statements	Equity method in separate financial statements	1 January 2016
Amendments to IFRS 10 and IAS 28	IFRS 10: Consolidated financial and IAS 28: investments in Associates	Investment entities: Applying the consolidation exception	1 January 2016
Amendments to IFRS 10 and IAS 20	IFRS 10: Consolidated Financial and IAS 28: Investments in Associates	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to IAS 1	Presentation of Financial statements	Disclosure initiative	1 January 2016
Improvements to IFRS 5	Non current assets held for sale and discontinued operations	Methods of disposal	1 January 2016
Improvements to IFRS 7	Financial instruments	Disclosures on servicing contracts and interim financial statements	1 January 2016
Improvements to IAS19	Employee benefits	Determining the discount rates for post-Employment obligations	1 January 2016
Improvements to IAS34	Interim financial Reporting	Information disclosed elsewhere in the interim financial report	1 January 2016
IFRS9	Financial instruments	Requirements on the classification and measurement of financial assets and liabilities and includes and expected credit losses model which replaces the current incurred loss impairment model. Also includes the hedging amendment that was issued in 2013	1 January 2016

IFRS 16 will require the recognition of right-of-use assets and a corresponding liability for any operating lease entered into by Big Sofa as a lessee, except for a few exemptions.

Apart from IFRS 16, the adoption of these Standards and Interpretations is not expected to have a material impact on the financial information of Big Sofa in the period of initial application when they come into effect.

(b) *Standards, interpretations and amendments to published standards that are not yet effective*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Big Sofa.

1.2 ***Business reorganisation accounting***

Big Sofa acquired the net assets of The Insight Exchange Partnership LLP (registration number OC344669) in August 2015. This is a business combination involving entities under common control and these financial statements are issued in the name of Big Sofa, but they are a continuance of those of The Insight Exchange Partnership LLP.

The assets and liabilities of The Insight Exchange Partnership LLP have therefore been recognised and measured in these financial statements at their pre-combination carrying values.

The retained earnings and other equity balances recognised in these financial statements are the retained earnings and other equity balances of Big Sofa and The Insight Exchange Partnership LLP. The equity structure appearing in these financial statements (the number and the type of equity instruments issued) reflect the equity structure of Big Sofa including equity instruments issued by Big Sofa.

The net assets of The Insight Exchange Partnership LLP at the date of acquisition are reflected in the reorganisation reserve.

1.3 ***Foreign currencies***

Big Sofa's financial statements are presented in pounds sterling, which is its functional currency.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

1.4 ***Revenue recognition***

Revenue represents income from annual licenses, processing fees and support services receivable in the normal course of business.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, VAT and other sales related taxes.

All revenue is credited to the profit or loss account in the period to which the revenue relates.

1.5 ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.6 *Share capital and reserves*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The reorganisation reserve arises as a result of the reorganisation accounting adopted as per accounting policy 1.1.

Other reserves arise from the equity element of convertible bonds issued in the period to 30 April 2016.

Retained earnings represents accumulated profit or losses to date.

1.7 *Research and development*

Expenditure on research activities is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements.

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- Big Sofa has sufficient resources to complete the project;
- Big Sofa has the ability to use or sell the product; and
- the material development will generate probable future economic benefits.

Development cost not meeting these criteria for capitalisation are expensed as incurred.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised development expenditure is recognised in profit or loss in the period in which it is incurred.

1.8 *Plant and equipment*

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is provided to write off cost, less estimated residual values, of all property, plant and equipment, evenly over their expected useful lives, calculated at the following rates:

Furniture, fittings & equipment	–	25% straight line per annum
Computer equipment	–	25% straight line per annum

1.9 *Impairment testing of intangible assets and property, plant and equipment*

At the end of each reporting period, Big Sofa 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

1.10 *Leased assets*

All leases are treated as operating leases. Where Big Sofa is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.11 *Financial assets and liabilities*

Financial assets and liabilities are recognised when Big Sofa unconditionally becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of financial assets and liabilities are considered by management to be a reasonable estimate of their fair values at each balance sheet date.

Financial assets include trade and other receivable; these are classified as loans and receivables. Financial liabilities include the trade and other payables, convertible loan notes and borrowings; these are classified as other financial liabilities carried at amortised cost.

(i) *Compound instruments*

The component parts of compound instruments (convertible notes) issued by Big Sofa are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Big Sofa's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognised in equity will be transferred directly to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(ii) *Derecognition*

Financial assets are derecognised when rights to receive cash flows from the assets expire or, the financial assets are transferred and Big Sofa has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the terms of a financial liability are renegotiated and result in Big Sofa issuing equity instruments to a creditor of itself to extinguish all or part of the financial liability, Big Sofa recognises the issue of equity instruments at their fair values. Any difference between the fair value of the equity instruments and the carrying amount of the financial liability to be extinguished is recognised in profit or loss.

(iii) *Trade and other receivables*

Trade and other receivables are recognised initially at their fair value and subsequently at their amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the recoverability of the asset is at risk, appropriate allowances for any estimated irrecoverably amounts are recognised in the income statement.

(iv) *Trade and other payables*

Trade and other payables are recognised initially at their fair value, net of transaction costs, and subsequently at their amortised cost using the effective interest method.

(v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand.

(vi) *Borrowing and finance charges*

Bank borrowings are initially recognised at their fair value, net of any transaction cost directly attributable to their issue. Subsequently bank borrowings are carried at their amortised carrying value using the effective interest method.

1.12 **Taxation**

(i) *Current tax*

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Big Sofa's current tax is calculated using rates that have been enacted during the reporting period.

(ii) *Deferred tax*

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

2. **Risks and sensitivity analysis**

Big Sofa's management identify and evaluate financial risks on an ongoing basis. The principal risks to which Big Sofa is exposed are market risk (including interest rate risk and cash flow risk), credit risk, and liquidity risk.

2.1 **Market risk**

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Big Sofa's market risks arise from open positions in (a) interest-bearing assets and liabilities, and (b) foreign currencies; to the extent that these are exposed to general and specific market movements (see details below).

(i) *Interest rate risk*

Big Sofa's interest-bearing assets comprise of only cash and cash equivalents. As Big Sofa's interest-bearing assets do not generate significant amounts of interest; changes in market interest rates do not have any significant direct effect on its income.

Big Sofa's interest-bearing liabilities comprise of bank overdraft and borrowings, which are linked to LIBOR.

(ii) *Currency risk*

Big Sofa is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the entity, primarily with respect to USD. Big Sofa does not have a policy to hedge its exposure to foreign currency exchange risk as currently overseas revenue is only a small percentage of total revenue and fluctuations in foreign currencies are not expected to significantly affect Big Sofa's total revenue. In future management may consider hedging Big Sofa's exposure to foreign currency exchange risk.

2.2 *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Big Sofa. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables. Big Sofa's maximum exposure to credit risk is represented by the carrying value of cash and cash equivalents and trade receivables.

Credit risk is managed by monitoring clients and performing credit checks before accepting any customers.

2.3 *Liquidity risk*

Liquidity risk is the risk that Big Sofa may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

Big Sofa seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs.

A summary table with maturity of financial assets and liabilities presented below is used by management to manage liquidity risks. The amounts disclosed in the following tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not material.

The maturity analysis of financial instruments at 30 April 2016 is as follows:

	<i>Carrying amount £</i>	<i>On Demand and less than 3 months £</i>	<i>3 to 12 months £</i>	<i>1 to 2 years £</i>	<i>2 to 5 years £</i>
<i>Assets</i>					
Cash and cash equivalents	710	710	–	–	–
Trade and other receivables	104,675	93,020	11,655	–	–
	<u>105,385</u>	<u>93,730</u>	<u>11,655</u>	<u>–</u>	<u>–</u>
<i>Liabilities</i>					
Trade and other payables	668,348	668,348	–	–	–
Borrowings	498,501	130,329	368,172	–	–
	<u>1,166,849</u>	<u>798,677</u>	<u>368,172</u>	<u>–</u>	<u>–</u>

The maturity analysis of financial instruments at 31 January 2015 is as follows:

	<i>Carrying amount</i>	<i>On Demand and less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>
	£	£	£	£	£
<i>Assets</i>					
Cash and cash equivalents	10	10	–	–	–
Trade and other receivables	120,401	120,401	–	–	–
	<u>120,411</u>	<u>120,411</u>	<u>–</u>	<u>–</u>	<u>–</u>
<i>Liabilities</i>					
Trade and other payables	451,125	451,125	–	–	–
Borrowings	351,768	95,446	109,854	146,468	–
	<u>802,893</u>	<u>546,571</u>	<u>109,854</u>	<u>146,468</u>	<u>–</u>

The maturity analysis of financial instruments at 30 April 2014 is as follows:

	<i>Carrying amount</i>	<i>On Demand and less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>
	£	£	£	£	£
<i>Assets</i>					
Cash and cash equivalents	48	48	–	–	–
Trade and other receivables	75,483	75,483	–	–	–
	<u>75,531</u>	<u>75,531</u>	<u>–</u>	<u>–</u>	<u>–</u>
<i>Liabilities</i>					
Trade and other payables	246,962	246,962	–	–	–
Borrowings	451,187	85,007	109,854	146,472	109,854
	<u>698,149</u>	<u>331,969</u>	<u>109,854</u>	<u>146,472</u>	<u>109,854</u>

2.4 *Capital risk management*

Big Sofa manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. Management's overall strategy remained unchanged during the period.

The capital structure of Big Sofa consists of cash and cash equivalents, issued capital, the share premium account and retained earnings.

Big Sofa is not subject to any externally imposed capital requirements.

As part of the Big Sofa's management of capital structure, consideration is given to the cost of capital.

3. Critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period 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.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Estimates

- *Carrying amounts of intangible assets*

Management reviews the useful lives of intangible assets at each reporting date to ensure that they represent a reasonable estimate of the likely period of benefit to Big Sofa. Intangible assets are amortised over the assets' useful lives taking into account residual values, where appropriate. The carrying amounts of the intangible assets are assessed annually and may vary depending on a number of factors. In re-assessing asset carrying amounts and their useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Statements of Comprehensive Income

		<i>For the 15 months ended 30 April 2016 £</i>	<i>For the 9 months ended 31 January 2015 £</i>	<i>For the 12 months ended 30 April 2014 £</i>
Revenues	8.4	452,913	159,095	54,964
Cost of sales		<u>(145,472)</u>	<u>(25,516)</u>	<u>(8,815)</u>
Gross profit		307,441	133,579	46,149
Administrative expenses		<u>(1,244,943)</u>	<u>(508,931)</u>	<u>(511,119)</u>
Loss from operations	8.1	(937,502)	(375,352)	(464,970)
Finance costs	8.3	<u>(26,508)</u>	<u>(6,491)</u>	<u>(3,573)</u>
Loss before taxation		(964,010)	(381,843)	(468,543)
Taxation	8.6	<u>–</u>	<u>–</u>	<u>–</u>
Loss from continuing operations		(964,010)	(381,843)	(468,543)
Profit on discontinuing operations	8.5	<u>77,522</u>	<u>97,268</u>	<u>830,626</u>
Profit/(loss) for the period		(886,488)	(284,575)	362,083
Other comprehensive income		<u>–</u>	<u>–</u>	<u>–</u>
Total comprehensive income/(loss) for the period		<u>(886,488)</u>	<u>(284,575)</u>	<u>362,083</u>
Basic and diluted earnings/(loss) per share (pence)	8.15	(10.15)	(3.38)	4.30
Basic and diluted loss per share from continuing operations (pence)	8.15	(11.04)	(4.53)	(5.56)

5. Statements of Financial Position

	<i>Notes</i>	<i>As at 30 April 2016 £</i>	<i>As at 31 January 2015 £</i>	<i>As at 30 April 2014 £</i>
Assets				
Non-current assets				
Property, plant and equipment	8.7	9,880	31,729	28,753
Intangible assets	8.8	709,478	616,957	541,291
		<u>719,358</u>	<u>648,686</u>	<u>570,044</u>
Current assets				
Trade and other receivables	8.9	155,380	121,401	75,483
Cash and cash equivalents		710	10	48
		<u>156,090</u>	<u>121,411</u>	<u>75,531</u>
Total assets		<u>875,448</u>	<u>770,097</u>	<u>645,575</u>
Equity				
Capital and reserves				
Share capital	8.13	96	84	84
Share premium	8.13	494,272	–	–
Reorganisation reserve	8.14	(226,663)	(32,880)	(82,785)
Other reserves	8.14	16,661	–	–
Accumulated deficit	8.14	(692,938)	–	–
Total equity		<u>(408,572)</u>	<u>(32,796)</u>	<u>(82,701)</u>
Liabilities				
Non-current liabilities				
Borrowings	8.11	–	147,732	256,322
Current liabilities				
Trade and other payables	8.10	785,519	451,125	277,089
Borrowings	8.11	498,501	204,036	194,865
		<u>1,284,020</u>	<u>655,161</u>	<u>471,954</u>
Total liabilities		<u>1,284,020</u>	<u>802,893</u>	<u>728,276</u>
Total equity and liabilities		<u>875,448</u>	<u>770,097</u>	<u>645,575</u>

6. Statements of Changes in Equity

	<i>Share Capital</i>	<i>Share organisation Premium</i>	<i>Re- reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>
	£	£	£	£	£	£
As at 1 May 2013	84	–	(116,231)	–	–	(116,147)
Profit for the year	–	–	–	–	362,083	362,083
Reallocation of profits to members	–	–	362,083	–	(362,083)	–
Members' net distributions	–	–	(328,637)	–	–	(328,637)
As at 30 April 2014	84	–	(82,785)	–	–	(82,701)
Loss for the period	–	–	–	–	(284,575)	(284,575)
Reallocation of losses to members	–	–	(284,575)	–	284,575	–
Members' net contributions	–	–	334,480	–	–	334,480
As at 31 January 2015	84	–	(32,880)	–	–	(32,796)
Issue of shares	12	517,333	–	–	–	517,345
Cost of issue of shares	–	(23,061)	–	–	–	(23,061)
Issue of convertible loan notes	–	–	–	16,661	–	16,661
Loss for the period	–	–	–	–	(886,488)	(886,488)
Reallocation of losses to members	–	–	(193,550)	–	193,550	–
Members' net distributions	–	–	(233)	–	–	(233)
As at 30 April 2016	96	494,272	(226,663)	16,661	(692,938)	(408,572)

Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for share capital in excess of nominal value.

The reorganisation reserve arises as a result of the reorganisation accounting adopted as per accounting policy 2(c).

Other reserves arise from the equity element of convertible bonds issued in the period to 30 April 2016.

Retained earnings represents accumulated profit or losses to date.

7. Statements of Cash Flows

	<i>For the 15 months ended 30 April 2016 £</i>	<i>For the 9 months ended 31 January 2015 £</i>	<i>For the 12 months ended 30 April 2014 £</i>
Cash flows from operating activities			
Profit/(loss) before tax for the period			
Adjustments for:			
Finance costs recognised in income statement	(886,488)	(284,575)	362,083
Depreciation of tangible assets	49,089	15,832	17,867
Amortisation of intangible assets	21,849	16,330	19,265
Movement in other reserves	436,912	192,212	201,537
<i>Changes in working capital:</i>			
(Increase)/decrease in trade and other receivables	16,661	–	–
Increase/(decrease) in trade and other payables	(33,979)	(45,918)	87,128
Interest paid	352,616	184,389	(486,401)
	(41,974)	(15,832)	(17,867)
Net cash generated by operating activities	<u>(85,314)</u>	<u>62,438</u>	<u>183,612</u>
Cash flows from investing activities			
Payments for property, plant and equipment	–	(19,306)	(5,416)
Payments for intangible assets	(529,433)	(267,879)	(252,306)
Net cash used in investing activities	<u>(529,433)</u>	<u>(287,185)</u>	<u>(257,722)</u>
Cash flows from financing activities			
Net proceeds from issue of equity instruments of Big Sofa	494,284	83	1
Net proceeds/(repayment) of bank loan	(134,266)	(109,854)	402,794
Net proceeds from issue of convertible loan notes	250,000	–	–
Net proceeds from other loans	5,662	–	–
Net contributions from/(distributions to) members of The Insight Exchange Partnership LLP	(233)	334,480	(328,637)
Net cash generated by/(used in) financing activities	<u>615,447</u>	<u>224,709</u>	<u>74,158</u>
Net (decrease)/increase in cash and cash equivalents	700	(38)	48
Cash and cash equivalents at the beginning of the period	<u>10</u>	<u>48</u>	<u>–</u>
Cash and cash equivalents at the end of the period	<u>710</u>	<u>10</u>	<u>48</u>

See note 8.5 for information on cash flows for discontinued operations.

8. Notes to the financial information

8.1 Loss from operations

Loss from operations is stated after charging/(crediting):

	<i>2016 £</i>	<i>2015 £</i>	<i>2014 £</i>
Wages and salaries	189,372	124,967	216,556
Directors remuneration and fees	287,086	33,333	–
Rental lease expense	29,542	12,300	8,000
Depreciation of owned tangible assets	21,849	16,330	19,265
Amortisation of owned intangible assets	436,913	192,213	201,537

8.2 *Employee expense benefit*

	2016	2015	2014
	£	£	£
<i>Employees and directors</i>			
Wages and salaries	620,311	351,753	511,566
Directors' remuneration	238,233	33,333	–
Social security costs	99,687	44,722	54,963
	<u>958,231</u>	<u>429,808</u>	<u>566,529</u>

Of the above employment costs the following amounts were allocated to capitalised development costs and discontinued operations:

Capitalised development costs

Wages and salaries	376,319	176,035	144,550
Social security costs	45,158	21,066	17,346
Total included in capitalised development costs	<u>421,477</u>	<u>197,101</u>	<u>161,896</u>

Discontinued operations

Wages and salaries	54,519	50,750	150,460
Social security costs	6,543	6,090	18,055
Total included in discontinued operations	<u>61,062</u>	<u>56,840</u>	<u>168,515</u>

Total included in capitalised development costs	421,477	197,101	161,896
Total included in discontinued operations	61,062	56,840	168,515
Total included in administrative expense	475,692	175,867	236,118
Total employment costs	<u>958,231</u>	<u>429,808</u>	<u>566,529</u>

See note 8.16 for further information in relation to remuneration and share of profits for directors and key management personnel.

The average number of employees during the period were as follows:

	2016	2015	2014
Directors	6	3	2
Staff	11	10	14
	<u>17</u>	<u>13</u>	<u>16</u>

8.3 *Finance cost*

	2016	2015	2014
	£	£	£
Continued operations			
Bank interest payable	9,865	6,073	3,325
Other interest payable	16,643	418	248
	<u>26,508</u>	<u>6,491</u>	<u>3,573</u>
Discontinued operations			
Bank interest payable	8,404	8,740	13,302
Other interest payable	14,177	601	992
	<u>22,581</u>	<u>9,341</u>	<u>14,294</u>
Total finance cost	<u>49,089</u>	<u>15,832</u>	<u>17,867</u>

8.4 **Revenue**

	2016	2015	2014
<i>By continued/discontinued operations</i>	£	£	£
Continued operations			
Annual licenses	34,500	9,000	4,000
Processing and support	418,413	150,095	50,964
	<u>452,913</u>	<u>159,095</u>	<u>54,964</u>
Discontinued operations			
Consultancy	407,357	484,677	1,478,056
	<u>860,270</u>	<u>643,772</u>	<u>1,533,020</u>
	2016	2015	2014
<i>By geographical market</i>	£	£	£
UK	839,702	587,619	1,352,823
North America	20,568	56,153	180,197
	<u>860,270</u>	<u>643,772</u>	<u>1,533,020</u>

8.5 **Discontinued operations**

Discontinued operations refers to the closure of the consultancy operation. Analysis of the operations for each of the periods is as follows:

	2016	2016	2016
	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>
<i>Period ended 30 April 2016</i>	£	£	£
Revenue	452,913	407,357	860,270
Direct purchases and costs	(145,472)	(40,849)	(186,321)
Personnel expenses	(546,345)	(61,062)	(607,407)
Depreciation and amortisation expenses	(458,761)	–	(458,761)
Advertising and promotional expenses	(30,424)	(25,916)	(56,340)
Bank charges	(2,424)	(2,065)	(4,489)
Rental lease expense	(29,542)	(25,166)	(54,708)
Finance expenses	(26,508)	(22,581)	(49,089)
Other operating expenses	(177,447)	(152,196)	(329,643)
Profit/(loss) before tax	<u>(964,010)</u>	<u>77,522</u>	<u>(886,488)</u>
Income tax (charges)/credits	–	–	–
Profit/(loss) for the period	<u>(964,010)</u>	<u>77,522</u>	<u>(886,488)</u>

The net cash inflow from discontinued operations for the period ended 30 April 2016 was £77,522.

	<i>2015</i>	<i>2015</i>	
	<i>Continuing</i>	<i>Discontinued</i>	<i>2015</i>
	<i>operations</i>	<i>operations</i>	<i>Total</i>
<i>Period ended 31 January 2015</i>	<i>£</i>	<i>£</i>	<i>£</i>
Revenue	159,095	484,677	643,772
Direct purchases and costs	(25,516)	(146,010)	(171,526)
Personnel expenses	(175,866)	(56,840)	(232,706)
Depreciation and amortisation expenses	(208,542)	–	(208,542)
Advertising and promotional expenses	(25,642)	(36,900)	(62,542)
Bank charges	(1,163)	(1,673)	(2,836)
Rental lease expense	(12,300)	(17,700)	(30,000)
Finance expenses	(6,491)	(9,341)	(15,832)
Other operating expenses	(85,418)	(118,945)	(204,363)
Profit/(loss) before tax	<u>(381,843)</u>	<u>97,268</u>	<u>(284,575)</u>
Income tax (charges)/credits	–	–	–
Profit/(loss) for the period	<u>(381,843)</u>	<u>97,268</u>	<u>(284,575)</u>

The net cash inflow from discontinued operations for the period ended 31 January 2015 was £97,268.

	<i>2014</i>	<i>2014</i>	
	<i>Continuing</i>	<i>Discontinued</i>	<i>2014</i>
	<i>operations</i>	<i>operations</i>	<i>Total</i>
<i>Period ended 30 April 2014</i>	<i>£</i>	<i>£</i>	<i>£</i>
Revenue	54,964	1,478,056	1,533,020
Direct purchases and costs	(8,815)	(247,822)	(256,637)
Personnel expenses	(236,118)	(168,515)	(404,633)
Depreciation and amortisation expenses	(220,802)	–	(220,802)
Advertising and promotional expenses	(6,900)	(27,602)	(34,502)
Bank charges	(1,929)	(7,715)	(9,644)
Rental lease expense	(8,000)	(32,000)	(40,000)
Finance expenses	(3,573)	(14,294)	(17,867)
Other operating expenses	(37,370)	(149,482)	(186,852)
Profit/(loss) before tax	<u>(468,543)</u>	<u>830,626</u>	<u>362,083</u>
Income tax (charges)/credits	–	–	–
Profit/(loss) for the period	<u>(468,543)</u>	<u>830,626</u>	<u>362,083</u>

The net cash inflow from discontinued operations for the period ended 30 April 2014 was £830,626.

8.6 *Taxation*

	2016	2015	2014
	£	£	£
<i>Income taxes recognised in profit or loss</i>			
<i>Current tax</i>			
UK current tax charge on profit/(loss) for the year	—	—	—
<i>Deferred tax</i>			
In respect of the current year	—	—	—
Total income tax expense recognised	—	—	—
Profit/(loss) on ordinary activities before tax	(886,488)	(284,575)	362,083
Normal applicable rate of tax	20%	20%	20%
Profit/(loss) on ordinary activities multiplied by normal rate of tax	(177,298)	(56,915)	72,417
Effects of:			
Profit taxed in The Insight Exchange Partnership LLP	38,710	56,915	(72,417)
Expenses not deductible in determining taxable profit	92,257	—	—
Losses carried forward	46,331	—	—
UK tax charge	—	—	—

Big Sofa has a deferred tax asset of £44,355 at the period end, which has not been recognised in the financial statements due to uncertainty of future profits. Big Sofa has an estimated tax loss of £231,000 available to be carried forward against future profits.

8.7 *Property, plant and equipment*

	<i>Computer equipment</i>	<i>Furniture, fittings and equipment</i>	<i>Total</i>
	£	£	£
Cost			
At 1 May 2013	33,160	48,645	81,805
Additions	4,406	1,010	5,416
At 30 April 2014	37,566	49,655	87,221
Additions	15,957	3,349	19,306
At 31 January 2015	53,523	53,004	106,527
Additions	—	—	—
Disposals	(26,156)	(27,942)	(54,098)
At 30 April 2016	27,367	25,062	52,429
Accumulated depreciation			
At 1 May 2013	20,256	18,946	39,202
Charge for the year	8,070	11,196	19,266
At 30 April 2014	28,326	30,142	58,468
Charge for the period	6,901	9,429	16,330
At 31 January 2015	35,227	39,571	74,798
Charge for the period	10,708	11,141	21,849
Disposals	(26,156)	(27,942)	(54,098)
At 30 April 2016	19,779	22,770	42,549

	<i>Computer equipment</i> £	<i>Furniture, fittings and equipment</i> £	<i>Total</i> £
Net book value			
At 1 May 2013	12,904	29,699	42,603
At 30 April 2014	9,240	19,513	28,753
At 31 January 2015	18,296	13,433	31,729
At 30 April 2016	7,588	2,292	9,880

8.8 *Intangible assets*

	<i>Big Sofa platform development costs</i> £		<i>Total</i> £
Cost			
At 1 May 2013		689,651	689,651
Additions		252,306	252,306
At 30 April 2014		941,957	941,957
Additions		267,879	267,879
At 31 January 2015		1,209,836	1,209,836
Additions		529,433	529,433
At 30 April 2016		1,739,269	1,739,269
Accumulated amortisation			
At 1 May 2013		199,129	199,129
Charge for the year		201,537	201,537
At 30 April 2014		400,666	400,666
Charge for the period		192,213	192,213
At 31 January 2015		592,879	592,879
Charge for the period		436,912	436,912
At 30 April 2016		1,029,791	1,029,791
Net book value			
At 1 May 2013		490,522	490,522
At 30 April 2014		541,291	541,291
At 31 January 2015		616,957	616,957
At 30 April 2016		709,478	709,478

8.9 *Trade and other receivables*

	2016	2015	2014
	£	£	£
Trade debtors	92,509	110,401	65,240
Other debtors	12,166	10,000	10,243
Prepayments and accrued income	50,705	1,000	–
	<u>155,380</u>	<u>121,401</u>	<u>75,483</u>

The fair values of Big Sofa's trade and other receivables are considered to equate to their carrying amounts. The maximum exposure to credit risk for trade receivables is represented by their carrying amount. There are no financial assets which are past due but not impaired. No financial assets are impaired.

8.10 *Trade and other payables*

	2016	2015	2014
	£	£	£
Current			
Trade creditors	191,538	285,226	150,209
VAT payable	31,909	17,604	84,960
Other creditors	197,241	148,295	33,920
Amounts owed to directors	247,660	–	–
Accruals and deferred income	117,171	–	8,000
	<u>785,519</u>	<u>451,125</u>	<u>277,089</u>

The fair values of Big Sofa's trade and other payables are considered to equate to their carrying amounts.

8.11 *Borrowings*

	2016	2015	2014
	£	£	£
Current			
Bank loan	158,676	145,208	146,472
Bank overdraft	84,893	58,828	48,393
Other borrowings	254,932	–	–
	<u>498,501</u>	<u>204,036</u>	<u>194,865</u>
Non-current			
Bank loan	–	147,732	256,322
	<u>498,501</u>	<u>351,768</u>	<u>451,187</u>

The bank loan has an annual interest rate of 4.00% above the bank's base rate, and has remained at 4.50% from commencement until 30 April 2016. The bank loan is fully repayable on 31 January 2017, and is secured by the assets of Big Sofa and a personal guarantee by M Lynch, a director of the Big Sofa.

The bank overdraft is secured by a personal guarantee by S Lidington, a director of Big Sofa, and his wife L Lidington for the sum of £246,500, supported by a First Legal Mortgage over a freehold property under their joint ownership.

Other borrowings as at 30 April 2016 include 0% convertible unsecured loan notes ("the 2016 Notes") totalling £240,454 from private individuals which have an annual effective interest rate of 13.45% and are repayable by 31 December 2016. See note 8.17 for further information on the 2016 Notes.

8.12 *Financial commitments*

Obligations under rental lease

At the end of the respective periods Big Sofa's commitments under its non-cancellable rental leases were as follows:

	2016	2015	2014
	£	£	£
Not later than 1 year	46,620	13,333	40,000
Later than 1 year and not later than 5 years	50,505	–	3,333
	<u>97,125</u>	<u>13,333</u>	<u>43,333</u>

8.13 *Share capital*

	2016	2015	2014
	£	£	£
Authorised share capital			
9,639,156 class A ordinary shares of £0.00001 each	96	84	84
25,660 class B ordinary shares of £0.00001 each	–	–	–
	<u>96</u>	<u>84</u>	<u>84</u>
	<i>No. of</i>		<i>Share</i>
	<i>shares</i>	<i>Share capital</i>	<i>premium</i>
	£	£	£
Movement in share capital			
As at 1 May 2013, 30 April 2014, 31 January 2015	8,420,000	84	–
Issue of shares	1,244,816	12	517,333
Cost of issue of shares	–	–	(23,061)
	<u>9,664,816</u>	<u>96</u>	<u>494,272</u>

Share capital is the amount subscribed for shares at nominal value, issued and fully paid.

The issued A ordinary shares carry one voting right per share and do not carry any rights to fixed income.

The issued B ordinary shares do not carry any voting rights and do not carry any rights to fixed income.

Share premium is the amount subscribed for share capital in excess of nominal value.

Summary of movement in share capital

On 12 September 2013, 1 A ordinary share of £1 was issued on incorporation of Big Sofa.

On 25 November 2014, a further 83 A ordinary shares of £1 each were issued.

On 27 August 2015, the existing shares were subdivided into 8,400 A ordinary shares of £0.01 each. A further 20 A ordinary shares of £0.01 each were issued.

On 8 January 2016, the existing shares were subdivided into 8,420,000 A ordinary shares of £0.00001 each. A further 1,219,156 A ordinary shares of £0.00001 each were issued. 25,660 B ordinary shares of £0.00001 each were also issued.

Big Sofa issued a further 1,388,130 A ordinary shares after the period end on conversion of warrants, and 514,816 A ordinary shares for £150,000 increasing Big Sofa's share capital to 11,567,762 shares.

8.14 Reserves

	<i>Reorganisation reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>
	£	£	£	£
As at 1 May 2013	328,562	–	–	328,562
Profit for the year	–	–	362,083	362,083
Reallocation of profits to members	362,083	–	(362,083)	–
Members' net distributions	(773,430)	–	–	(773,430)
As at 30 April 2014	(82,785)	–	–	(82,785)
Loss for the period	–	–	(284,575)	(284,575)
Reallocation of losses to members	(284,575)	–	284,575	–
Members' net contributions	334,480	–	–	334,480
As at 31 January 2015	(32,880)	–	–	(32,880)
Issue of convertible loan notes	–	16,661	–	16,661
Loss for the period	–	–	(886,488)	(886,488)
Reallocation of losses to members	(193,550)	–	193,550	–
Members' net contributions	(233)	–	–	(233)
As at 30 April 2016	(226,663)	16,661	(692,938)	(902,940)

The reorganisation reserve arises as a result of the reorganisation accounting adopted as per accounting policy 2(c).

Other reserves arise from the equity element of convertible bonds issued in the period to 30 April 2016.

Retained earnings represents accumulated profit or losses to date.

8.15 Earnings/(loss) per share

<i>On profit/(loss) after tax</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>
Basic and diluted earnings/(loss) per share			
Profit/(loss) after tax (£)	(886,488)	(284,575)	362,083
Weighted average number of shares	8,731,204	8,420,000	8,420,000
Basic and diluted earnings/(loss) per share (pence)	(10.15)	(3.38)	4.30
 <i>On loss from continuing operations</i>	 <i>2016</i>	 <i>2015</i>	 <i>2014</i>
Basic and diluted earnings/(loss) per share			
Loss from continuing operations (£)	(964,010)	(381,843)	(468,543)
Weighted average number of shares	8,731,204	8,420,000	8,420,000
Basic and diluted earnings/(loss) per share (pence)	(11.04)	(4.53)	(5.56)
 Reconciliation of denominator for basic and diluted earnings per share			
Weighted average number of shares	8,731,204	8,420,000	8,420,000
Issue of warrants in the period (see note 8.17)	1,351,723	–	–
Reversal of anti-dilutive instruments for the period	(1,351,723)	–	–
Diluted weighted average number of shares	8,731,204	8,420,000	8,420,000

8.16 *Compensation of directors and key management personnel*

The remuneration of directors and key management personnel during the period were as follows:

	2016	2015	2014
	£	£	£
<i>On profit/(loss) from continuing operations</i>			
<i>Directors salaries</i>			
S Lidington	64,167	–	–
M Lynch	64,166	–	–
M Jemmotte	110,000	33,333	–
	<u>238,333</u>	<u>33,333</u>	<u>–</u>
<i>Director fees</i>			
T Back	17,500	–	–
P Clark	14,586	–	–
B Watson	16,667	–	–
	<u>48,753</u>	<u>–</u>	<u>–</u>
Social security costs	30,182	4,133	–
	<u>317,268</u>	<u>37,466</u>	<u>–</u>
	2016	2015	2014
	£	£	£
<i>On profit/(loss) from discontinuing operations</i>			
Key management personnel salaries	20,769	31,250	–
Social security costs	2,492	3,750	–
	<u>23,261</u>	<u>35,000</u>	<u>–</u>

M Jemmotte was appointed as a director of Big Sofa on 13 August 2014. Prior to this he received a salary as an ordinary employee of The Insight Exchange Partnership LLP. His salary amounted to £26,667 in the period ended 31 January 2015 and £75,000 for the year ended 30 April 2014.

The share of profits/(losses) for directors and key management personnel were as follows:

	2016	2015	2014
	£	£	£
<i>Directors</i>			
S Lidington	(127,743)	(204,320)	140,525
M Lynch	(65,807)	(105,255)	72,391
<i>Key management personnel</i>			
J Cummins	–	25,000	75,000
P Solman	–	–	66,667
A Phillips	–	–	7,500
	<u>(193,550)</u>	<u>(284,575)</u>	<u>362,083</u>

8.17 *Convertible loans and warrants*

On 8 February 2016, Big Sofa issued 0% unlisted convertible unsecured loan notes (“the 2016 Notes”) in an aggregate principal of £300,000 to fund its ongoing working capital requirements. These notes were subscribed by three private individuals for £100,000 each, and a commission of £50,000 was paid by Big Sofa to one of the individuals for the arrangement of the loan.

Value of liability component and equity conversion component

The values of liability component and equity conversion component were determined at issuance of the respective convertible loan notes. The liability component of the 2016 Notes was calculated using a market interest rate for an equivalent non-convertible note with effective interest rates of 8% at

initial recognition. The residual amount, representing the value of the equity conversion component, is included and presented in equity under the heading of “other reserves”.

The loans have an annual effective interest rate of 13.45% and are repayable by 31 December 2016.

The movement of the liability portion of 2016 Notes is as follows:

	2016 £
Carrying amount at beginning the period	–
Face value of the convertible loan notes issued during the period	250,000
Less: equity component	(16,661)
Liability component on initial recognition	233,339
Interest charged calculated at an effective interest rate	7,115
Liability component at the end of the period	<u>240,454</u>

The 2016 Notes were issued with accompanying warrants, which for an exercise price of £100,000 allow each of the three individuals the right to a number of shares equal to 4% of the total shareholding of Big Sofa at the time of exercise. No share-based payment has been recognised as they have not been issued in consideration of services. These warrants have been exercised after the period end and resulted in the three individuals receiving shares of 462,710 each.

8.18 *Related party transactions*

During the period ended 30 April 2016, Big Sofa was charged fees of £35,000 by SE16 LLP, an entity in which T Back, a director of Big Sofa, is a member. £17,500 of these fees relate to T Back’s services as a director of Big Sofa, and the other £17,500 relate to consultancy services provided by T Back through SE16 LLP. £33,000 of these fees (inclusive of VAT) remained outstanding at the period end, of which £21,000 relate to director fees and £12,000 relate to consultancy fees.

During the period ended 30 April 2016, Big Sofa was charged fees of £14,586 by Tranby Limited, a company in which P Clark, a director of Big Sofa, is also a director. These fees relate to P Clark’s services as a director of Big Sofa. The full amount remained outstanding at the period end.

As at 30 April 2016, an amount of £45,293 (2015 – £4,313; 2014 – £2,320) was owed by Big Sofa to S Lidington, a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

As at 30 April 2016, an amount of £1,320 (2015 – £1,648; 2014 – £552) was owed by Big Sofa to M Lynch, a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

As at 30 April 2016, an amount of £43 (2015 – £414; 2014 – £Nil) was owed by Big Sofa to M Jemmotte, a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

As at 30 April 2016, an amount of £26,000 was owed by Big Sofa to T Back, a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

As at 30 April 2016, an amount of £174,586 was owed by Big Sofa to P Clark, a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

As at 30 April 2016, an amount of £16,667 was owed by Big Sofa to Environics Research Group, of which Mr B Watson is a director of Big Sofa. This loan is interest-free, unsecured and repayable on demand.

8.19 *Controlling party*

As at 30 April 2016, S Lidington, a director of Big Sofa, was the ultimate controlling party of Big Sofa by virtue of his 50.43% Shareholding.

At the date of the financial information, the controlling party of Big Sofa was the Company.

8.20 *Subsequent events*

New World Oil and Gas plc, a company registered in Jersey (registration number 105517), provided Big Sofa a loan facility of £675,000 as part of an intended acquisition of Big Sofa. £250,000 of the facility was drawn on 9 May 2016, £250,000 was drawn on 19 July 2016, £100,000 was drawn on 1 September 2016 and the remaining £75,000 was drawn on 20 October 2016. The loan had a coupon rate of 6% and was secured by way of debenture on Big Sofa's assets. The acquisition did not materialise, and subsequently the loan was restructured into a convertible loan. The new convertible loan carries a coupon rate of 5% per annum and is to be converted into shares in the Company at the lower of a) the issue price of £0.17 or b) the lowest price at which new ordinary shares may be issued by the Company as part of any fundraising conducted between the date of Admission and 31 December 2018 at the election of New World Oil and Gas plc any time until 31 December 2018.

On 31 October 2016 Big Sofa received a loan of £100,000 from the Company as part of the latter's commitment to the acquisition of Big Sofa. The loan is secured by a first personal guarantee by Adam Reynolds, a director of the Company, and a second personal guarantee by Nicholas Mustoe who is proposed to become a director of the Company following the acquisition of Big Sofa. An interest of 5% per annum is accrued on the loan on a daily basis. Should the acquisition not materialise, the loan and interest will be repayable in full on 31 January 2017.

Big Sofa issued a further 1,902,946 A ordinary shares after the period end, increasing Big Sofa's share capital to 11,567,762 shares. 1,388,130 of the A ordinary shares issued related to the conversion of warrants.

PART V

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets based on the net assets of the Company and Big Sofa. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Acquisition, Placing and Subscription as if they had occurred on 30 June 2016.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of the Company or the Enlarged Group.

The statement of pro forma net assets set out below is based on the unaudited balance sheet of the Company as at 30 June 2016 (as extracted without material adjustment from the Company's financial information in Part A(ii) of Part IV of this document) and Big Sofa as at 30 April 2016 (as extracted without material adjustment from Big Sofa's financial information in Part B of Part IV of this document), and other adjustments on the basis described in the notes below. The Enlarged Group will adopt Big Sofa's accounting policies.

Unaudited pro forma statement of net assets

	<i>Subscription and Conversion of Big Sofa</i>				<i>Placing net of expenses</i>	<i>Consoli- dation adjustments</i>	<i>Consolidated position Enlarged Group</i>	
	<i>Company</i>	<i>Big Sofa</i>	<i>loans</i>	<i>Convertible</i>	<i>Acquisition</i>	<i>expenses</i>	<i>Consoli- dation adjustments</i>	<i>Consolidated position Enlarged Group</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>Loan</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>		
Non current assets								
Intangible assets	–	709	–	–	–	–	–	709
Tangible assets	–	10	–	–	–	–	–	10
Investment	–	–	–	–	4,146	–	(4,146)	–
	<u>–</u>	<u>719</u>	<u>–</u>	<u>–</u>	<u>4,146</u>	<u>–</u>	<u>(4,146)</u>	<u>719</u>
Current assets								
Trade and other receivables	6	155	–	–	–	–	–	161
Cash and cash equivalents	267	1	150	–	(1,109)	5,434	–	4,743
	<u>273</u>	<u>156</u>	<u>150</u>	<u>–</u>	<u>(1,109)</u>	<u>5,434</u>	<u>–</u>	<u>4,904</u>
Total assets	<u>273</u>	<u>875</u>	<u>150</u>	<u>–</u>	<u>3,037</u>	<u>5,434</u>	<u>(4,146)</u>	<u>5,623</u>
Current liabilities								
Trade and other payables	50	786	–	–	–	–	–	836
Borrowings	–	498	(240)	(675)	–	–	–	933
	<u>50</u>	<u>1,284</u>	<u>(240)</u>	<u>(675)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,769</u>
Net assets	<u>223</u>	<u>(409)</u>	<u>390</u>	<u>(675)</u>	<u>3,037</u>	<u>5,434</u>	<u>(4,146)</u>	<u>3,854</u>

Notes:

- The financial information in respect of the Company as at 30 June 2016 has been extracted, without material adjustment, from the unaudited half yearly report set out in Part A(ii) of Part IV of this document.
- The financial information in respect of Big Sofa as at 30 April 2016 has been extracted, without material adjustment, from the financial information, as set out in Part B of Part IV to this document.
- Immediately prior to Admission, a subscription of £150,000 was received in Big Sofa and the convertible loans held within Big Sofa at a net carrying amount of £240,454 were converted into 1,388,130 A Ordinary shares in Big Sofa.
- 5% Convertible Loan Note repayable 31 December 2018 received by Big Sofa subsequent to 30 April 2016 from New World Oil and Gas plc.
- On Admission the Company issued 17,864,391 Ordinary shares at 17p each and cash consideration of £1.109 million to acquire the entire share capital of Big Sofa.
- The Placing and Subscription receipts of £5.0 million and £1.109 million respectively are conditional to Admission. The cash expenses of the transaction payable by the Company are expected to total approximately £675,000.
- The pro forma net asset statement has been prepared on the basis that the acquisition by the shareholders of Big Sofa of a majority interest in the Company is not accounted for as a business combination under IFRS (3) Revised but as a reverse acquisition.
- The pro forma financial information does not constitute statutory accounts within the meaning of section 434 of CA 2006.
- Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 30 June 2016 or 30 April 2016 for either the Company or Big Sofa.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

- (i) The Existing Directors and Proposed Directors, whose names appear on page 6 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document other than information for which responsibility is taken by other persons pursuant to paragraph 1 (ii) below. To the best of the knowledge and belief of the Existing Directors, the Proposed Directors and the Company (having 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.
- (ii) Each of the members of the Big Sofa Concert Party, whose names are set out in paragraph 2 of Part II of this document, accepts responsibility for the information contained in this document relating to himself or itself. To the best of the knowledge and belief of each member of the Big Sofa Concert Party (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- (i) The Company was incorporated in England and Wales with registration number 07847321 on 14 November 2011 under the Act with the name HubCo Investments plc.
- (ii) The Company is a public limited company and the liability of the shareholders of the Company is limited. The Company and its activities are principally regulated by the Act and the regulations made thereunder.
- (iii) The Company received a certificate to do business and borrow pursuant to section 761 of the Act on 25 November 2011.
- (iv) The registered office and principal place of business of the Company is at Finsgate, 5-7 Cranwood Street, London EC1V 9EE. The Company's telephone number is 020 7933 8780.
- (v) The principal activity of the Company is that of an investment company.
- (vi) The Company has no subsidiaries and there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profit and losses.
- (vii) Since incorporation the Company has not acquired or disposed of any companies or businesses and there are no companies in which the Company has an interest.
- (viii) As at the date of this document, the Company has no subsidiaries. Following completion of the Acquisition, the companies within the Enlarged Group will be as follows:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Activity</i>	<i>Ownership Interest (%)</i>
Big Sofa Limited	England and Wales	Data analytics	100

3. Share Capital

- (i) Set out below are details of the issued share capital of the Company (i) as at 30 November 2016 (being the last practicable date prior to the publication of this document); and (ii) as it is expected to be on Admission immediately following completion of the Proposals:

	<i>As at 30 November 2016</i>		<i>Immediately following completion of the Proposals</i>	
	<i>Number</i>	<i>Aggregate nominal value (£)</i>	<i>Number</i>	<i>Aggregate nominal value (£)</i>
Ordinary Shares	8,855,000	88,550	56,753,104	1,702,593

- (ii) On incorporation, on 14 November 2011, the issued share capital of the Company was £75 divided into 7,500 Ordinary Shares of £0.01 each, all of which were issued unpaid.

- (iii) The following details share capital of the Company that has been issued subsequently:

<i>Date of Issue</i>	<i>Number of shares (fully paid)</i>	<i>Cumulative total</i>	<i>Nominal value of each share (£)</i>	<i>Amount paid per share (£)</i>
14 November 2011	742,500	750,000	0.01	0.01
22 November 2011	4,145,000*	4,895,000	0.01	0.0075
22 November 2011	105,000	5,000,000	0.01	0.10
31 January 2012	8,000,000	8,855,000	0.01	0.10

* issued as ordinary redeemable shares

- (iv) On 31 January 2012 the 4,145,000 ordinary redeemable shares of £0.01 each were redeemed.
- (v) Following the completion of the Proposals, the Ordinary Shares in issue at the date of this document will represent 5.2 per cent. of the Enlarged Issued Share Capital, the Consideration Shares will represent 31.5 per cent. of the Enlarged Issued Share Capital and the Placing Shares and Subscription will represent 63.3 per cent. of the Enlarged Issued Share Capital.
- (vi) No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- (vii) There are no issued Ordinary Shares which are not fully paid.
- (viii) At the date of this document, no options have been granted by the Company. On Admission the Company will grant 8,849,365 New Options. Further details of the New Options are set out in paragraph 6 of Part VI of this document.
- (ix) On 30 November 2016, the Company, subject to Admission, granted warrants over New Ordinary Shares to SPARK. Further details are set out in paragraph 12(ix) of Part VI of this document.
- (x) The Consideration Shares, the Subscription Shares and the Placing Shares will be allotted fully paid and will be in registered form and may be held in either certificated or in uncertificated form. Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital (including the Consideration Shares, the Placing Shares and the Subscription Shares) to be admitted to trading on AIM. All Ordinary Shares may be transferred into the CREST system for which there will be no charge to stamp duty or stamp duty reserve tax on the transfer (unless made for consideration). When admitted to trading, the Ordinary Shares will be registered with the ISIN GB00BZ1B7619. The Consideration Shares, the Placing Shares and the Subscription Shares were created under, and are subject to, the provisions of the Act and the regulations thereafter and are denominated in British pound sterling.

- (xi) All the Ordinary Shares rank *pari passu* and no Shareholders enjoy different or enhanced voting rights.
- (xii) The Consideration Shares, the Placing Shares and the Subscription Shares will be allotted and, on issue, will rank for all dividends and other distributions (if any) declared, made or paid in respect of Ordinary Shares after the date of issue and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.
- (xiii) Save as disclosed in this paragraph 3 and, in paragraphs 3, 12 and 15 of Part I of this document and in relation to the Ordinary Shares proposed to be issued pursuant to the Acquisition, the Placing, the Subscription, the Share Consolidation, the New Options, New Warrants and the NWOOG Convertible Loan:
- a) no share or loan capital of the Company or any of its subsidiaries has been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash and no issue is now proposed;
 - b) there are no shares in the Company or any of its subsidiaries not representing capital and no shares in the Company are held by or on behalf of the Company itself; and
 - c) neither the Company nor any of its subsidiaries has granted any options, warrants, exchangeable securities or convertible loan notes over its shares or loan capital which remain outstanding, or has agreed, conditionally or unconditionally, to grant any such options, warrants, exchangeable securities or convertible loan notes.
- (xiv) At the date of this document, the Company has:
- an issued share capital comprising 8,855,000 Existing Ordinary Shares.
- (xv) Immediately following the completion of the Proposals and Admission, the Company will have:
- an issued share capital comprising 56,753,104 issued New Ordinary Shares;
 - warrants to subscribe for 567,531 New Ordinary Shares;
 - options to subscribe for 8,849,365 New Ordinary Shares; and
 - the NWOOG Convertible Loan which, if converted, would result in the issue of up to 4,280,446 New Ordinary Shares.
- (xvi) Save in connection with the Acquisition or as otherwise referred to in Part A(ii) of Part IV of this document, since 30 June 2016 (being the date of the most recent balance sheet of the Company included in the historical financial information):
- no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;
 - no share or loan capital of the Company has been issued, or is now proposed to be issued, fully or partly paid, either for cash or other consideration to any person;
 - no person has preferential subscription rights in respect of any share or loan capital of the Company;
 - no commissions, discounts, brokerages or other special terms, have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;
 - neither the Company nor any of its subsidiaries hold any of Existing Ordinary Shares;
 - the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and

- there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.
- (xvii) The Company has no issued Ordinary Shares that are not fully paid up.
- (xviii) The Ordinary Shares have no redemption or conversion provisions.
- (xix) The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form.

4. Articles of Association

(For the purposes of this paragraph 4, the term “*Director*” shall mean a director for the time being of the Company, in accordance with the Articles.)

- 4.1 The Articles were adopted on incorporation of the Company. They contain provisions, *inter alia*, to the following effect:

Objects

- 4.1.1 The Articles contain no specific restrictions on the Company’s objects and, therefore, by virtue of section 31(1) of the Act, the Company’s objects are unlimited.

Allotment of shares

- 4.1.2 Subject to the provision of the Act regarding pre-emption rights and any resolution relating thereto or to any authority to allot any shares in the Company or to grant any right to subscribe for or convert any securities into shares of the Company, the directors may allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of shares of the Company to or in favour of such persons, on such terms and conditions, at a premium or at par and at such times as the Directors think fit.

Share Rights

- 4.1.3 The Ordinary Shares rank *pari passu* in all respects.

Redeemable Shares

- 4.1.4 Subject to the Act and to any rights attaching to existing shares, any share may be issued which can be redeemed or is liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption of any redeemable shares which are issued.

Voting Rights

- 4.1.5 Subject to any rights or restrictions as to any shares, on a show of hands every Shareholder who (being an individual) is present in person (or by proxy) or (being a corporation) is present by its duly authorised representative shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company.

Alteration of Capital

- 4.1.6 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of a smaller amount.

Transfer of Shares

- 4.1.7 A member of the Company may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form or in such other form as the Directors may approve; and (2) in the case of uncertificated shares, in accordance with the terms of the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a share in certificated form shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee.
- 4.1.8 The Directors may in their absolute discretion refuse to register the transfer of any share which is not fully paid or on which the Company has a lien, provided that dealings in the shares are not prevented from taking place on an open and proper basis.
- 4.1.9 The Directors may also refuse to register the transfer of a share which is in favour of more than four transferees, or which is in respect of more than one class of share or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer, they shall within two months of the date on which the instrument of transfer was lodged with the Company (or in the case of uncertificated shares the operator-instruction was received by the Company), send to the transferee notice of the refusal.

Dividends

- 4.1.10 The Company may (subject to the provision of the Act) by ordinary resolution in general meeting declare dividends to be paid to members in accordance with their respective rights and their respective interests in the profits available for distribution. No dividend shall exceed the amount recommended by the Directors.
- 4.1.11 Except as otherwise provided by the rights attached to or the terms of issue of shares, all dividends shall be declared on the Ordinary Share capital according to the amounts paid or credited as paid on such shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.
- 4.1.12 The Company may by ordinary resolution, upon the recommendation of the Directors, direct payment or satisfaction of such dividend wholly or partly out of specific assets and, in particular, of fully paid up shares or debentures of any other company. Any difficulty with such a distribution may be settled by the Directors as they think expedient and in particular they may issue fractional certificates or authorise any person to sell or transfer any fractions, or they may ignore the fractions all together.
- 4.1.13 The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the distributable profits of the Company and the position of the Company, subject to the provisions of the Act. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to a dividend.
- 4.1.14 The Directors may also pay a dividend payable at a fixed rate at such intervals settled by them if it appears to them that the profits available justify the payment.
- 4.1.15 The Directors shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights provided that they act in good faith.
- 4.1.16 The Company may deduct from any dividend payable all sums of money (if any) due to the Company by the Shareholder on account of calls or otherwise and use such monies to satisfy such amount payable.

4.1.17 All dividends unclaimed for a period of 12 years after having been declared shall if the Directors so resolve be forfeited and shall revert to the Company and the Company shall not be constituted a trustee thereof. All dividends unclaimed for a period of 12 months shall be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

4.1.18 There is no fixed date on which an entitlement to dividend arises.

4.1.19 The Board may, if authorised by an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer any holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, in lieu of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution.

Suspension of rights

4.1.20 If a Shareholder or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under Section 793 of the Act and is in default in supplying to the Company within such other period as may be specified in such notice the information thereby required, then (unless the directors otherwise determine) such Shareholder shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice.

4.1.21 Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends may be withheld, and such Shareholder shall not be entitled to transfer such shares otherwise than by an arm's length sale.

Return of capital

4.1.22 A liquidator may, with the sanction of a special resolution of the Company and any other sanction required, divide amongst the members *in specie* the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A liquidator may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members. No member shall be compelled to accept any assets on which there is a liability.

Pre-emption rights

4.1.23 There are no rights of pre-emption under the Articles of the Company in respect of transfers of issued ordinary shares.

4.1.24 The Company's Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's Shareholders.

Untraced Shareholders

4.1.25 The Company is entitled to sell at the best price reasonably obtainable any shares in the Company after advertising its intention in both a national daily newspaper published in the UK and in any newspaper circulating in the area in which the last known address of the member, or the address for the service of notice in accordance with the Articles, is located and waiting for three months following the newspaper advertisement during which time there has been no indication that the Shareholder can be traced, if the shares have been in issue for at least twelve years preceding such notification and during that period warrants and cheques for at least three dividends, whether interim or final, in respect of shares of the same class as the shares to be sold have been sent by the Company in a pre-paid letter to the member at his registered address shown in the register of members and remain unclaimed and uncashed or have been returned undelivered.

4.1.26 Upon any such sale the Company will become indebted to the former holder of the shares or the person entitled to them by transmission for an amount equal to the net proceeds of sale.

Directors

4.1.27 The Company may appoint a director by way of ordinary resolution either to fill a vacancy or as an additional director.

4.1.28 The number of directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two. The Company may from time to time by way of ordinary resolution fix a maximum number of directors and vary that maximum number.

4.1.29 A director need not be a Shareholder of the Company but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of securities of the Company.

4.1.30 The Directors shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees at such rates as the directors may determine provided that such fees do not in aggregate exceed £100,000 per annum or such other sum as the Company in general meeting may determine.

4.1.31 The Directors shall also be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, including expenses of travelling to and from meetings of the Directors, or committee meetings or general meetings. A director may also be paid out of the funds (by way of salary, participation in profits or otherwise as the Directors may determine) of the Company expenses incurred by him in performing services which in the opinion of the directors are outside the scope of his ordinary duties as a director.

4.1.32 The Directors may appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number, but the total number of directors shall not exceed the maximum number fixed by or in accordance with the Articles. Any Director so appointed shall retire from office at the next annual general meeting of the Company, but shall then be eligible for re-appointment. Such a Director shall not be taken into account when determining which Directors shall retire by rotation at an annual general meeting. At each annual general meeting any Director bound to retire in this way and one third of the other Directors (or if the number is not a multiple of three, this shall be rounded down to the nearest whole number) for the time being shall retire from office. A retiring director shall retain office until the close of the meeting at which he retires. Any Director who is still in office at the start of the general meeting which falls nearest to the third anniversary of the annual general meeting at which he was appointed or last appointed shall retire by rotation. The Directors to retire at each annual general meeting will, first, be the Directors who have been longest in office since their last appointment. As between Directors who have been in office an equal length of time, the Directors to retire shall, unless they shall otherwise agree among themselves, be selected from among them by lot. The retiring directors shall be eligible for re-appointment. If at any meeting at which an appointment of directors ought to take place the office vacated by any retiring director is not filled, the retiring directors shall, if willing, be deemed to continue in office until dissolution of the annual general meeting in the next year, unless at the meeting it is expressly resolved to reduce the number of directors, or unless a resolution for the re-appointment of the retiring Director is put to the meeting and lost.

4.1.33 The Directors may establish and maintain or procure the establishment and maintenance of any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments or other benefits for employees, ex-employees, directors of the Company or any of the Company's subsidiaries or companies with which the Company is associated or the relatives or dependents of any such person.

- 4.1.34 A Director (including an alternate director) may hold any other office or place of profit in the Company, except that of Auditor of the Company or any Subsidiary, and subject to the provisions of any statute no director shall be disqualified from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. A director so contracting or so interested shall not be liable to account to the Company for any profit realised by any such transaction or arrangement by reason of such director holding that office or as a result of his fiduciary relationship, but the nature of his interest shall be disclosed by him in accordance with the provisions of the Act and any other act affecting the Company. The Directors may use the voting powers of shares held or owned by the Company in such manner as they think fit.
- 4.1.35 The Directors may from time to time appoint any one of their number to be Managing Director or to hold any other executive office on such terms as they think fit. Such a Director may receive such remuneration as the directors may determine. Such appointment shall be terminated if he ceases to be a Director. The Directors may entrust and empower any executive Director with any of the powers exercisable by them as Directors, other than the power to make calls for forfeiture of shares, upon such terms and conditions and with such restrictions as they think fit.
- 4.1.36 A Director shall not vote in respect of any contract, arrangement, transaction or proposed contract, transaction or arrangement or any other proposals whatsoever in which he (together with any person connected to him) has an interest other than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting. The Directors may authorise a Director's conflict of interest pursuant to section 175 of the Act.
- 4.1.37 Notwithstanding the above, a Director shall be entitled to vote (and be counted in the quorum) on any resolution concerning any of the following matters:
- (a) giving him any security, guarantee or indemnity for any money or any liability which he, or any other person, has lent or obligations he or any other person has undertaken at the request, or for the benefit, of the Company or any of its subsidiary undertakings;
 - (b) giving any security, guarantee or indemnity to any other person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings, to that other person if the Director has taken responsibility for some or all of that debt or obligation. The Director can take this responsibility by giving a guarantee, indemnity or security;
 - (c) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the Company or any of its subsidiary undertakings, if the Director takes part because he is a holder of shares, debentures or other securities, or if he takes part in the underwriting or subunderwriting of the offer;
 - (d) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives him benefits which are also generally given to employees to whom the arrangement relates;
 - (e) any arrangement involving any other company if the Director (together with any person connected with the Director) has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company). This does not apply if he knows that he has a Relevant Interest;
 - (f) a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group of people which includes Directors; and

- (g) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.

4.1.38 The Company may suspend or relax to any extent the restrictions on a Director voting in relation to a specific matter and may ratify any transactions not duly authorised due to a breach of the Articles.

4.1.39 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to any offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in that case each of the directors concerned (if not debarred from voting under the Articles) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment or the arrangement or variation of the terms thereof. If a question arises at a meeting of the Directors as to the right of a Director to vote, the matter shall be referred to the chairman of the meeting whose ruling shall be conclusive. Where such issue arises in respect of the chairman, the issue shall be decided by a resolution of the Directors (the chairman cannot vote on the resolution but can be counted in the quorum).

4.1.40 A Director shall be removed from office if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting;
- (b) he offers to resign by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting and the Board resolves to accept such offer;
- (c) he is requested to resign by all of the other Directors by notice in writing addressed to him at his address as shown in the register of Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);
- (d) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or the Act or becomes prohibited by law from being a Director;
- (e) he becomes bankrupt or makes an arrangement or composition with his creditors generally;
- (f) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that person has become physically or mentally incapable of acting as a director and may remain so for more than three months or he is or has been suffering from mental or physical ill health and the Board resolves that his office be vacated; or
- (g) he is absent (whether or not his alternate Director appointed by him attends), without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated.

Borrowing powers

4.1.41 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets both present and future (including uncalled capital) and, subject to the Acts, to issue debentures, loan stock or any other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party subject to a limit equal to two times the Company's adjusted share capital and reserves.

CREST

4.1.42 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. This settlement procedure is reflected in the Articles.

- 4.2 The rights attaching to shares in the Company are set out in its Articles and summarised above. The alteration or change of these rights would require the passing of a special resolution passed at a general meeting of the Company to be convened. This would require 21 days written notice for an AGM or 14 days written notice for a general meeting to be given to each holder of shares of the relevant class. Each Shareholder would have the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed and would require a majority of not less than three-quarters of Shareholders voting in person or by proxy at such general meeting.

Shareholder meetings

4.2.1 The Company must in each year hold a general meeting as its annual general meeting. An AGM must be convened, unless all Shareholders entitled to attend and vote agree to short notice, on giving 21 days' notice in writing to the members of the Company.

Other meetings can be convened by the Company from time to time referred to as general meetings. If the meeting is for the passing of an ordinary or special resolution, then 14 days' written notice to convene the general meeting is required.

Shareholders need not attend a meeting of the Company in person but can do so by way of a validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company's registered office no later than 48 hours before the commencement of the relevant meeting (although a lesser time may be specified by the notice of the meeting) or in the case of a poll which is not taken at or on the same day as the meeting, not less than 24 hours prior to the taking of the poll. Failure to lodge details of the appointed proxy in accordance with the Articles will result in the proxy not being treated as valid.

- 4.3 Provided that such indemnity is not prohibited or rendered void by any provision of the Act, (a) each relevant officer shall be indemnified out of the Company's assets against all relevant loss and in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Articles 145.2(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure. The Directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit or any relevant officer in respect of any relevant loss.
- 4.4 There are no provisions in the Company's Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.
- 4.5 The provisions of the UKLA's Disclosure and Transparency Rules govern the disclosure of interests in shares. Where a person has material interests in shares where the voting rights attaching to such shares are equal to or more than 3 per cent. of the total voting rights attaching to the Company's share capital then the person has an obligation to disclose such interest. To the extent that such holding increases or decreases by each percentage point above 3 per cent., that person is obliged to disclose such interests.
- 4.6 There are no conditions imposed by the Articles regarding changes in the Company's capital which are more stringent than required by the laws of England and Wales.

- 4.7 Under the Act, if an offeror made an offer to acquire all the Ordinary Shares and successfully acquired 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.
- 4.8 The Act also gives minority Shareholders in the Company 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 Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.
- 4.9 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 his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
- 4.10 There have been no public takeover bids by third parties in respect of the Company's equity in the current financial year or the previous financial year.

5. Directors' and Other Interests

The interests in Ordinary Shares of the Directors, their respective immediate families and (so far as is known to the Directors or could, with reasonable diligence, be ascertained by them) the persons connected with them (within the meaning of section 252 of the Companies Act) all of which are beneficial, save where otherwise stated, as at the date of this document, and as they are expected to be immediately following Admission, are as follows:

<i>Name</i>	<i>Number of Existing Ordinary Shares at the date of this document</i>	<i>% of Existing Ordinary Share Capital</i>	<i>Number of New Ordinary Shares at Admission</i>	<i>% of Enlarged Ordinary Share Capital</i>	<i>Number of Options at Admission</i>
Stephen Bourne* ¹	500,000	5.65	313,724	0.55%	–
Adam Reynolds* ²	125,000	1.41	989,203	1.74%	1,064,120
Nicholas Mustoe* ³	500,000	5.65	2,090,673	3.68%	1,276,944
Simon Lidington	–	–	10,286,026	18.12%	104,566
Matthew Lynch	–	–	4,121,470	7.26%	104,566
Joseph MacCarthy	–	–	70,588	0.12%	1,470,588
Steven Metcalfe	–	–	947,537	1.67%	1,064,120
Paul Clark	–	–	2,342,682	4.13%	–

*1 Stephen Bourne holds 400,000 Existing Ordinary Shares in the Company directly. Zoe Bourne holds 100,000 Existing Ordinary Shares in the Company. Zoe Bourne is Stephen Bourne's wife. In addition, and not reflected in the above table, Hub Capital Partners Limited holds 880,000 Existing Ordinary Shares in the Company. Stephen Bourne is a 18.03 per cent. shareholder of Hub Capital Partners Limited and Zoe Bourne a 1.31 per cent. shareholder. Moreton Acquisitions Limited, a company in which Mr Bourne is a shareholder is acquiring 147,058 New Ordinary Shares in the Placing.

*2 Adam Reynolds holds 125,000 Existing Ordinary Shares in the Company. In addition, and not reflected in the above table, Hub Capital Partners Limited holds 880,000 Existing Ordinary Shares in the Company. Adam Reynolds is a 12.13 per cent. shareholder of Hub Capital Partners Limited.

*3 Nicholas Mustoe holds 500,000 Existing Ordinary Shares in the Company. In addition, and not reflected in the above table, Hub Capital Partners Limited holds 880,000 Existing Ordinary Shares in the Company. Nicholas Mustoe is a 10.49 per cent. shareholder of Hub Capital Partners Limited.

- (i) Other than as set out in the table above, on Admission there will be no options and/or warrants over New Ordinary Shares held by the Directors.
- (ii) Save as described in this paragraph 5 and paragraph 8 of this Part VI, none of the Directors (or any member of their respective families, nor any person connected with the Directors within the meaning of sections 252 to 255 of the Companies Act) has any interest, beneficial or non-beneficial, in the share capital of the Company.

Other than in relation to the Company, the Directors currently hold, and have during the last five years immediately preceding the date of this document held, the following directorships or partnerships:

Directors

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Stephen Charles Bourne	59	<ul style="list-style-type: none"> • Hub Capital Partners Limited • Moreton Acquisitions Limited 	<ul style="list-style-type: none"> • Precision Midstream Limited • Retail Acquisitions Limited*
Adam Reynolds	54	<ul style="list-style-type: none"> • Concepta Plc • RNR Holdings Limited • Ocutec Eyecare Limited • Premaitha Health Plc • Optibiotix Health Plc • Autoclenz Group Limited • Autoclenz Holdings Limited • New World Oil and Gas plc • Reyco Limited • Medavinci Gold Limited • Emotion Fitness Limited • Orogen Gold Plc • Boldwood Limited • EKF Diagnostics Holdings Plc 	<ul style="list-style-type: none"> • Bcomp 415 Limited • Biolustre UK Ltd • Wallgate Group Plc* • Wilton International Marketing Limited* • Alan Bailey (Studios) Limited • Hansard Corporate Limited • Chalton Consulting Limited • React Group Plc • Hub Capital Partners Limited • Velvet Consultancy Ltd • Porta Communications Plc • Bcomp 429 Limited • Venn Life Sciences Holdings Plc • Bcomp 416 Limited
Simon Lance Lidington	62	<ul style="list-style-type: none"> • Big Sofa Limited • Insight Exchange Partnership LLP • Insight Exchange Limited 	
Nicholas Mustoe	55	<ul style="list-style-type: none"> • Premaitha Health PLC • Hub Capital Partners Ltd • ABC Connection Ltd • Poppyview Ltd • Starlight Children's Foundation • Kindred Agency Ltd • Thread35 Ltd 	<ul style="list-style-type: none"> • Project Leaders London Ltd * • The Kempton Park Racecourse Limited • All Net Technology Limited • Kindred Digital Limited • ICAN (UK) CIC • Thirst for Life Limited • Box 4 (Holdings) Limited
Matthew James Lynch	44	<ul style="list-style-type: none"> • Big Sofa Limited • Insight Exchange Partnership LLP 	<ul style="list-style-type: none"> • Listening for Children Limited
Joseph Paul MacCarthy	36	<ul style="list-style-type: none"> • Chateau and Estates Wine Syndicate Limited • Alfred Place Capital LLP • Dunwich Enterprises Limited 	<ul style="list-style-type: none"> • Sound Wave Music 1 Limited • Sound Wave Music 2 Limited • Sound Wave Music 3 Limited • Sound Wave Music 4 Limited • Sound Wave Music 5 Limited • Sound Wave Music 6 Limited • Sound Wave Music 7 Limited • Sound Wave Music 8 Limited

<i>Director</i>	<i>Age</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Joseph MacCarthy (cont.)			<ul style="list-style-type: none"> • Sound Wave Music 9 Limited • Sound Wave Music 10 Limited • Sound Wave Music 11 Limited • Second Wave Music 1 Limited • Second Wave Music 2 Limited • Second Wave Music 3 Limited • Second Wave Music 4 Limited • Second Wave Music 5 Limited • Second Wave Music 6 Limited • Second Wave Music 7 Limited • Second Wave Music 8 Limited • Second Wave Music 9 Limited • Second Wave Music 10 Limited • Second Wave Music 11 Limited • Blackfinch Investments Limited
Steven Neil Metcalfe	46	<ul style="list-style-type: none"> • Franmet Partners Limited • Stene Investments Limited • Metcalfe Consultancy Limited 	
Paul Francis Clark	64	<ul style="list-style-type: none"> • Big Sofa Limited • Tranby Ltd • Cyber Security Challenge UK Ltd • Cyber Challenge Ventures Ltd • The Insight Exchange Partnership LLP • First Resort Services Limited 	<ul style="list-style-type: none"> • Invigia Ltd • Charter Systems Limited • Charter.net Limited • Invigia International Limited • Circle of Insight Limited • Charter UK Limited • Mycustomerfeedback.com Limited

Further details on companies marked with an asterisk (*) above are set out below:

- (iii) The business address of each of the Existing Directors is Finsgate, 5-7 Cranwood Street, London EC1V 9EE and the business address of each of the Proposed Directors is 72-76 Borough High Street, London SE1 1GD.
- (iv) Adam Reynolds was appointed as a director of Wallgate Group plc on 3 July 2008 and resigned on 28 November 2008. Wallgate Group plc was put into administration on 12 December 2008 and became subject to creditors' voluntary liquidation on 15 December 2009. The liquidator's statement of receipts of payments to 25 February 2011 showed a creditor shortfall of £419,933.64. Wallgate Group plc was subsequently dissolved on 1 June 2011.
- (v) Adam Reynolds was appointed as a director of Greenhills plc on 22 December 1994. He resigned on 24 January 1996. Greenhills plc was put into receivership on 8 August 1996, and an order to wind up was made on 19 February 1997. The receiver's abstract of receipts and payments to 6 July 1998 showed a creditor shortfall of £216,877.32. Greenhills plc was subsequently dissolved on 2 January 2001.
- (vi) Adam Reynolds was appointed as a director of Wilton International Marketing Limited on 10 June 2005. Wilton International Marketing Limited was put into voluntary liquidation on 14 October 2013 and was subsequently dissolved on 1 August 2014 with no shortfall to creditors.
- (vii) Project Leaders London Limited was put into creditors' voluntary liquidation on 18 July 2012. Nicholas Mustoe resigned as a director on 17 February 2012.

- (viii) Stephen Bourne was a director of Retail Acquisitions Limited until 11 March 2015 when it acquired BHS Group Limited. Following the placing of BHS Group Limited into administration, the Pensions Regulator has issued Retail Acquisitions Limited with a warning notice seeking information around BHS Group Limited's pension deficit.
- (ix) As at the date of this document and save as set out in paragraphs 5(iv) to (viii) above, none of the Directors has:
- any unspent convictions in relation to indictable offences; or
 - been declared or made any individual voluntary arrangement; or
 - been a director of a company at the time of or within the twelve months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors; or
 - been a partner or in a partnership at the time of or within the twelve months preceding the partnership being subject to a compulsory liquidation, administration or partnership voluntary arrangement; or
 - had any asset subject to receivership or been a partner of any partnership at the time of or within the twelve months preceding any asset of such partnership being subject to a receivership; or
 - been subject to any public criticism by statutory or regulatory authorities (including recognised professional bodies), nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6. OPTIONS, WARRANTS AND CONVERSION RIGHTS

6.1 No warrants or options exist in relation to the Company's Existing Ordinary Shares as at the date of this document.

6.2 *EMI Options*

As soon as reasonably practicable following Admission, the Company will adopt an Enterprise Management Incentive (**EMI**) share option scheme (**EMI Scheme**) to incentivise the Proposed Directors and key management of the Enlarged Group and to align their interests with the interests of the Shareholders.

EMI Options will be granted, subject to HM Revenue & Customs approval where necessary, to members of staff under the provisions of the Enterprise Management Incentives (**EMI**) legislation contained in Schedules of Income Tax (Earnings and Pensions) Act 2003 (**Schedule 5**) the details of which are set out in this paragraph 6.2 of this Part VI. An EMI Option takes the form of an individual contract between the Company and the employee and a set of scheme rules. It is envisaged that options will be granted to current and future employees under the EMI Scheme. To the extent that option holders do not qualify, the options will be unapproved options.

The provisions of the EMI Scheme shall be as follows:

(a) *Employee Eligibility*

Any employee of the Company or the Enlarged Group who works either at least 25 hours per week or commits at least 75 per cent. of this working time to the business of the Company or the business of the Enlarged Group and who does not already beneficially own either directly or indirectly through his associates more than 30 per cent. of the Ordinary Shares of the Company may be granted an option under the EMI Scheme.

(b) *Individual Limit on Participation*

An individual employee's participation under the EMI Scheme is limited so that the aggregate market value of the shares placed under the EMI Option, and of any unexercised options granted under any share option scheme approved by HM Revenue & Customs under Chapter 8 of Part I and Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 valued at the date of the grant of the EMI Options which are held by that employee, cannot exceed £250,000. If this limit is exceeded, the employee may not hold further qualifying options for a three year period.

(c) *Company Limit*

The maximum value of unexercised qualifying options (valued as at the date of grant) that may exist under an EMI scheme is restricted to £3 million. The number of option shares, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the EMI Scheme or any other of the Company's employee share schemes within the previous period of ten years, may not exceed 17.5 per cent. of the number of Ordinary Shares in issue at the date of grant.

(d) *Exercise*

The EMI Options granted will become exercisable at such time as the Company has determined at the date of grant and may not be exercised after the tenth anniversary of the date of the grant. At the time of grant certain performance conditions can be imposed which need to be satisfied prior to the option being capable of being exercised. An EMI Option shall only be exercised over a number of Option Shares in respect of which it is vested. If the option holder ceases to be an employee of the Company prior to that date the Option will lapse immediately. On an employee leaving the Company the option shall lapse immediately, unless the Board resolves to allow the option to be exercised within the following 3 month period.

(e) *Non-transferability of options*

The EMI Options are non-transferable (except on death to the personal representatives of the option holder). An EMI Option shall lapse immediately if it is purportedly transferred, mortgaged, charged or assigned.

(f) *Variation of share capital*

For these purposes "variation" of share capital includes any capitalisation, rights issue, subdivision, consolidation or reduction or any other variation in the ordinary share capital of the Company occurring after the date of grant. Upon a variation of the ordinary share capital of the Company, the Directors may adjust either the number of Ordinary Shares an employee is entitled to acquire or adjust the exercise price in a manner they consider fair and reasonable, provided this is confirmed in writing by the Company's auditors, the exercise price is not reduced below the nominal value of an Ordinary Share and the option holder has approved such variation.

(g) *Alterations*

Subject to procuring advance approval from the HM Revenue & Customs, the Directors may alter the provisions of the relevant option agreement provided any such alteration is in writing and is signed by or on behalf of each party and it does not breach the provisions of Schedule 5.

(h) *Disqualifying Events*

Schedule 5 sets out specific events which are to be treated as disqualifying events. The consequence of a disqualifying event occurring prior to the exercise of the EMI Options will be the loss of the qualifying status and the tax benefits under the EMI legislation unless the options are exercised within 40 days of the date of the occurrence of the disqualifying event. Under the terms of the EMI Option Scheme, where certain disqualifying events occur, the Board may permit exercise within the 40 day timescale or such longer period as they shall

determine. Failure to exercise the option within the stipulated period would cause the option to lapse on the expiry of such period.

(i) *Options to be granted*

Following Admission the Company will grant 15 directors, employees and prospective employees of the Enlarged Group with options under the EMI Scheme over, in aggregate, 8,849,365 New Ordinary Shares at an exercise price of £0.17 per New Ordinary Share. These include options for Directors and Proposed Directors as follows:

<i>Option Holder</i>	<i>Number of New Ordinary Shares</i>	<i>Exercise Price (£)</i>	<i>Expiry Date</i>
Joe MacCarthy	1,470,588	0.17	19 December 2026
Simon Lidington	104,566	0.17	19 December 2026
Matt Lynch	104,566	0.17	19 December 2026
Nicholas Mustoe	1,276,944	0.17	19 December 2026
Steven Metcalfe	1,064,120	0.17	19 December 2026
Adam Reynolds	1,064,120	0.17	19 December 2026

6.3 *Big Sofa US Options*

As soon as reasonably practicable following Admission, the Company will adopt a Stock Option Plan to incentivise the Enlarged Group’s United States based employees, officers, directors and consultants (**US Option Scheme**). An option under the US Option Scheme will take the form of an individual contract between the Company and the relevant participant and a set of scheme rules.

It is envisaged that options will be granted to current and future key US based employees (as defined in Section 3401(c) of the Internal Revenue Code of 1986 (**Code**)) under the US Option Scheme as incentive stock options pursuant to s.422 of the Code (**Incentive Stock Options**). To the extent that option holders do not qualify, the options will be unapproved options (**Unapproved Stock Options**). Together Incentive Stock Options and Unapproved Stock Options will be referred to as “Stock Options”.

(a) *Eligibility*

Stock Options may not be exercised unless the option holder, at the time of exercise, is, and has been at all times since the grant date, an employee, officer, or director of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) of (f) of the Internal Revenue Code of 1986.

(b) *Individual Limit on Participation*

Under US federal income tax law, each option holder is limited to exercising \$100,000 Incentive Stock Options in any calendar year. Anything above this will be treated as non-qualified stock options. No Incentive Stock Option shall be granted to an individual who owns more than 10 per cent. of the total combined voting power of all classes of shares of the Company or a related corporation.

(c) *Company Limit*

The number of option shares, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the EMI Scheme or any other of the Company’s employee share schemes within the previous period of ten years, may not exceed 17.5 per cent. of the number of Ordinary Shares in issue at the date of grant.

(d) *Exercise*

The Stock Options granted will become exercisable at such times as the Company has determined at the date of grant and may not be exercised after the tenth anniversary of the date of the grant.

At the time of grant certain performance conditions can be imposed which need to be satisfied prior to the option being capable of being exercised. A Stock Option shall only be exercised over a number of option shares in respect of which it is vested.

Exercise shall be in writing, stating the exact number of options being exercised and the exact number of shares being purchased, together with full payment for the shares and full payment of all amounts necessary to satisfy federal, state and local tax withholding requirements arising in connection with the exercise of the stock option.

(e) *Non-transferability of options*

The Stock Options are non-transferable (except on death to the personal representatives of the option holder). A Stock Option shall lapse immediately if it is purportedly transferred, mortgaged, charged or assigned.

(f) *Variation of share capital*

For these purposes “variation” of share capital includes any capitalisation, rights issue, subdivision, consolidation or reduction or any other variation in the ordinary share capital of the Company occurring after the date of grant. Upon a variation of the ordinary share capital of the Company, the Directors may adjust either the number of Ordinary Shares an employee is entitled to acquire or adjust the exercise price in a manner they consider fair and reasonable, provided that this does not materially alter the aggregate purchase price payable by the option holder under the scheme.

(g) *Amendment*

The Board may suspend or terminate the scheme at any time, or amend the plan in any manner. However the Board may not without shareholder approval adopt any amendment which would (a) materially increase the benefits accruing to participants under the scheme, (b) materially increase the number of Ordinary Shares which may be issued under the scheme, or (c) materially modify the requirements as to eligibility for participation in the scheme.

(h) *Disqualifying events*

Under the applicable legislation, to obtain certain tax benefits afforded to Incentive Stock Options, the option holder must hold the Ordinary Shares issued upon the exercise of the Stock Option for two years after the date of grant and one year after the date of transfer of the Ordinary Shares to them.

(g) *Termination of employment or other forfeiture*

If the option holder ceases to be an employee of, or provide services to, the Company, all unvested options will be immediately forfeited for no consideration.

If the option holder’s employment is terminated for cause (including but not limited to breach of any agreement with the Company or wilful neglect, refusal or failure to perform diligently any lawful directive of the Company), all vested but unexercised options will be immediately forfeited for no consideration.

If the option holder (a) in the opinion of the Board without the written consent of the Company, engages directly or indirectly in any manner or capacity as principal, agent, partner, member, officer, director, employee, owner, promoter or otherwise, in any business or activity competitive with the business conducted by the Company, or (b) performs any act or engages

in any activity which in the opinion of the Board is inimical to the best interests of the Company, all unexercised options will be immediately forfeited.

6.4 *New Warrants*

In total, New Warrants over 567,531 New Ordinary Shares will be issued on Admission as follows:

<i>Warrant Holder</i>	<i>Number of New Ordinary Shares</i>	<i>Exercise Price (£)</i>	<i>Expiry Date</i>
SPARK Advisory Partners Limited	567,531	0.17	19 December 2021

6.5 *Convertible Loan*

The NWOOG Convertible Loan of £675,000 (plus accumulated interest at a coupon of six per cent. up to the date of Admission and five per cent. thereafter) is convertible, at the election of NWOOG, into New Ordinary Shares at the lower of a) the issue price of 17p or b) the lowest price at which New Ordinary Shares may be issued by the Company as part of any fundraising conducted between the date of Admission and 31 December 2018.

7. **Directors' Letters of Appointment, Service Agreements and Agreement for Services**

(i) *Existing Directors*

(a) *Adam Reynolds (Non-Executive Director)*

On 1 December 2014, Reyco Limited (“**Reyco**”) entered into an agreement with the Company for the provision of the services of Adam Reynolds as a director of the Company (the “**Reyco Agreement**”). Under the terms of the Reyco Agreement, either party may terminate the agreement on three months written notice. The Reyco Agreement will terminate on Admission by mutual agreement and the letter of appointment summarised below will take effect.

Conditional upon and effective as at Admission, the Company entered into a letter of appointment with Reyco dated 30 November 2016 pursuant to which Reyco would procure that Adam Reynolds is appointed as a non-executive director of the Company. Reyco shall receive a fee of £30,000 per annum, payable monthly in arrears and the Company will reimburse Reyco for all of Adam Reynolds’ reasonable and properly documented expenses incurred in performing his duties.

Under the letter of appointment, Adam Reynolds is expected to dedicate two days per month to the activities of the Company. The appointment may be terminated by either party giving the other not less than 12 months’ written notice. The appointment is contingent on satisfactory performance and re-election by shareholders at general meetings. Adam Reynolds’ removal in accordance with the terms of the letter of appointment will not give him any right to compensation. The letter of appointment also contains provisions which restrict the disclosure of confidential information and protect the Company’s intellectual property rights.

(b) *Stephen Bourne (Non-Executive Director and Company Secretary, until Admission)*

On 1 December 2014, Moreton Acquisitions Limited entered into an agreement with the Company for the provision of the services of Stephen Bourne as a director of the Company (the “**Moreton Acquisitions Agreement**”). Under the terms of the Moreton Acquisitions Agreement, either party may terminate the agreement on three months written notice. The Moreton Acquisitions Agreement will terminate following the GM by mutual agreement whereupon Stephen Bourne will cease to be a director of the Company.

(ii) ***Proposed Directors***

Subject to completion of the Acquisition, the Proposed Directors will be appointed to the board of directors of the Enlarged Group with effect from Admission. The terms of engagement of the Proposed Directors are summarised below:

- (a) On 10 November 2016, Simon Lidington entered into a service agreement with Big Sofa under the terms of which he agreed to act as Chief Executive Officer of Big Sofa. The agreement provides for Simon to act as an officer of any group company as determined by the board. A salary of £110,000 per annum is payable monthly in arrears increasing to £160,000 from the date of Admission, and reviewable by the board annually. The agreement provides for a discretionary bonus, as agreed by Big Sofa from time to time. No compensation will be payable for loss of office and the appointment may be terminated with 12 months' written notice from either party, with discretion for payment in lieu of notice which may be paid by Big Sofa as a lump sum or in monthly instalments. The appointment may be terminated immediately, if, among other things, Simon is in material breach of the terms of the appointment. The agreement also includes provision for garden leave, 12 month restrictive covenants and an exit bonus clause stating that Big Sofa shall make a bonus payment of between £500,000 and £2,500,000 (dependant on the valuation of Big Sofa) should the board decide to sell Big Sofa, payable 90 days after completion of the sale.
- (b) On 10 November 2016, Matthew Lynch entered into a service agreement with Big Sofa under the terms of which he agreed to act as Chief Strategy Officer of Big Sofa. The agreement provides for Matthew to act as an officer of any group company as determined by the board. A salary of £110,000 per annum is payable monthly in arrears increasing to £150,000 from the date of Admission, and reviewable by the board annually. The agreement provides for a discretionary bonus, as agreed by Big Sofa from time to time. No compensation will be payable for loss of office and the appointment may be terminated with 12 months' written notice from either party, with discretion for payment in lieu of notice which may be paid by Big Sofa as a lump sum or in monthly instalments. The appointment may be terminated immediately, if, among other things, Matthew is in material breach of the terms of the appointment. The agreement also includes provision for garden leave, 12 month restrictive covenants and an exit bonus clause stating that Big Sofa shall make a bonus payment of between £500,000 and £2,500,000 (dependant on the valuation of Big Sofa) should the board decide to sell Big Sofa, payable 90 days after completion of the sale.
- (c) On 10 November 2016, Joe MacCarthy entered into a service agreement with Big Sofa under the terms of which he agreed to act as Chief Financial Officer of Big Sofa. The agreement provides for Joe to act as an officer of any group company as determined by the board. A salary of £130,000 per annum is payable monthly in arrears and reviewable by the board annually. The agreement provides for a discretionary bonus, as agreed by Big Sofa from time to time. No compensation will be payable for loss of office and the appointment may be terminated with 12 months' written notice from either party, with discretion for payment in lieu of notice which may be paid by Big Sofa as a lump sum or in monthly instalments. The appointment may be terminated immediately, if, among other things, Joe is in material breach of the terms of the appointment. The agreement also includes provision for garden leave and 12 month restrictive covenants.
- (d) Conditional upon and effective as at Admission, the Company entered into a letter of appointment with Kindred Agency Limited ("**Kindred**") dated 30 November 2016 pursuant to which Kindred would procure that Nicholas Mustoe is appointed as a non-executive director of the Company. Kindred shall receive a fee of £30,000 per annum, payable monthly in arrears and the Company will reimburse Kindred for all of Nicholas Mustoe's reasonable and properly documented expenses incurred in performing his duties.

Under the letter of appointment, Nicholas Mustoe is expected to dedicate two days per month to the activities of the Company. The appointment may be terminated by either party giving the other not less than 12 months' written notice. The appointment is contingent on satisfactory

performance and re-election by shareholders at general meetings. Nicholas Mustoe's removal in accordance with the terms of the letter of appointment will not give him any right to compensation. The letter of appointment also contains provisions which restrict the disclosure of confidential information and protect the Company's intellectual property rights.

- (e) Conditional upon and effective as at Admission, the Company entered into a letter of appointment with Metcalfe Consultancy Limited ("MCL") dated 30 November 2016 pursuant to which MCL would procure that Steven Metcalfe is appointed as a non-executive director of the Company. MCL shall receive a fee of £30,000 per annum, payable monthly in arrears and the Company will reimburse MCL or all of Steven Metcalfe's reasonable and properly documented expenses incurred in performing his duties.

Under the letter of appointment, Steven Metcalfe is expected to dedicate two days per month to the activities of the Company. The appointment may be terminated by either party giving the other not less than 12 months' written notice. The appointment is contingent on satisfactory performance and re-election by shareholders at general meetings. Steven Metcalfe's removal in accordance with the terms of the letter of appointment will not give him any right to compensation. The letter of appointment also contains provisions which restrict the disclosure of confidential information and protect the Company's intellectual property rights.

- (f) Conditional upon and effective as at Admission, the Company entered into a letter of appointment with Tranby Limited ("Tranby") dated 30 November 2016 pursuant to which Tranby would procure that Paul Clark is appointed as a non-executive director of the Company. Tranby shall receive a fee of £30,000 per annum, payable monthly in arrears and the Company will reimburse Tranby for all of Paul Clark's reasonable and properly documented expenses incurred in performing his duties.

Under the letter of appointment, Paul Clark is expected to dedicate two days per month to the activities of the Company. The appointment may be terminated by either party giving the other not less than 12 months' written notice. The appointment is contingent on satisfactory performance and re-election by shareholders at general meetings. Paul Clark's removal in accordance with the terms of the letter of appointment will not give him any right to compensation. The letter of appointment also contains provisions which restrict the disclosure of confidential information and protect the Company's intellectual property rights.

No loans made or guarantees granted or provided by the Company or any member of the Enlarged Group to or for the benefit of any Director are outstanding.

(iii) ***Aggregate Remuneration***

The aggregate remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors is estimated to be approximately £337,000 for the financial period ending 31 December 2016 under arrangements in force at the date of this document.

8. Significant Shareholders

- (i) As at the date of this document and on Admission, save for the interests of the Directors and Proposed Directors, which are set out in paragraph 5 above, the Company is aware of the following persons who hold or will hold, directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached:

<i>Name</i>	<i>No. of Existing Ordinary Shares</i>	<i>% of Existing Ordinary Share Capital</i>	<i>No. of New Ordinary Shares</i>	<i>% of Enlarged Issued Share Capital</i>
HSBC Global Custody Nominee (UK) (813934)	2,500,000	28.23%	833,333	1.47%
HSBC Global Custody Nominees (UK) (944287)	1,700,000	19.20%	566,666	1.00%
Hub Capital Partners Limited	880,000	9.94%	293,333	0.52%
Won234 Limited	500,000	5.65%	166,666	0.29%
Redmayne (Nominees) Limited	300,000	3.39%	100,000	0.18%
David Newton	500,000	5.65%	2,229,566	3.93%

- (ii) All Shareholders have the same voting rights.
- (iii) As set out in paragraph 13 of Part 1 of this document, all of the shareholders of HubCo are deemed to be acting in concert. This aside, to the best of the Directors' knowledge, the Company is not directly or indirectly owned or controlled by any Shareholder.

9. UK Taxation

(i) *Introduction*

The following paragraphs are intended as a general guide only for Shareholders who are resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HMRC practice. Any shareholder who is also an employee may also be subject to the employment related securities rules.

Any prospective subscriber for, or purchaser of, Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his own professional adviser immediately.

(ii) *The Company*

The Company will be regarded as resident in the United Kingdom for United Kingdom Corporation Tax purposes. Accordingly, the Company will be liable to account for United Kingdom Corporation Tax on its income and/or chargeable gains, as appropriate.

(iii) *Income Tax*

Taxation of dividends

Under current UK tax legislation, no amounts in respect of tax will be withheld at source from dividend payments made by the Company.

The taxation of dividends paid by the Company and received by a Shareholder resident for tax purposes in the United Kingdom is summarised below and for United Kingdom resident individuals and trustees.

United Kingdom resident individuals

With effect from 6 April 2016 a new system of taxation for dividends applies to United Kingdom resident individual shareholders. From this date dividends received are no longer grossed up to include a 10 per cent. notional tax credit. Instead individuals will pay tax on the amount received.

Dividend income is subject to income tax as the top slice of the individual's income. Each individual will have an annual Dividend Allowance of £5,000 which means that they will not have to pay tax on the first £5,000 of all dividend income they receive.

Dividends in excess of the Dividend Allowance will be taxed at the individual's marginal rate of tax, with dividends falling within the basic rate band taxable 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 will not be available to United Kingdom resident trustees of a discretionary trust. From 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.

United Kingdom pension funds and charities are generally exempt from tax on dividends that they receive.

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.

Persons who are not resident in the UK should consult their own tax advisers on whether or not they can benefit from all or part of any tax credit and what relief or credit may be claimed in the jurisdiction in which they are resident.

(iv) ***Taxation on capital gains for shareholders***

The following paragraphs summarise the tax position in respect to a disposal of New Ordinary Shares on or after 6 April 2016 by a Shareholder resident for tax purposes in the United Kingdom.

To the extent that a Shareholder acquires New Ordinary Shares allotted to him (excluding shares issued in exchange for shares in Big Sofa), the amount paid for the New Ordinary Shares will generally constitute the base cost of the Shareholder's holding.

A disposal of New 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 at the rate of 10 per cent. or basic rate taxpayers (previously 18 per cent.) or 20 per cent. for higher or additional rate taxpayers (previously 28 per cent.) 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 which is set to £11,100 for 2016-17) 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 New Ordinary Shares for no less than three years from their issue date may, on a subsequent disposal of those New Ordinary Shares, qualify for “Investors’ relief”. Investors’ relief is a new relief contained within the Finance Act 2016 which 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 £10 million of gains, subject to various conditions being met by both the investor and investee company. This would only apply to New Ordinary Shares subscribed for cash as distinct from New Ordinary Shares issued in exchange for shares in Big Sofa.

The relevant qualifying conditions of Investors’ Relief are considered likely to be met by the Company but neither the Company, its Directors or advisors can guarantee that those conditions will be or will continue to be met throughout the required share-holding period.

For trustee Shareholders of a discretionary trust who are United Kingdom tax resident, Capital Gains Tax at the rate of tax of 20 per cent. (previously 28 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 New Ordinary Shares are used or held for the purposes of the branch, agency or permanent establishment.

(v) ***Stamp duty and stamp duty reserve tax (“SDRT”)***

No UK stamp duty or SDRT will normally be payable on the issue or allotment of New Ordinary Shares pursuant to the Subscription, nor on subsequent transfers or agreements to transfer New Ordinary Shares by virtue of the exemption for shares traded on AIM.

It should be noted that 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.

10. Other relevant laws and regulations

(i) ***Disclosure of interests in shares***

The vote holder and issuer notification rules set out in DTR5 shall apply to the Company and each shareholder. Each Shareholder will therefore be required pursuant to DTR5 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.

Pursuant to Part 22 of the Companies Act, 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, 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.

(ii) **Takeovers**

As a public limited company, the Company is subject to the Takeover Code. Following the implementation of Part 28 of the Companies Act the Takeover Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on ISDX and AIM.

(a) *Mandatory bid*

Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. and no more than 50 per cent. of the voting rights of a company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentages of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to extend a general offer in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights not already held by them.

(b) *Squeeze-out*

Under the Companies Act, an offeror which makes a takeover offer for the Company has the right to buy out minority Shareholders where it has acquired (or unconditionally contracted to acquire) not less than 9/10^{ths} in number of the shares to which the offer relates. It would do so by sending a notice to the outstanding minority Shareholders telling them that it will compulsorily acquire their shares. Such notice must be sent within two months of the offer becoming 90 per cent. accepted. The notice must be made in the prescribed manner. The squeeze-out of the minority Shareholders can be completed at the end of six weeks from the date the notice has been given, following which the offeror can execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding minority Shareholders. The consideration offered to the outstanding minority Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

(c) *Sell-out*

The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for the Company, provided that at any time before the end of the period within which the offer can be accepted, the offeror has acquired (or unconditionally contracted to acquire) not less than 9/10^{ths} in number of the shares to which the offer relates. A minority Shareholder can exercise this right by a written communication to the offeror at any time until three months after the period within which the offer can be accepted or a later date specified in the notice given by the offeror. An offeror would be required to give the remaining Shareholders notice of their rights to be bought out within the one month from the end of the period in which the offer can be accepted. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

11. Employees

- (i) During each of the accounting reference periods ending on the dates set out below the Company had the following employees:

	30 November 2013	30 November 2014	31 December 2015
Management (including Directors)	2	2	2
Operations	–	–	–

- (ii) During each of the accounting reference periods ending on the dates set out below Big Sofa had the following employees:

	30 April 2014	31 January 2015	30 April 2016
Directors	2	3	6
Staff	14	10	11

- (iii) As from Admission, the Enlarged Group will have 23 employees other than the Directors.

12. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Enlarged Group in the two years immediately preceding the date of this document and are, or may be, material or contain provisions under which any member of the Enlarged Group has any obligation or entitlement which is, or may be material.

HubCo

- (i) ***Acquisition Agreement dated 30 November 2016 between : (1) the Company and (2) the Majority Vendors***

Under this Acquisition Agreement, the Company has conditionally agreed to acquire from the Vendors 59.02 per cent. of the issued share capital of Big Sofa for approximately £2.449 million, to be satisfied by the issue of 14,407,496 New Ordinary Shares at an agreed issue price of £0.17 per New Ordinary Share.

This Acquisition Agreement is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and Admission. The Conditions to this Acquisition Agreement must be satisfied or waived on or before 30 December 2016 or the agreement will terminate.

The Majority Vendors have given warranties to the Company regarding their title to the share capital of Big Sofa and their ability to effectively transfer it to the Company and have given warranties in relation to the business and affairs of Big Sofa. In addition, the Company has given certain warranties to the Majority Vendors in relation to itself, the issue of the Consideration Shares and compliance with applicable law and regulations. The parties have rights to terminate the Acquisition Agreement prior to Admission if any of the warranties given to them are found to be untrue, incorrect or misleading in any material respect.

- (ii) ***Acquisition Agreement dated 30 November 2016 between (1) the Company and (2) the Big Sofa Concert Party (other than the Majority Vendors)***

Under this Acquisition Agreement, the Company has conditionally agreed to acquire from the Big Sofa Concert Party (other than the Majority Vendors) the issued share capital of Big Sofa owned by them (comprising 12.80 per cent. of the issued share capital), to be satisfied by the issue of 1,393,995 New Ordinary Shares and cash of £294,053. This agreement is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and Admission. The conditions to this agreement must be satisfied or waived on or before 30 December 2016 or the agreement will terminate. The Big Sofa Concert Party (other than the Majority Vendors) have given warranties to the Company regarding

their title to the share capital of Big Sofa and their ability to effectively transfer it to the Company. In addition, the Company has given certain warranties in relation to itself, the issue of the Consideration Shares and compliance with applicable law and regulations. The parties have rights to terminate the acquisition agreement prior to Admission if any of the warranties given to them are found to be untrue, incorrect or misleading in any material respect.

(iii) ***Acquisition Agreement dated 30 November 2016 between (1) the Company and (2) David Newton, Peter Reynolds, Nicholas Mustoe, Adam Reynolds and Steven Metcalfe***

Under this Acquisition Agreement, the Company has conditionally agreed to acquire:

- (a) from David Newton the issued share capital of Big Sofa owned by him (comprising 4.45 per cent. of the issued share capital) (“DN Shares”);
- (b) from David Newton, Peter Reynolds and Nicholas Mustoe the issued share capital of Big Sofa which will be owned by them following the exercise of their warrants to acquire approximately 12 per cent. of the issued share capital of Big Sofa immediately prior to Admission;
- (c) from Adam Reynolds, Nick Mustoe and Steven Metcalfe, the issued share capital of Big Sofa which will be owned by them following completion of a share purchase agreement whereby they will acquire approximately 11.64 per cent. of the issued share capital of Big Sofa immediately after the passing of the Resolutions (“Side SPA”).

The consideration for such acquisitions will be satisfied by the issue of 2,060,900 New Ordinary Shares and cash of £350,693. This agreement is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting, completion of the Side SPA and Admission. The conditions to this agreement must be satisfied or waived on or before 30 December 2016 or the agreement will terminate. David Newton has given warranties to the Company regarding his title to the DN Shares as at the date of this Acquisition Agreement and his ability to effectively transfer the DN Shares to the Company.

David Newton, Peter Reynolds, Nicholas Mustoe, Adam Reynolds and Steven Metcalfe have given warranties to the Company regarding their title to the share capital of Big Sofa immediately prior to Admission and their ability to effectively transfer it to the Company. In addition, the Company has given certain warranties in relation to itself, the issue of the Consideration Shares and compliance with applicable law and regulations. The parties have rights to terminate the acquisition agreement prior to Admission if any of the warranties given to them are found to be untrue, incorrect or misleading in any material respect.

(iv) ***Drag Along Notice***

Pursuant to article 8 of the articles of association of Big Sofa, a majority of the A Ordinary shareholders of Big Sofa may compel all other shareholders to sell their shares to a *bona fide* arm’s length purchaser. On 30 November 2016 a notice in accordance with article 8 was served on the Vendors (other than the Big Sofa Concert Party) requiring them to sell their shares in Big Sofa to the Company. In accordance with article 8.7 of the Big Sofa articles, any director of Big Sofa may sign transfers of the shares to the Company.

(v) ***Placing Agreement dated 30 November 2016 between: (1) the Company, (2) the Existing Directors, (3) the Proposed Directors, (4) SPARK Advisory Partners and (5) Hobart Capital Markets***

Pursuant to the Placing Agreement SPARK Advisory Partners, as the Company’s nominated adviser, has been granted certain powers and authorities in connection with the application for Admission. Hobart Capital Markets has conditionally agreed to implement the settlement of the Placing Shares. Under the terms of the Placing Agreement, the Company, the Existing Directors and the Proposed Directors have given certain customary warranties to SPARK Advisory Partners and Hobart Capital Markets and the Company has given certain customary indemnities and undertakings to SPARK Advisory Partners and Hobart Capital Markets in connection with Admission and other matters

relating to the Enlarged Group and its affairs. SPARK Advisory Partners and Hobart Capital Markets may terminate the Admission Agreement in certain specified circumstances prior to Admission, principally if any of the warranties has ceased to be true and accurate in any material respect or shall have become misleading in any respect or in the event of circumstances existing which make it impracticable or inadvisable to proceed with Admission. The liability of the Existing Directors and the Proposed Directors in respect of a breach of the warranties given in the Placing Agreement are limited in time and amount.

The Placing Agreement is subject to the satisfaction or waiver of a number of conditions including the Acquisition Agreements having become unconditional, the passing of the Resolutions and Admission. Such conditions must be satisfied (or where possible, waived) by 19 December 2016 (or such later time as may be agreed by the Company and SPARK Advisory Partners and Hobart Capital Markets, being not later than 23 December 2016).

(vi) ***Lock-in Deed dated 30 November 2016 between (1) the Company, (2) SPARK Advisory Partners, (3) Hobart Capital Markets and (4) each of the Locked-in Persons***

Pursuant to the Lock-in Deed, each of the Locked-in Persons has undertaken to the Company, SPARK Advisory Partners and Hobart Capital Markets that they will not dispose of Ordinary Shares held by them for a period of 12 months from the date of Admission.

Each Locked-in Person has also undertaken that for the period of 12 months following the anniversary of the date of Admission, they will only dispose of Ordinary Shares held by them on an orderly market basis through the Company's broker from time to time.

(vii) ***Broker Agreement dated 26 October 2016 between (1) the Company, and (2) Hobart Capital Markets***

Pursuant to the Broker Agreement, the Company has appointed Hobart Capital Markets to act as broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Hobart Capital Markets a fee of £30,000 (plus VAT) plus reasonable out-of-pocket expenses for its services as broker. The appointment was for an initial six month period and is then terminable by either party giving one months' written notice.

(viii) ***Relationship Agreement dated 30 November 2016 between (1) the Company, (2) SPARK Advisory Partners, and (3) Simon Lidington, Matthew Lynch, Paul Clark, Terence Back ("the Controlling Shareholders")***

The Company, SPARK and Simon Lidington, Matthew Lynch, Paul Clark and Terence Back have entered into the Relationship Agreement to govern the relationship between the Enlarged Group and the Controlling Shareholders, such agreement to become effective upon Admission.

Under the agreement the Controlling Shareholders agree that for so long as the Controlling Shareholders hold at least 20 per cent. of the issued share capital of the Company:

- (i) they will not take any action that would preclude the Enlarged Group from carrying on business independently from the Controlling Shareholders; and
- (ii) any transactions between the Controlling Shareholders and any member of the Enlarged Group, and any amendments to any existing agreements with them, will be approved by a majority of the independent Directors.

(ix) ***Warrant instrument dated 30 November 2016 created by the Company***

On 30 November 2016, the Company entered into a warrant instrument constituting New Warrants to subscribe for, in aggregate, 567,531 New Ordinary Shares which will, subject to Admission, be granted to SPARK Advisory Partners. The Warrants are exercisable at the Issue Price at any time during the period of 5 years from Admission.

(x) ***SPARK Advisory Partners' Engagement letter dated 24 October 2016 between (1) SPARK Advisory Partners and (2) the Company***

On 24 October 2016, the Company and SPARK entered into an agreement to appoint SPARK to act as its financial adviser, in relation to the acquisition of Big Sofa. Under this agreement, SPARK will receive from the Company £10,000 on commencement of work and £10,000 per month thereafter capped at £20,000 excluding VAT ("Work Fee") and a success fee of £80,000 (less any amount paid for the Work Fee) together with the issue of warrants equivalent to one per cent. of the issued share capital of the Company (post completion of the Transaction).

(xi) ***NOMAD Agreement dated 30 November 2016 between (1) SPARK Advisory Partners and (2) the Company***

The Company appointed SPARK to act as NOMAD to the Company on an ongoing basis as required by the AIM Rules for Companies with effect from Admission. The Company has agreed to pay SPARK an annual fee of £30,000 per annum (plus VAT) for retaining its services as nominated adviser. Such fee will increase to £35,000 (plus VAT) on the first anniversary of appointment and will be reviewed again on the second anniversary of SPARK's appointment. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The Company agreed to comply with its legal obligations and those of AIM and the London Stock Exchange and to consult and discuss with SPARK all of its announcements and statements and to provide SPARK with any information SPARK believes is necessary to enable it to carry out its obligations to the Company or the London Stock Exchange as NOMAD. Pursuant to these arrangements, SPARK has agreed, *inter alia*, to provide such independent advice and guidance to the Directors as they may require to ensure compliance by the Company on a continuing basis with the AIM Rules for Companies. These arrangements contain certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. These arrangements continue for an initial period of 12 months from Admission unless terminated for reason prior to such date in accordance with the terms of the Agreement and thereafter until terminated in accordance with the terms thereof.

(xii) ***Convertible Loan Agreement between NWOOG, the Company and Big Sofa Limited dated 30 November 2016***

An agreement between NWOOG, Big Sofa and the Company whereby NWOOG's outstanding loan of £675,000 to Big Sofa will be amended conditional upon Admission into a loan convertible into New Ordinary Shares in the Company. The loan carries a coupon of six per cent. up to the date of Admission and five per cent. thereafter and is repayable by Big Sofa on 31 December 2018 ("Repayment Date"). The loan is convertible into New Ordinary Shares in the Company at the lower of (a) the Issue Price or (b) the lowest price at which New Ordinary Shares may be issued by the Company as part of any fundraising conducted between the date of Admission and the Repayment Date. The conversion rights may be exercised in full or in part at NWOOG's option at any time up until the Repayment Date. Any such conversion will be in full and final settlement of the respective part of outstanding principal and interest converted.

(xiii) ***Cost indemnity agreement between NWOOG and the Company dated 30 November 2016***

An agreement between NWOOG and the Company whereby upon Admission HubCo will reimburse NWOOG with a sum of £100,000 in relation to financial, legal and other advisory costs incurred by NWOOG in its abortive acquisition of Big Sofa.

(xiv) ***Facility agreement between (1) Big Sofa and (2) the Company dated 31 October 2016***

On 31 October 2016 the Company entered into a facility agreement with Big Sofa whereby the Company agreed to lend Big Sofa the sum of £100,000. The full £100,000 was advanced to Big Sofa on 31 October 2016 to be used for working capital purposes, provided that it shall not be used to repay any loan by Coutts & Co ("Coutts") to Big Sofa, any directors' loan or salary sacrifice, or any sums advanced by the holders of any warrants. Interest is charged on the loan at 5 per cent. per annum.

The terms of the loan provide that it is to be re-paid on 31 January 2017. The loan was personally guaranteed and indemnified (on a joint and several basis) by Adam Reynolds and Nicholas Mustoe. Therefore in the event Big Sofa fails to repay the loan, the Company may pursue Adam Reynolds and/or Nicholas Mustoe for the full amount.

(xv) ***Engagement letter between Cairn Financial Advisers LLP and the Company dated March 2015***

In March 2015, the Company entered into an engagement letter with Cairn Financial Advisers LLP (“Cairn”) whereby Cairn were to advise the Company on the proposed acquisition of the entire issued share capital of Ocutec Limited and proposed admission of the enlarged group to AIM. Cairn were to be paid a transaction fee of £100,000. The agreement has been terminated and no further sums are payable to Cairn. The Company has however agreed to pay Cairn’s legal advisers the sum of £10,000 plus VAT.

Big Sofa

(xvi) ***Facility Agreement and Debenture between NWOOG and Big Sofa dated 9 May 2016***

On 9 May 2016, NWOOG entered into a facility agreement with Big Sofa whereby the Company agreed to loan the sum of £500,000 to Big Sofa payable in two tranches of £250,000 (“**Facility Agreement**”). The loan was to be used by Big Sofa for working capital purposes. The first tranche was advanced on 9 May 2016 and the second tranche on 19 July 2016. On 30 August 2016 it was agreed to extend the facility by a further £100,000. This sum was advanced on 1 September 2016. In October 2016, it was verbally agreed that NWOOG would advance a further £75,000. Interest on the loan is payable at a rate of six per cent. per annum. The terms of the loan provide that it is to be re-paid on 4 November 2016 or 19 October 2016 if admission of NWOOG share capital has not occurred by 19 August 2016. The Facility Agreement will, conditional on Admission, be amended as set out in paragraph 12(xii) above. The loan (including the further £175,000 advances) was secured by way of debenture dated 9 May 2016 creating a fixed and floating charge which was registered at Companies House on 24 May 2016. Big Sofa and NWOOG also entered into a deed of priorities with Coutts who had the benefit of a prior charge over the Big Sofa assets.

(xvii) ***Hive Down Agreement dated 17 August 2015***

The business of Big Sofa was originally carried on by The Insight Exchange Partnership LLP (“**Insight**”). On 17 August 2015, Insight entered into an agreement with Big Sofa whereby all Insight’s business and assets were transferred to Big Sofa. At that time, Big Sofa was a wholly owned subsidiary of Insight. Insight then distributed the shares in Big Sofa to Insight’s LLP members.

(xviii) ***Coutts Overdraft facility***

Prior to the business transfer referred to at (xvii) above, Insight had the benefit of a £40,000 overdraft facility from Coutts. Rather than assigning the overdraft to Big Sofa, Coutts agreed that it could remain in the name of Insight providing Big Sofa enter into a guarantee of Insight’s obligations and that Big Sofa granted a charge in favour of Coutts. The overdraft will be paid off in full following completion of the Acquisition.

(xix) ***Coutts Loan Agreement and Debenture dated 18 December 2015***

By way of undated loan letter, Coutts agreed to make the sum of £256,322 available to Big Sofa to allow it to re-finance a previous loan made to Insight. Interest at four per cent. over base rate is payable. The loan must be repaid in full, 1 year and 8 months after the loan is drawn. The loan is repayable monthly, starting in the month following draw down. This loan will be repaid following completion of the Acquisition. Coutts have a debenture dated 18 December 2015, over the assets, property and undertaking of Big Sofa as security for the loan and overdraft provided by Coutts.

(xx) **Directors' Loans**

- (a) Simon Lidington has loaned £30,750 to Big Sofa, has deferred salary of £64,000 and outstanding expenses of £10,265. These amounts will be paid following completion of the Acquisition.
- (b) Matthew Lynch has deferred salary of £49,500 and outstanding expenses of £2,632. These amounts will be paid following completion of the Acquisition.
- (c) Terence Back has made a loan of £10,000 to Big Sofa and has deferred directors fees of £55,036. These amounts will be paid following completion of the Acquisition.
- (d) Paul Clark has made a loan of £165,000 to Big Sofa and has deferred directors fees of £32,507. These amounts will be paid following completion of the Acquisition.
- (e) Barry Watson has deferred directors fees of £25,000 and outstanding expenses of £2,080. These amounts will be paid following completion of the Acquisition.

(xxi) **Loan Agreements and warrants dated 8 February 2016 and 4 February 2016**

On 8 February 2016, Big Sofa entered into a loan agreement with each of David Newton, Nicholas Mustoe and Peter Reynolds (“**Lenders**”) whereby the Lenders each lent the sum of £100,000 to Big Sofa, interest free. Peter Reynolds received a commission of £50,000 for processing such loans. The loans are repayable in full on 31 December 2016 or, if earlier, the date on which notice is served on Big Sofa pursuant to the warrant agreements set out below.

On 8 February 2016, Big Sofa entered into a warrant agreement with each of the Lenders. The warrant agreements give each Lender the right to subscribe in cash at the subscription price (being £100,000) for the warrant shares (being such number of ordinary shares in Big Sofa as is equal to four per cent. of the consideration to be paid pursuant to the Acquisition on the basis of a valuation carried out by dividing the consideration to be paid pursuant to the Acquisition by the number of shares in issue in Big Sofa at the date of exercise).

It is intended that the warrants be exercised immediately prior to completion of the Acquisition and the lenders will sell their newly acquired shares to the Company in accordance with the Acquisition Agreement referred to in paragraph 12(iii) (b).

(xxii) **David Newton Investment in Big Sofa**

On 29 November 2016, David Newton invested £150,000 in shares in Big Sofa at a subscription price of £0.29137 per share.

13. Big Sofa Concert Party

There are no material contracts relating to any corporate entity within the Big Sofa Concert Party entered into outside of the ordinary course of business within the two years immediately preceding the date of this document.

14. Related party transactions

HubCo

During the period from 1 December 2012 to 30 November 2016 the Company entered into the related party transactions set out in paragraph 7.12 of Part A(i) of Part IV and paragraph 9 in Part A(ii) of Part IV of this document and the following related party transactions:

In the period ending 31 December 2015, the Company purchased services from Moreton Acquisitions Limited, a company in which Stephen Bourne is a director and shareholder. The total transaction amount for the period ending 31 December 2015 was £24,967 (2014: £0; 2013: £0). At 31 December 2015 the Company made a prepayment to Moreton Acquisitions Limited of £4,167 (2014: £0; 2013: £0).

In the period ending 31 December 2015, the Company purchased services from Reyco Limited, a company in which Adam Reynolds is a director and shareholder. The total transaction amount for the period ending 31 December 2015 was £24,167 (2014: £0; 2013: £0). At 31 December 2015 the Company made a prepayment to Reyco Limited of £4,167 (2014: £0; 2013: £0).

In the period ending 31 December 2014, the Company purchased accounting services from Zoe Bourne, wife of Stephen Bourne. The total transaction amount for the period ending 31 December 2014 was £950 (2013: £950).

Big Sofa

In addition, Big Sofa entered into related party transactions as set out in paragraph 8.18 of Part B of Part IV of this document.

15. Litigation

There are no governmental, legal or arbitration proceedings (including, to the knowledge of the Directors and the Proposed Directors, any such proceedings which are pending or threatened, by or against the Enlarged Group) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position of the Company or any member of the Enlarged Group.

16. No Significant Change

- (i) Save for matters disclosed in this document there has been no significant change in the financial or trading position of the Company since 30 June 2016, being the end of the last financial period included in the most recently published Historical Financial Information (as set out in Part A(ii) of Part IV of this document.)
- (ii) Save for matters disclosed in this document, there has been no significant change in the financial or trading position of Big Sofa Limited since 30 April 2016, being the end of the last financial period included in the Historical Financial Information on Big Sofa Limited published in Part B of Part IV of this document.

17. Working Capital

The Directors, are of the opinion, having made due and careful enquiry, that the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

18. Third Party Information

- (i) The Company confirms that the information in this document which has been sourced from third parties has been accurately reproduced and that as far as it is aware and able to ascertain from information published by each of those parties, no facts have been omitted which would render the information reproduced inaccurate or misleading.
- (ii) The source of the third party information is indicated on the relevant pages.

19. General

- (i) The accounting reference date of the Company is 31 December each year. The Company will publish its audited accounts for year ending 31 December 2016 by 30 June 2017. The Company will publish its audited accounts for the year ending 31 December 2017 by 30 June 2018.
- (ii) The total costs and expenses payable by the Company in connection with or incidental to the Proposals, including registration and London Stock Exchange fees, corporate finance, accountancy and legal fees, commissions due to certain introducers for procuring placees, consulting and IT review

services and the costs of printing and despatching this document, are estimated to be approximately £675,000 (excluding VAT), all of which will be payable by the Company.

- (iii) Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within 12 months preceding the date of this document, or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - (a) fees totalling £10,000 or more; or
 - (b) securities in the Company with a value of £10,000 or more; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- (iv) There have been no payments in excess of £10,000 made by or on behalf of the Company to any government or regulatory body with regard to the acquisition or maintenance of any of the Company's assets.
- (v) Save as disclosed in this document, the Directors are not aware of any exceptional factors that have influenced the Enlarged Group's activities.
- (vi) Save as referred to in paragraph 12(v) and 19(ii) of Part VI of this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- (vii) No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- (viii) Save as disclosed in this document, there are no patents or other intellectual property rights, or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- (ix) Save as disclosed in this document in relation to the Acquisition, there are no investments in progress which are significant.
- (x) The Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.
- (xi) Jeffrey Henry has given and not withdrawn its written consent to the issue of this document with the inclusion to their name in the form and context in which they appear and to the inclusion of its reports in this document and has authorised the contents of its accountants' reports for the purposes of Schedule Two of the AIM Rules for Companies.
- (xii) SPARK Advisory Partners, which is authorised and regulated by the Financial Conduct Authority, has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they appear.
- (xiii) Hobart Capital Markets which is authorised and regulated by the Financial Conduct Authority, has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

20. Documents Available For Inspection

- (i) Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company from the date of this document until one month from the date of Admission. The documents will also be available from the Company's website www.hubcoinvestments.co.uk.
1. the Memorandum and Articles of Association of the Company;
 2. the Memorandum and Articles of Association of Big Sofa;
 3. the financial information on the Company referred to in Part A of Part IV of this document;
 4. the financial information on Big Sofa referred to in Part B of Part IV of this document;
 5. the unaudited pro forma statement of net assets of the Enlarged Group referred to in Part V of this document;
 6. the service contracts and letters of appointment of each of the Directors;
 7. the written consents of SPARK Advisory Partners, Jeffrey Henry, and Hobart Capital Markets referred to in paragraphs 19 (xii), (xi) and (xiii) above; and
 8. the material contracts referred to in paragraph 12 above of this Part VI.

21. Availability of this document

A copy of this document is available, subject to certain restriction relating to persons resident in any Restricted Jurisdiction, at the Company's website www.hubcoinvestments.co.uk (at the date of this document) and www.bigsofa.co.uk (post Admission).

Date: 30 November 2016

NOTICE OF GENERAL MEETING

HubCo Investments plc

(incorporated in England and Wales with registered number 07847321)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the members of the Company will be held at Jeffreys Henry, Finsgate, 5-7 Cranwood Street, London EC1V 9EE at 11.00 a.m. on 16 December 2016 for the purposes of considering and, if thought fit, passing the resolutions set out below. Words and expressions used or defined in the Admission Document dated 30 November 2016 and despatched to shareholders of the Company shall have the same meaning in this notice. Resolutions 1-10 inclusive are Ordinary Resolutions, and Resolutions 11-12 are Special Resolutions.

To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

1. THAT the waiver by the Panel of the obligation on the Big Sofa Concert Party to make a general offer under Rule 9 of the Code, as a result of the issue to them of New Ordinary Shares pursuant to the Proposals, be and is hereby approved.
2. THAT, subject to and conditional upon the passing of Resolution 1, the Acquisition on the terms and subject to the conditions of the Acquisition Agreements be and is hereby approved.
3. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Simon Lidington having consented to act, be appointed as a director of the Company with effect from Admission.
4. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Matthew Lynch, having consented to act, be appointed as a director of the Company with effect from Admission.
5. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Joseph MacCarthy, having consented to act, be appointed as a director of the Company with effect from Admission.
6. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Nicholas Mustoe, having consented to act, be appointed as a director of the Company with effect from Admission.
7. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Steven Metcalfe, having consented to act, be appointed as a director of the Company with effect from Admission.
8. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, Paul Clark, having consented to act, be appointed as a director of the Company with effect from Admission.
9. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal value of £2,790,310, provided that such authority shall be limited to:
 - a. the allotment of the Consideration Shares;
 - b. the grant of the New Warrants;
 - c. the grant of the New Options;
 - d. the allotment of the Placing Shares and the Subscription Shares;
 - e. the allotment of one new Existing Ordinary Share to the Company Secretary;
 - f. the issue of up to 4,280,446 New Ordinary Shares pursuant to the terms of the NWOG Convertible Loan; and
 - g. in addition to sub-paragraphs (a) – (f), the allotment of equity securities up to an aggregate nominal value equal to £570,000,

provided that the authority granted by this Resolution shall, unless renewed, varied or revoked by the Company, expire on the earlier of the date falling 15 months after the passing of this Resolution and the conclusion of the Company's next annual general meeting, except that the Directors may, before this authority expires make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of that offer or agreement. This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 551 of the Companies Act to the extent not utilised at the date it is passed.

10. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, every three Existing Ordinary Shares be consolidated and divided into one New Ordinary Share, provided that where such consolidation would result in any member being entitled to a fraction of a New Ordinary Share which is in issue, such fractions shall, in so far as possible, be aggregated and:
- a. the Directors be and are authorised to sell (or appoint another person to sell) to any person, on behalf of the relevant members, all the New Ordinary Shares representing such fractions at the best price reasonably obtainable in the market;
 - b. the Directors be and are authorised to distribute the proceeds of sale (net of expenses) in due proportion among such relevant members (save that any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company and that any amount otherwise due to a member, being less than £3.00, may be retained for the benefit of the Company); and
 - c. any Director (or any person appointed by them) be and is authorised to execute an instrument of transfer in respect of such shares on behalf of such relevant members and to do all acts and things the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.

To consider and if thought fit to pass the following resolutions as Special Resolutions:

11. THAT, subject to and conditional upon the passing of Resolutions 1 and 2, the name of the Company be changed to Big Sofa Technologies Group plc.
12. THAT, subject to and conditional upon the passing of Resolutions 1, 2, 9 and 10, the Directors be generally empowered pursuant to sections 570(1) of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Companies Act conferred by Resolution 9 as if section 561(i) of the Companies Act did not apply to such allotment, provided that this power shall be limited to:
- a. the allotment of the Placing Shares and the Subscription Shares; and
 - b. the grant of the New Warrants;
 - c. the grant of the New Options;
 - d. the allotment of one new Existing Ordinary Share to the Company Secretary;
 - e. the issue of up to 4,280,466 New Ordinary Shares pursuant to the terms of the NWOOG Convertible Loan;
 - f. the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities made (i) to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on the record date for such offer and (ii) to holders of other equity securities as may be required by the rights attached to those securities or, if the directors consider it desirable, as may be permitted by such rights, but subject in each case to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- g. otherwise than in connection with sub-paragraphs (a) – (f), the allotment of equity securities up to an aggregate nominal amount of £171,000,

provided that unless renewed, varied or revoked by the Company, this authority shall expire on the earlier of the date falling 15 months after the passing of this Resolution and the conclusion of the Company's next annual general meeting except that the Directors may, before this authority expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities pursuant to that offer or agreement.

Stephen Bourne
Company Secretary
30 November 2016

Notes:

1. Voting

Resolution 1 will be taken on a poll.

2. Entitlement to attend and vote

Only those members registered on the Company's register of members at:

- at close of business on 14 December 2016; or,
- if this meeting is adjourned, at close of business on the day two business days prior to the adjourned meeting,

shall be entitled to attend and vote at the meeting.

3. Appointment of proxies

If you are a member of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please refer to the notes to the proxy form.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

4. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF; and
- received by Capita Registrars no later than 11.00 a.m. (London time) two business days prior to the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

5. Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must

contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00 a.m. (London time) two days prior to the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

7. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

8. Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member, which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Asset Services no later than 11.00 a.m. (London time) two days prior to the meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

9. Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

10. Communication

Except as provided above, members who have general queries about the meeting should contact Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus you phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

