

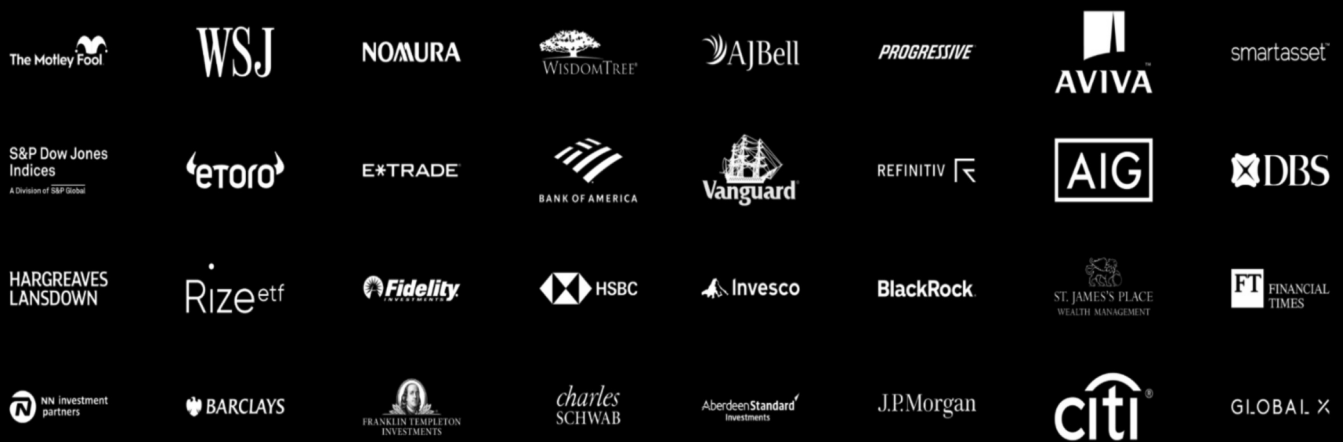
The Native Ad Platform
for Business & Finance.

Dianomi PLC

300+ premium publishers



400+ advertisers



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire share capital, issued and to be issued pursuant to the Placing, of Dianomi plc. This document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of the FSMA or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and has not been drawn up in accordance with the Prospectus Regulation Rules or filed with or approved by the FCA or any other competent authority.

Application has been made for the Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Shares will commence on 24 May 2021.

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 Financial Conduct 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.

The Company and the Directors whose names appear on page 8 of this document, accept responsibility for the information contained in this document and for compliance with AIM Rules for Companies. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole of this document should be read. Your attention is drawn in particular to Part II of this document entitled “Risk Factors”, which describes certain risks associated with an investment in Dianomi plc.

Dianomi plc

*(incorporated and registered in England and Wales under the Companies Act 2006
with registered number 04513809)*

Placing of 1,831,501 New Shares and 11,721,611 Sale Shares at 273 pence per Share

Admission of the Enlarged Share Capital to trading on AIM

Panmure Gordon

AND COMPANY

Nominated Adviser and Sole Broker

The Placing is conditional, inter alia, on Admission taking place by 8.00 a.m. on 24 May 2021 (or such later date as the Company and Panmure Gordon may agree, being not later than 14 June 2021). The Selling Shareholders are offering 11,721,611 Sale Shares in aggregate for sale under the Placing and the Company is offering up to 1,831,501 New Shares for subscription under the Placing. All of the Shares, including the New Shares, will, on Admission, rank equally in all respects, including the right to receive all dividends or other distributions declared, made or paid on the Shares after Admission.

Panmure Gordon (UK) Limited (“**Panmure Gordon**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company as Nominated Adviser and sole Broker in connection with the Placing and Admission, and will not be responsible to any other person for providing the protections afforded to customers of Panmure Gordon or advising any other person in connection with the Placing and Admission. Panmure Gordon’s responsibilities as the Company’s Nominated Adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to the London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person’s decision to subscribe for or acquire Shares in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by the FSMA or the regulatory regime established under it, Panmure Gordon does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Panmure Gordon with respect to the accuracy or completeness of this document or any part of it and no responsibility or liability whatsoever is accepted by Panmure Gordon for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company, the Directors are solely responsible.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, South Africa or Japan. The Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any States of the United States or any province or territory of Canada, Australia, New Zealand, South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Shares may not be offered or sold directly or indirectly in or into or from the United States, Canada, Australia, New Zealand, South Africa, Japan or to any resident of the United States, Canada, Australia, New Zealand, South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Holding Shares may have implications for overseas investors under the laws of the relevant overseas jurisdictions. Overseas investors should inform themselves about and observe any applicable legal requirements. It is the responsibility of overseas investors to satisfy themselves 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.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered office of the Company one month from the date of this document. This document is also available on the Company’s website, www.dianomi.com.

Dated: 18 May 2021

IMPORTANT INFORMATION

This document should be read in its entirety before making any decision to subscribe for or purchase Shares. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Panmure Gordon or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company, Panmure Gordon or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Forward-looking statements

Certain statements in this document are or may constitute "forward-looking statements", including statements about current beliefs and expectations of the Directors. In particular, the words "expect", "anticipate", "estimate", "may", "should", "could", "would", "plan", "project", "aim", "intend", "will", "believe" and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward looking-statements. Such forward-looking statements are based on the Board's expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, the environment in which the Group will operate in the future and estimates and projections of the Group's financial performance. Though the Board believes these expectations to be reasonable at the date of this document, they may prove to be erroneous. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Group, or the industry in which the Group operates, to be materially different from any future results, achievements or performance expressed or implied by such forward-looking statements.

Any forward-looking statement in this document speaks only as of the date it is made. Save as required by law or the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board's expectations or to reflect events or circumstances after the date of this document.

Any forward-looking statement in this document based on past or current trends and/or activities of the Group should not be taken as a representation or assurance that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed the historical or published earnings of the Group.

Presentation of historical financial information

The consolidated historical financial information of the Company for the three years ended 31 December 2020 set out in Part III of this document has been prepared in accordance with IFRS.

The Company has historically reported under UK Generally Accepted Accounting Practices ("UK GAAP") and has reported under IFRS for the first time for the purpose of presentation in this document. An explanation of the changes to the Historical Financial Information on transition from UK GAAP to IFRS is presented in note 2 of the Historical Financial Information.

Rounding

The financial information and certain other figures in this document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations based on the underlying information prior to rounding and accordingly may not conform

exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this document constitute the Company's estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports, as well as from third-party sources as described in the footnotes to such information. The Company confirms that all third-party information set out in this document has been accurately reproduced and that, so far as the Company is aware and has been 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. Where third-party information has been used in this document, the source of such information has been identified. Such third-party information has not been audited or independently verified.

This document includes market share, industry and forecasts that the Company has obtained from industry publications, surveys and internal company sources. As noted in this document, the Company has obtained market and industry data relating to the Group's business from providers of industry data, including publications and data from the following reports:

- eMarketer, 'US Financial Services Digital Ad Spending 2020; Ad Spending Continues to Grow, Despite the Pandemic' – August 2020 (eMarketer, August 2020)
- eMarketer, 'Global Digital Ad Spending Update Q2 2020; Only China Experiences Positive Growth, and Google Declines for First Time' – June 2020 (eMarketer, June 2020)
- eMarketer, 'US Programmatic Ad Spending Forecast 2019; Nearly Half of Programmatic Ad Dollars Now Go to Video' – April 2019 (eMarketer, April 2019)
- eMarketer, 'US Native Advertising 2019; Display Budgets Keep Flowing to New Formats' – March 2019 (eMarketer, March 2019)

Market and industry data is inherently predictive and speculative, and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including that: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information. Specifically, eMarketer has not authorised the contents of, or any part of, this document and accordingly no liability whatsoever is accepted by eMarketer for the accuracy or completeness of any market data attributed to them which is included in this document.

No incorporation of website information

The contents of the Company's website, any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document, and prospective investors should not rely on such information.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) the retained EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**") as it forms part of UK domestic law by virtue of European Union (Withdrawal) Act 2018 ("**EUWA**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**") as they form part of UK domestic law by virtue of EUWA, and disclaiming all and any liability, whether arising in tort, contract or

otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Panmure Gordon will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021
Publication of this document	18 May
Admission becomes effective and dealings in the Shares commence on AIM	8.00 a.m. on 24 May
CREST accounts credited (where applicable)	8.00 a.m. on 24 May
Dispatch of definitive share certificates (where applicable)	Within 10 business days of Admission

Each of the times and dates in the above timetable is indicative only and subject to change without further notice. All times are London, U.K. times unless otherwise stated.

PLACING STATISTICS

Placing Price (per Placing Share)	273 pence
Number of Existing Shares	28,196,470
Number of Shares in the Placing:	13,553,112
– to be issued by the Company (the New Shares)	1,831,501
– to be sold by the Selling Shareholders (the Sale Shares)	11,721,611
Number of Shares in issue following the Placing and Admission	30,027,971
New Shares as a percentage of the Enlarged Share Capital	6.10 per cent.
Market capitalisation of the Company at the Placing Price on Admission ⁽¹⁾	£81.98 million
Gross proceeds of the Placing receivable by the Company	£5.00 million
Estimated net proceeds of the Placing receivable by the Company ⁽²⁾	£3.93 million
TIDM	DNM
ISIN	GB00BLH32M40
SEDOL	BLH32M4
LEI	213800MX8ULRGE9XRT31

Notes:

(1) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will equal or exceed the Placing Price.

(2) After deduction of estimated fees and expenses payable by the Company of approximately £1.07 million.

COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS

Existing Directors	Michael Kelly (<i>Independent Non-Executive Chairman</i>) Rupert Hodson (<i>Chief Executive Officer</i>) Raphael Queisser (<i>Chief Operating Officer</i>) Robert Cabell (“Cabell”) de Marcellus (<i>Chief Technology Officer</i>) Charlotte Stranner (<i>Chief Financial Officer</i>) Matthew Singh (<i>Non-Executive Director</i>)
Proposed Director	Laura Shesgreen (<i>Independent Non-Executive Director</i>)
Company secretary	SGH Company Secretaries Limited
Registered office	6th Floor, 60 Gracechurch Street London EC3V 0HR
Website	www.dianomi.com
Nominated Adviser and Sole Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Reporting Accountants	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Legal advisers to the Company	K&L Gates LLP One New Change London EC4M 9AF
Legal advisers to the Nominated Adviser and Sole Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
PR advisers to the Company	Novella Communications South Wing, Somerset House Strand London WC2R 1LA

DEFINITIONS

Admission	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
AIM	the AIM market of the London Stock Exchange
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
APAC	Asia Pacific
Articles	the articles of association of the Company in effect upon Admission, as amended from time to time
ASA	the Advertising Standards Agency in the UK
BGF	BGF Investments LP
BGF Group	BGF, BGF IML and any member of the same group as BGF IML
BGF IML	BGF Investment Management Limited
BGF Loan Notes	loan notes amounting to £1,250,000 issued to BGF, held by its nominee BGF Nominees Limited (a/c BGF)
Board	the board of directors of the Company
CMA	Competition and Markets Authority
CPM	cost per 1000 Impressions
Companies Act	the Companies Act 2006 (as amended)
Company or Dianomi	Dianomi plc, a company incorporated and registered in England and Wales with registered number 04513809
Company Sale Shares	the 7,376,381 Sale Shares to be sold by the Company Selling Shareholders pursuant to the terms of the Placing Agreement
Company Selling Shareholders	those persons selling Company Sale Shares pursuant to the Placing, as set out in paragraph 22(a) of Part V
Concert Party	for the purposes of the Takeover Code, those persons listed in paragraph 14.2(e) of Part V
CREST	the system of paperless settlement of trades in listed securities and holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (as amended)
Directors	the Existing Directors and the Proposed Director, whose names appear on page 8 of this document
EDPS	European Data Protection Supervisor
EEA	the European Economic Area
EMEA	Europe, Middle East and Africa

Enlarged Share Capital	the issued share capital of the Company immediately following Admission, comprising the Existing Shares and the New Shares
Euroclear UK & Ireland	Euroclear UK & Ireland Limited, the operator of CREST
Executive Directors	the executive Directors of the Company
Existing Directors	the directors of the Company as at the date of this Document
Existing Option Schemes	the existing historic share incentive schemes of the Company, being the Dianomi Limited Enterprise Management Incentive Plan, stock option plan and Dianomi Limited Non-Executive Incentive Scheme, as referred to in paragraph 3.11 of Part V of this document
Existing Shares	the 28,196,470 Shares in issue immediately prior to completion of the Placing (including the Option Shares and assuming completion of the Pre-IPO Reorganisation)
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
FPO	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
FY18	the year ended 31 December 2018
FY19	the year ended 31 December 2019
FY20	the year ended 31 December 2020
Group	the Company and its subsidiary undertakings and “ Group Company ” should be interpreted accordingly
Institutional Sale Shares	the 4,345,230 Sale Shares to be sold by the Institutional Selling Shareholder pursuant to the terms of the Institutional Selling Shareholder Agreement
Institutional Selling Shareholder	the person selling Institutional Sale Shares pursuant to the Placing, as set out in paragraph 22(b) of Part V
Institutional Selling Shareholder Agreement	the conditional agreement entered into on or about the date of this document between Panmure Gordon, the Company, and the Institutional Selling Shareholder in relation to the sale of the Institutional Sale Shares by Institutional Selling Shareholder, details of which are set out in 12.1(b) of Part V of this document
London Stock Exchange	London Stock Exchange plc
New Shares	the 1,831,501 new Shares to be issued by the Company pursuant to the Placing
New Option Schemes	the EMI Plan, Non-employee Option Plan and US Option Plan, all as defined and described in paragraph 10 of Part V of this document
Option Shares	the 3,305,650 new Shares to be issued on Admission pursuant to the exercise of existing Options under the Existing Option Schemes as set out in paragraph 3.11 of Part V of this document
Options	rights to acquire Shares
Placing	the conditional placing of the Placing Shares by Panmure Gordon as agent for and on behalf of the Company and the Company Selling Shareholders pursuant to the terms of the

	Placing Agreement and the Institutional Selling Shareholder pursuant to the terms of the Institutional Selling Shareholder Agreement
Placing Agreement	the conditional agreement dated 18 May 2021 and made between (1) the Company, (2) the Directors, (3) Panmure Gordon and (4) the Company Selling Shareholders relating to the Placing, further details of which are set out in paragraph 12.1(a) of Part V of this document
Placing Price	273 pence per Placing Share
Placing Shares	the New Shares and the Sale Shares
Pre-IPO Reorganisation	the reorganisation of the share capital of the Company as set out in paragraph 3.7 of Part V of this document
Proposed Director	the independent non-executive director proposed to be appointed as at Admission
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under Part VI of the FSMA (as amended) (Prospectus Regulation Rules Instrument 2019 (FCA 2019/80))
QCA	the Quoted Companies Alliance
QCA Code	the Corporate Governance Code 2018 published by the QCA, as amended or replaced from time to time
Regulation S	Regulation S under the US Securities Act
Sale Shares	the Shares to be sold by the Selling Shareholders pursuant to the Placing, comprising the Company Sale Shares and the Institutional Sale Shares
Selling Shareholders	the Company Selling Shareholders and the Institutional Selling Shareholder
Senior Managers	each of those members of the key management team set out in paragraph 8.2 of Part I
Shares	the ordinary shares of £0.002 each in the share capital of the Company
Shareholder	a holder of Shares
Strategic Growth Partners	means Strategic Growth Partners LLC, a limited liability Delaware corporation which is 50 per cent. owned by Michael Kelly
Takeover Code	the City Code on Takeovers and Mergers published by the Takeover Panel, as amended
Takeover Panel	the UK Panel on Takeovers and Mergers
TCF	the IAB Transparency and Consent Framework
US or United States	the United States of America, its territories and possessions, any state of the United States, and the district of Columbia
US Persons	has the meaning given in Regulation S
US Securities Act	the US Securities Act of 1933 (as amended)
£ and p	United Kingdom pounds Sterling and pence respectively

GLOSSARY OF ADVERTISING TERMS

Ad Algorithm	proprietary software which optimises the delivery of adverts to maximise user engagement and revenue
Ad Manager Platform	a virtual self-service dashboard available to the Group's customers to control and track the performance of advertising campaigns
Ad Tag	a piece of HTML or Javascript code that is implanted on a web page to get an advert from the ad server. The ad tag dictates where the advert will be displayed and how it will be displayed
Ad Server	software that stores data about advertising content and delivers ads to websites and applications
Advertisers	customers who engage the Group to place adverts across the Group's distribution channels
Audience Segmentation	delineation of sub-groups within an audience based on demographics or other criteria in order to more accurately target messages to those groups
Clickbait	low quality adverts that are sensationalised in order to tempt users to click on them
CPC	cost per click; the amount charged every time a user clicks on an advert
CTR	click-through rate; the number of clicks divided by the number of impressions
DMP	Data Management Platform
DoubleVerify Blocking Tags	a service provided by DoubleVerify, which evaluates the device, geography and surrounding content of the website on which an advert will appear to ensure it meets the criteria set by advertisers before the advert is displayed
Impression	each instance an advert is fetched and displayed on a website
Insertion Order	a contract between the Company and an advertiser to display adverts
MPA	Marketing Partner Agreement; a contract between the Company and publishing customers
Native advertising	a form of online advertising where adverts mirror the form and style of the webpage on which they appear
Pixels	technologies which advertisers use to track where their ads are showing, enabling them to ensure that the pages where their ads show are not inappropriate
Programmatic Advertising	a method of delivering digital adverts involving an automated advertising exchange, whereby advertisers are charged on a cost per thousand ad impressions basis
Publishers	partners who provide advertising space to the Company in return for a share of revenue generated from that space
RPC	revenue per click
Tier 1 advertisers	reputable advertisers which the Group considers to have a premium brand

PART I

INFORMATION ON THE GROUP

1. Introduction

Dianomi is a leading provider of native digital advertising services to premium clients in the Financial Services and Business sectors. The Company began trading in 2003, and the Group now operates from its offices in London, New York and Sydney.

The Group enables premium brands to deliver native advertisements to a targeted audience on the desktop and mobile websites, mobile and tablet applications and Apple News feeds of premium publishers. It provides over 400 advertisers, including blue chip names such as Aberdeen Standard, Invesco and Baillie Gifford, with access to an international audience of 438 million devices per month through its partnerships with over 300 premium publishers of business and finance content, including blue chip names such as Reuters, Bloomberg and WSJ. Adverts served are contextually relevant to the content of the webpages on which they appear and mirror the style of the page, which enhances reader engagement.

Dianomi's advertising services overcome common challenges within the digital advertising ecosystem, including a lack of premium advertisement inventory and opaque performance of digital adverts. Dianomi's solutions are enabled by its technology platform and in particular its proprietary ad platform, scalable cloud technology and high availability system architecture. Dianomi's proprietary Ad Algorithm places adverts on website pages depending on the native content and the previous success of adverts to maximise audience engagement, clicks and revenue. The Group also offers an intuitive self-service dashboard to its clients enabling them to track the performance of advertising campaigns in real time. Advertisers can view the number of impressions, clicks and costs across all adverts, on a per-publisher basis. This enables clients to dynamically amend campaigns or to focus on messages which perform better to maximise their return on investment. Advertising revenue is generated on a per-click basis, or a per view basis (with video advertisements) when a reader clicks an advert on a publisher's website; therefore, its interests are aligned with those of both advertisers and publishers. Dianomi collects the payment made by advertisers, retaining a share and passing the rest on to the publisher.

The Group has a strong track record of growing revenue and profit. Over the last five years, Dianomi has grown revenue at a CAGR of 47.4 per cent. In FY20, revenue was £28.43 million, representing growth of 58.8 per cent. compared to FY19. The majority of the Group's revenue is generated in the Americas (FY20: 76.6 per cent.), followed by EMEA (FY20: 17.0 per cent.), and APAC (FY20: 6.4 per cent.). Earnings before interest and taxation was £2.02 million in FY20 having grown from £0.25 million in FY19.

The addressable market for Dianomi is large and fast-growing. Spending by the Financial Services industry on digital advertising in the US alone has grown from \$10.85 billion in 2017 to \$19.62 billion in 2020 and is expected to reach \$23.56 billion in 2021.¹ Furthermore, eMarketer estimates 64.8 per cent. of all US digital display ad spending, or \$52.75 billion, will be spent on native advertising, showing strong growth from 48.2 per cent., or \$16.68 billion, in 2016.²

Alongside organic growth in the digital advertising market, there is also a profound shift as new laws to protect the privacy of consumers is expected to result in a reduction in the use of third party cookies for targeting online adverts. Third party cookies are currently used by a high proportion of digital advertisers; however, Dianomi primarily offers contextual advertising which does not rely on third party data or cookies to target audiences and therefore the Group is well positioned for future regulatory changes and privacy enhancements.

A key driver of Dianomi's growth is its focus on the premium segment of the markets in which it operates. This focus gives both advertisers and publishers comfort that their brands will be protected while the Directors believe adverts placed through Dianomi's platform are likely to have a higher conversion rate and generate more revenue compared to non-premium or non-market specific

1 eMarketer, August 2020

2 eMarketer, March 2019

advertising services. A high proportion of advertisers who apply to use Dianomi's platform are turned down by the Group in order to preserve the premium quality of the service offered.

The Directors believe there are significant growth opportunities within both existing and new territories and within the existing vertical focus on the Financial Services and Business sectors as well as new potential verticals. The Group has a significant pipeline of premium publishers which presents an immediate avenue for further growth. In addition, the Directors believe there is an opportunity to continue to expand the rapidly growing mobile and video segments. The Group's Mobile revenue has grown from less than £0.95 million per quarter in Q1 2018 to £4.89 million in Q1 2021. There has also been rapid growth in its Video revenue, increasing from less than £0.04 million in Q4 2019 to over £0.45 million in Q4 2020 and over £0.32 million in Q1 2021. Expansion into other verticals, most imminently with the premium Lifestyle content vertical, will enable the Group to better serve existing publisher partners who want to monetise their lifestyle content and advertiser partners who wish to target audiences of this content. In order to further expedite the Group's organic growth, the Group intends to use part of the proceeds from the issue of the New Shares to expand the Group's sales and marketing capabilities in North America and EMEA.

2. History and Background

The Company was founded in 2003 by Rupert Hodson, Raphael Queisser and Cabell de Marcellus, who saw an opportunity for a financial advertising platform serving asset managers and brokers working in partnership with leading financial websites. Prior to starting Dianomi, the founders worked together at Interactive Investor, the online investment platform, which they left to establish Dianomi.

In June 2010, the Group incorporated Dianomi Inc., its wholly owned US subsidiary, and established an office in New York. Expansion in the North American market has been critical to the Group's growth in the last decade. The Group also incorporated its wholly owned Australian subsidiary, Dianomi Pty Ltd, in November 2010 and established an office in Sydney. In February 2018, BGF invested in Dianomi, acquiring 35.2 per cent. of the Group and provided a loan to the Group of £1.25 million, pursuant to the BGF Loan Notes.

In March 2019, Dianomi was approved to act as a sales agent for specific publishers on Apple News, which has proved to be a significant area of growth for the Group. For instance, in FY20, the Apple News distribution channel generated 25 per cent. of total revenue (through 32 different publishers), up from 14 per cent. (through 20 publishers) in FY19. More recently, the Group has announced its intention to expand into the premium Lifestyle content vertical and has had advertisers such as Naked Wines and Kia already running campaigns on existing financial publishers' pages.

The Group has won a number of awards, featuring in The Sunday Times Tech Track 100 in 2017, 2018 and 2019, as well as The Sunday Times SME Export 100 in 2018 and 2019. Other awards won include the Gramercy Institute '20 Most Valuable Partners in Financial Marketing' in 2019, the INC 5000 Europe 2018, and the Deloitte Technology Fast 500TM EMEA 2019.

3. Key Strengths

3.1 Proven financial track record and recurring revenue

The Group has grown revenue from £4.09 million in FY15 to £28.43 million in FY20, representing a CAGR of 47.4 per cent. over the last five years. The Group has also been profitable since 2016 and grown earnings before interest and taxation from £0.15 million in FY18 to £2.02 million in FY20.

While the Group's revenue is not contractually recurring, it has been highly repeating in nature. In FY20, the Group had less than 3 per cent. publisher churn (calculated by revenue). Moreover, Dianomi's customers have often increased the amount spent with the Group over time.

3.2 Focus on significant niche markets

Dianomi focuses on specific markets – currently the Financial Services and Business verticals, with planned expansion into premium Lifestyle, an adjacent market with similar readers – and partners with premium advertisers and publishers within these sectors. Dianomi's inventory of premium advertising space is attractive to premium advertisers who provide access to the more affluent audiences which typically view these websites. The Directors believe this focus on

specific markets results in increased audience engagement with advertising content and differentiates Dianomi from other content recommendation companies.

3.3 *Diversified premium international customer base*

Dianomi has offices in New York and Sydney creating a presence in North America, the largest market for the Group historically, and Australia. These international offices enable the Group to offer its products direct to local advertisers and publishers and to build stronger relationships within these markets. The Group maintains direct relationships with more than 300 premium publishers and over 400 advertisers globally. Clients include 7 of the world's top 10 largest asset management groups, 7 out of the top 10 of the largest wealth management firms in the US and half of the top 10 largest banks in the US (ranked by assets).

3.4 *Approved Apple News Sales Agent for specific publishers*

Dianomi became an approved Apple News sales agent in March 2019 for Apple News ads, following a year of discussions with Apple. Apple News is a news aggregator application for the 'iOS' operating system which collects news stories from the web or news publishing partners and displays them in one app. Dianomi works directly with Apple News publishers as an approved sales agent for their Apple News channels and this has been a significant growth catalyst for the Group. Despite only being secured part-way through FY19, the revenue generated via publishers' Apple News channels represented 14 per cent. of total revenue (through 20 publishers) in FY19, increasing to c.43 per cent. of total clicks and 25 per cent. of revenue (through 32 different publishers) in FY20, its first full year of operation. Apple also approved the Group to run video campaigns on Apple News in Q4 2020, presenting another avenue for revenue growth through this channel.

3.5 *Strong reputation and focus on brand safety of Dianomi's clients*

Dianomi has a strong reputation among its clients in the Financial Services and Business sectors which has been built over many years by providing a quality service and delivering strong results for many of these clients, both publishers and advertisers. Dianomi controls the quality of the adverts it serves and ensures adverts placed are relevant to the content displayed on the webpage. Consequently, Dianomi avoids issues commonly associated with 'clickbait' advertising, whereby unrelated or low-quality adverts are served, with the potential to damage the brands of publishers and the premium advertisers that appear alongside the 'clickbait'.

3.6 *Highly experienced management team*

Much of the management team of Dianomi has been with the firm since it was founded and have significant experience in the financial services industry and the digital advertising space. In recent years, the Group has also recruited experienced industry professionals to help grow its presence in the US and EMEA across both publishers and advertisers. This combined experience has helped facilitate the continued profitable growth of the business of the Group.

3.7 *Technologically advanced marketing platform*

Dianomi utilises a proprietary Ad Algorithm which places adverts on website pages depending on the native content and the previous success of adverts to maximise audience engagement. The Group also offers an intuitive self-service dashboard to its clients which enables them to track the performance of advertising campaigns in real time. Advertisers can view precisely the number of clicks, impressions and costs across all adverts, on a per-publisher basis. This enables clients to dynamically amend campaigns or to focus on messages which perform better to maximise their return on investment. Clients can also pause campaigns or set spending caps to retain full control.

3.8 *Differentiated service offering*

The Directors believe that the Group's native advertising offering is differentiated in a number of ways, including, but not limited to:

- limited reliance on third party data (including the use of third party cookies) for serving its adverts. Instead, adverts are served based on contextual relevance, which the Directors

believe also protects the Group against potential future tightening of data privacy legislation

- payment for its services on a performance basis: revenue is generated on a per-click basis, or a per view basis (with video advertisements) and advertisers are charged when a reader clicks an advert on a publishers' website. Dianomi collects the payment made by advertisers, retaining a share and passing the rest on to the publisher, typically 70/30 in favour of the publisher, meaning its interests are fully aligned with those of both advertisers and publishers
- its focus specifically on the Financial Services and Business sectors to date, while currently rolling out to the Lifestyle vertical, which is complementary in its focus on premium brands and audiences
- its focus on premium advertisers and publishers delivering 'brand safe' advertising to an affluent audience at scale
- Dianomi's proprietary software which focuses on maximising revenue for the publisher and provides transparency and control over the full lifecycle of an advert
- multi-channel distribution (desktop, tablet, mobile, Apps, Google AMP, Apple News) on a global scale

3.9 **Significant growth opportunities**

The Directors believe there are significant growth opportunities within both existing and new territories and within the existing vertical focus on the Financial Services and Business sectors as well as new potential verticals. The Group has a significant pipeline of premium publishers which presents an immediate avenue for further growth. In addition, the Directors believe there is an opportunity to continue to expand the rapidly growing mobile and video segments. The Group's Mobile revenue has grown from less than £0.95 million in Q1 2018 to more than £4.89 million per quarter in Q1 2021. There has also been rapid growth in its Video revenue, increasing from less than £0.04 million in Q4 2019 to over £0.45 million in Q4 2020 and over £0.32 million in Q1 2021. Additionally, the Group intends to expand into other verticals, most imminently with the premium Lifestyle vertical, for which testing has begun ahead of a wider rollout. A modest amount of initial revenue was generated in Q1 2021 from this expansion. By expanding into the Lifestyle vertical, Dianomi can leverage demand from existing financial advertisers looking to engage with audiences on lifestyle content as well as from existing publishers who wish to monetise their lifestyle pages. Naked Wines is a good example of a new lifestyle advertiser on the Dianomi platform which appeals to Dianomi's existing audience. Publishers like Golf.com and National Geographic, who would like to run Tier 1 financial advertisers, have also approached the company. In order to further expedite the Group's organic growth, the Group intends to use the proceeds from the issue of the New Shares to expand the Group's sales and marketing capabilities in North America and EMEA.

4. **Growth strategy**

Dianomi is committed to growing its position as a leading provider of premium native advertising services within the Financial Services and Business sectors and to expand into other premium segments within both existing and new territories.

The Group intends to continue growing its revenue in a number of ways:

- by increasing the number of publisher and advertising partners it works with across its three main regions of focus: North America, EMEA and APAC;
- by increasing the amount of revenue generated with existing publishers (e.g. Dianomi is often granted access to a greater number of web pages on a publisher's site over time once publishers see the success and quality of Dianomi's offering);
- by expanding into new verticals such as the premium Lifestyle vertical. The Directors believe Dianomi can leverage demand from existing financial advertisers looking to engage with audiences of lifestyle content as well as from publishers who wish to monetise their lifestyle pages;

- by expanding the amount of mobile and video advertising delivered; and
- by continuing to create innovative new ad formats through a strategic partnership with Bidswitch, allowing Dianomi's advertising clients to purchase advertising media programmatically on a viewable CPM basis.

5. The Group's current business operations

Dianomi is a leading provider of native digital advertising services to premium clients in the Financial Services and Business sectors. The Group operates in three key jurisdictions, namely EMEA, as well as North America and APAC through the Company and its two wholly owned subsidiary companies, and has offices in London, New York and Sydney. In the year ended 31 December 2020, approximately 76.6 per cent. of revenue was generated in North America, 17.0 per cent. in EMEA, and 6.4 per cent. in APAC.

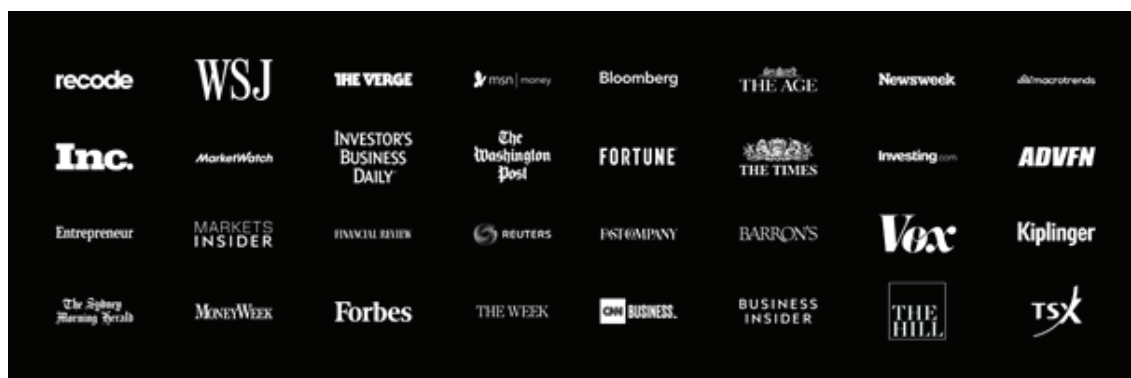
Dianomi's advertising services overcome common challenges within the digital advertising ecosystem, including a lack of premium advertisement inventory and opaque performance of digital adverts. Dianomi's solutions are enabled by its technology platform and in particular its proprietary ad platform, scalable cloud technology and high availability system architecture. The Group's systems include a proprietary ad algorithm, a data management platform and a self-serve ad manager interface for advertisers. These elements of the business are described in more detail below.

5.1 Focus on Financial and Business Sectors and direct relationships

The Group provides over 400 advertisers, including blue chip names such as Aberdeen Standard, Invesco and Baillie Gifford, as well as Citi, Barclays, BlackRock, J.P. Morgan, HSBC and Hargreaves Lansdown, with access to an international audience of 438 million devices per month through its partnerships with over 300 premium publishers of business and finance content, including blue chip names such as Reuters, Bloomberg and WSJ.

In the year end 31 December 2020 approximately 73 per cent. of revenue was generated from direct relationships with advertisers. The economics provided by a direct relationship are beneficial as there are only two parties taking a cut of the advertiser spend – Dianomi and the publisher. This typically compares favourably to traditional programmatic display advertising where there is a much longer list of participants involved in displaying an advertisement to a viewer (for example, ad agencies, demand-side platform, ad exchange, supply-side platform and ancillary components such as ad verification and purchase attribution amongst other things).

Direct relationships with premium publishers include:



Advertisers that Dianomi works with include:



5.2 **Business Model**

The advertising content and campaigns delivered to online publishers through Dianomi's platform are produced by third party advertisers and media companies, who pay the Group on a cost-per-click basis (or cost-per view in the case of video content). The Group's cost of sales primarily constitutes payments to publishers calculated on an agreed revenue share basis, typically 70/30 in favour of the publisher.

The Group selectively engages with publishers of premium content in the Financial Services and Business sectors and negotiates directly with these partners. The Group enters into agreements with publishers which typically have initial terms of at least twelve months.

The Group offers two core services to advertisers. The first is an account managed service, where the advertiser has a dedicated account manager who helps with each advertising campaign. The second is self-service, where an advertiser who has previously been vetted by the Group, uses the Group's self-service platform to create and manage campaigns online. The Group engages advertisers through Insertion Orders which set out the nature of the campaign, the term or budget, and which jurisdictions the campaign is targeting. The Group has strict criteria for advertisers, ensuring the high quality nature of the adverts served to the audiences of publishers' websites. A high proportion of advertisers who apply to use Dianomi's platform are turned down by the Group in order to preserve the premium quality of the service.

For both services provided to advertisers, every advert that is created must be validated by a member of the Group through a central advert approval platform before it can be presented on the Group's platform. Account managers and self-service validators are trained in advertising rules and regulations to ensure that the advert is compliant.

The Group may offer advice to advertisers on the pricing of their adverts to seek to optimise audience engagement. Often adverts which are placed at a higher price per click are delivered more frequently, or at more optimal times, than lower priced adverts. Advert optimisation is controlled by Dianomi's ad algorithm which is described below.

5.3 **Sophisticated delivery of digital adverts through proprietary software**

Dianomi controls the full lifecycle of providing adverts to an end user of the publisher's website. To achieve this, the Group operates its own ad server platform, owns its own data management platform, and uses little third-party technology to serve its advertisers' adverts. Dianomi achieves this through using its own ad tags and ad server, and through the direct provision of adverts to end users through a code module placed on a publisher's website. Due to this method of providing native advertising, the Group avoids being part of a long chain of suppliers, a model which has been subject to the recent scrutiny and concern of regulators.

Through the use of ad tags – ad code placed on the publisher's site – the Group can place adverts directly into the publisher's website, and it therefore maintains control over the advertising feed, which is dynamically integrated into the publisher's site through a proprietary ad algorithm developed by the Group. The adverts that are placed onto each Publisher's page are determined based upon: (a) application of the Group's proprietary algorithm, which intelligently

selects adverts based on a combination of the ad's user engagement on Dianomi's platform over time and the advertiser's CPC bid price, as well as insights into the specific audience which may be based on the user's content consumption; (b) culling against advertiser targeting preferences including country, state, Designated Market Area (DMA), device, time, publisher etc. and (c) culling against advertiser prohibited content, as determined contextually from the publisher site, and as determined by application of DoubleVerify Blocking Tags, if employed. The adverts are primarily display ads, with video ads comprising a smaller, yet growing, proportion of the Group's revenue.

Only a small proportion of the Group's business involves use of audience segments and cookies to target adverts. To achieve this, the Group sometimes employs its own first party data, data segments imported from third party data brokers, or advertisers' first party data segments, while cookies are dropped to track users across different sites. This type of behavioural tracking is not used in Europe, Nevada, California or Maine due to stricter rules regarding consent and behavioural advertising in these jurisdictions. The Group uses a Neustar geo location technology to ensure a jurisdictionally appropriate advert is served to a user. This is particularly important for financial products and services, where regulatory rules differ and where products may be solely limited to users in a certain country.

The Group deploys pixels on the adverts it displays to track consumer interaction. The Dianomi ad tag ID parameters are used for invoicing advertisers and revenue sharing with publishers. The Group also uses an in-house, proprietary data management platform, (subject to jurisdiction restrictions) to house data it collects. All data collected through tracking cookies is never sold to third parties and the data is kept within the Group's infrastructure.

Currently, the Group does not offer a programmatic advertising service. However, at the start of 2021, the Group agreed a partnership with Bidswitch, the leading programmatic middleware solution for both supply-side platforms ("SSPs"), and demand-side-platforms ("DSPs") which are planned to allow Dianomi's advertising clients to purchase advertising media on a viewable CPM basis programmatically. This feature has not yet been deployed and will require further development work the success of which is not certain. Moreover, in order to preserve the quality of Dianomi's ad offering for publishers, the programmatic solution will not be an open market solution and will only support direct buys from Tier 1 advertisers. The Directors believe this has the potential to significantly increase sales as it will accommodate tier 1 customers who only buy programmatically. Further information on programmatic advertising is included in paragraphs 5.5 and 7 of this Part I.

5.4 ***Ad Manager Platform***

The Group offers a proprietary, self-service dashboard to both advertisers and publishers with a user-friendly and intuitive user interface. This Ad Manager Platform allows advertisers to have control and visibility of their campaigns and provides the ability to create, edit and send advertising content, both image based adverts and video adverts, for approval. Advertisers can select images, text, insert particular links and also identify the jurisdictions in which they wish the advertising content to appear, or not to appear. Within the platform, advertisers can amend their budgets for campaigns, including the cost-per-click, the overall expenditure for the campaign, including budget caps for different regions. The platform also allows advertisers to test multiple ad variants, for example, to compare the click-thru-rate of one image over another. The system also provides live-tracked analytics for the success of the advertising campaign, such as number of clicks and conversion. The user interface is clear and easily understandable offering advertisers transparency in relation to their advertising campaigns.

The Ad Manager Platform is also made available to publishers and allows publishers to see the revenue generated from the advertising located on their websites. Publishers can see the revenue broken down into categories of advert but they cannot see the individual advertisers that are generating conversions and clicks from their website. The Group's ability to block certain metrics from both advertisers and publishers ensures that it can manage confidential information and preserve its direct relationships.

5.5 **Regulatory environment and data protection**

Overview of regulatory environment

The Group is regulated through a combination of self-regulation and legislation, with legislation varying depending on the country of operation.

In the UK, the primary regulators are the Advertising Standards Agency (“ASA”) and the Competition and Markets Authority (“CMA”). The ASA enforces the UK Code of Broadcast Advertising (“BCAP Code”) and UK Code of Non-broadcast Advertising, Sales Promotion, and Direct Marketing (“CAP Code”). Advertising in the UK must be legal, decent, honest, and truthful and must not be seen to mislead consumers by omission, inaccuracy, ambiguity, exaggeration or in any other way. One key concept of English advertising law is that all advertising must be obviously identifiable as advertising. Additionally, there are specific rules in the UK regarding financial promotions which are regulated by the FCA, although Dianomi is not directly regulated by the FCA. Whilst the primary obligations relating to advertising content rest with the advertiser of the content, where there has been a breach of the law or the CAP Code, the CMA or the ASA can hold the publisher, the advertiser (the brand) and the media companies (such as the Group) who arrange for the publication responsible.

Advertisements that track users’ online behaviour to build a profile of their interests and target advertising at them is known as “online behavioural advertising” (“OBA”) and is highly regulated in the UK. OBA is regulated both by Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) (“PECR”) and the General Data Protection Regulation (“GDPR”).

The ASA is currently consulting on and investigating the use of OBA in collaboration with the Information Commissioner’s Office (“ICO”), the UK regulator for GDPR and PECR. Advertising technology, known as “AdTech”, has been a subject of concern and investigation by both the ICO and the CMA, primarily as a result of the perceived lack of individual consent obtained by the industry in order to process vast amounts of personal data in order to target adverts (the “AdTech Investigation”). Under the PECR, legitimate interest is an insufficient basis to process certain data without explicit, informed consent from the individual. The ICO’s current investigation into AdTech was paused as a result of the pandemic, however, this January 2021 the investigation was re-launched. The ICO has stated that it will be issuing assessment notices to specific companies following a series of audits, focusing on digital market platforms.

The Company does not currently use OBA in the UK, Europe, Nevada, California or Maine due to stricter rules regarding consent. However, it is an area of interest in the UK following the Group having joined the IAB Transparency and Consent Framework (“TCF”) at the end of December 2020. The TCF is intended to support publishers, technology vendors, and advertisers in meeting the transparency and user-consent requirements of the GDPR.

In addition to potential use of OBA in the future, as described in paragraphs 5.3 and 7 of this Part I, the Company is also exploring the use of programmatic advertising whereby digital advertising space is bought by advertisers automatically. At the start of the year Dianomi successfully agreed a strategic partnership with Bidswitch, the leading programmatic middleware solution for both DSPs and SSPs. This will allow Dianomi’s advertising clients to purchase advertising media on a viewable CPM basis programmatically. This feature has not yet been deployed and will require further development work the success of which is not certain. Moreover, in order to preserve the quality of Dianomi’s ad offering for publishers, the programmatic solution will not be an open market solution and will only support direct buys from tier 1 advertisers. The Directors believe this has the potential to significantly increase sales as it will accommodate tier 1 customers who only buy programmatically. However, in order to do this, the Group needs to conduct a data protection impact assessment to ensure compliance with all relevant laws and regulations.

The EU intends to introduce the Digital Services Act into law, and this act may implement stricter, additional rules regulating targeted advertising and in particular a prohibition of targeted advertising on the basis of pervasive tracking on the recommendation of the European Data Protection Supervisor. Whilst the Digital Services Act will not be implemented in the UK, there is a possibility that the UK may independently pass new regulations mirroring these requirements.

In Australia the primary regulators are the Australian Competition and Consumer Commission (“ACCC”) (and the equivalent State/Territory based regulators) and the Australian Association of National Advertisers (“AANA”).

Data protection

In the UK the Group must comply with the GDPR in relation to the safeguarding of data it collects. In the United States, data protection and personal data privacy is regulated largely by state law with the California Consumer Privacy Act being one of the strictest state laws. There are similar levels of data protection required in Australia as with the UK.

The Group has an outsourced Data Protection Officer who also provides English commercial law and contractual advice. To further manage GDPR risks, the Group has a suite of policies and processes which are communicated to all staff and staff receive training on GDPR and Cyber Security in addition to carrying out mandatory online courses on the subject. In addition, the Group has a Privacy Committee on which the Data Protection Officer sits which ensures compliance with the processes and policies as well as manages privacy issues arising in the business.

Data currently collected by the Group includes functional cookies, IP addresses (providing their general location) and, in the UK, a very small amount of cost-per-lead business which collect title, first name, and last name. In certain states in the US more data is collected where the data privacy restrictions are less stringent, and this information is stored on a data management platform, which allows the Group to identify audience segments that can be used to target specific users and contexts in online advertising campaigns.

Group policies and procedures

The Directors believe that the Group’s advertising and information security policies, guidelines and contractual terms and conditions (with publishers and advertisers) as well as the targeting of premium advertisers and publishers and the vetting of advertisers, publishers and adverts significantly mitigates the risk arising from the various legal and regulatory requirements in the countries which the Group operates in. In US states which have particularly onerous legislation, (such as California) the Group has specific policies and procedures to prevent advertisements being available in those states.

The Group monitors changes to regulations and legal matters affecting the Group with the assistance of outside legal specialists as required.

Change in Privacy Laws

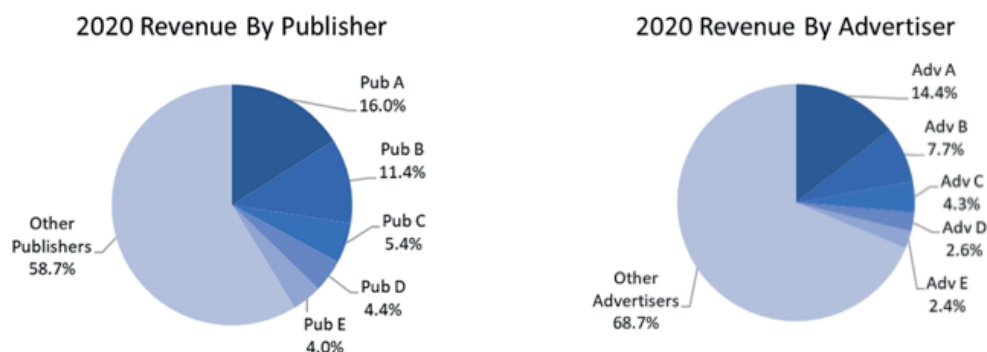
As described above, regulatory changes and privacy improvement are likely to result in decreased use of cookies and third party data in advertising. The Directors believe that this will have a limited impact on Dianomi’s services. Dianomi partners with advertisers whose content it can recommend as relevant to the specific topics on its publishers sites. This provides demographically affluent traffic that has effectively been qualified as interested in a topic by virtue of users reading similar content or clicking on a link to related content without the need to rely on cookies or third party data. Dianomi’s optimisation algorithm is based on ad performance in context rather than being based on the individual users, and does not use cookies. A useful illustration of this is the Group’s success acting as a sales agent for Apple News: Apple News actively blocks third party cookies. Dianomi does support cookie based audiences but this is used by a very small number of advertisers and comprised circa 1 per cent. of overall revenue in FY20.

5.6 Performance and KPIs

The Group has experienced growth across a number of metrics each year for a number of years. Impressions increased from 16.68 billion in FY18 to 32.12 billion in FY20 and have continued to grow in 2021 with 11.39 billion impressions in Q1 2021 compared to 6.98 billion impressions in Q1 2020. The average spend through the Group by the top one hundred advertisers has approximately doubled since FY18 to £0.22 million in FY20. The majority of this increase is due to an increase in click volume, with the remainder due to rising cost per click. A number of factors have influenced this recent growth in click volume including the continued onboarding of publishers with large, affluent audiences; securing access to advertisements through the Apple

News channel in March 2019 and access to this audience; and increased engagement from audiences in response to significant events worldwide in FY20.

The Group engaged with over 300 publishers in total during FY20. The Group typically retains a high proportion of its advertisers and publishers. For instance, over the period of FY18 to FY20, the Group experienced low average annual publisher churn of 3 per cent. calculated on a revenue basis. Moreover, 57 per cent. of FY20 revenue was generated by relationships beginning in 2016 or later, demonstrating repeat business and growth with existing publisher partners. Revenue in the year ended 31 December 2020 is shown by major publisher and advertisers below.



6. Key differentiators and competitive advantages

Dianomi's key differentiating elements and competitive advantages are derived from its focus on premium publishers and advertisers in the Financial Services and Business sectors, the contextual relevance of its content and the transparency of its platform:

- Unlike the Group's primary competitors, Dianomi exclusively focuses on partnering with premium publishers and advertisers, which creates a 'premium network effect' resulting in higher audience engagement with advertising content and which the Directors believe creates a higher publisher revenue, delivering the best experience for both parties.
- Dianomi enables advertisers to serve adverts based on the contextual relevance of the content next to which the adverts appear. Dianomi does not depend on third party data to target readers – its context led approach future-proofs the Group against increasing data privacy legislation.
- Dianomi principally generates revenue only when readers click on an advert (CPC; cost-per-click basis), which means that the Group is paid for its actual performance and advertisers only pay for engagement. This differs from other types of digital advertising, such as programmatic advertising, which charge on a cost-per-thousand impressions basis, whereby customers are charged for how often their adverts are served, rather than clicked on by users.
- Performance is made transparent for Dianomi's customers via a self-service dashboard that provides an overview of individual advertising campaigns and which enables users to pause or alter campaigns in real time.
- Dianomi's proprietary software allows advertisers to improve return on their advertising spend.

7. Competitive Landscape

Global spending on digital advertising in 2019 was \$325.0 billion and was forecast to reach \$332.8 billion in 2020 and \$389.3 billion in 2021.³ Spending by the Financial Services industry on digital advertising in the US alone has grown from \$10.85 billion in 2017 to \$19.62 billion in 2020 and is expected to reach \$23.56 billion in 2021.⁴ Within the digital advertising universe, Dianomi operates within the native advertising segment. Native advertising is the form of digital advertising where adverts mirror the form and style of the website or application on which they appear and may be displayed as in-feed ads, in-article ads, content recommendation widgets, promoted ads, sponsored content, video ads within a feed or article, or in-app rewarded video ads. Native display advertising differs from pure

3 eMarketer, June 2020

4 eMarketer, August 2020

display advertising, the original form of online advertising, where adverts appear as clearly distinguishable banners that make it clear something is being advertised. This type of advertising is considered less effective than native advertising as consumers suffer from ‘ad fatigue’ and skip over obvious banner ads that are not related to the content of the website they are viewing. eMarketer estimates that 64.8 per cent. of US digital display ad spending, or \$52.75 billion, will be spent on native advertising, showing continued growth from 48.2 per cent., or \$16.68 billion, in 2016.⁵ Advertising on social networks, such as Facebook, Twitter, Snapchat and Yahoo News, comprises a significant amount of overall native ad spending, amounting to 76.7 per cent. in 2018.⁶ While Dianomi does not operate within the social media space, the non-social media segment of native advertising is growing faster and is set to increase its share of overall native ad spending to 26.5 per cent. by 2020.⁷

Within the native digital advertising segment, a further distinction must be drawn between programmatic and non-programmatic marketing. Programmatic advertising involves an automated advertising exchange: when a user visits a website, the advertising space on the website is instantly put up for auction on a supply-side platform and is matched with Real Time Bids from advertisers on a demand-side platform, with the highest bidder’s adverts appearing. Programmatic advertisers are charged on a cost per thousand ad impressions basis, while the system largely relies on third party cookies to determine whether an advertiser should bid for the impressions. Programmatic advertising accounted for 83.0 per cent. of all US digital display ad spending in 2018 and is forecast to reach 87.5 per cent. in 2021.⁶ Dianomi does not currently engage in programmatic advertising but instead operates a closed system, relying on contextual relevance, and charges advertisers on a cost per click basis for adverts served and clicked on. Dianomi therefore avoids many of the problems associated with programmatic advertising such as brand safety issues (where advertisers do not know which websites their adverts will ultimately appear on), fraud, and increasing legislation to block the use of third party cookies for ad targeting. However, as described in paragraph 5.3 of Section I, the Group is developing a non-open market programmatic solution to offer to existing advertiser clients, as a number of advertisers prefer to buy advertising via this channel.

The Group believes there are no other directly comparable companies to it which provide the same native display, non-programmatic advertising services to companies specifically in the Financial Services and Business sectors, with a specific focus on premium clients. Other companies which can also be classified as ‘content recommendation’ platforms include Outbrain, Taboola, Revcontent, Content.ad, and Yahoo Gemini. Outbrain and Taboola in particular are both large companies, for instance, Taboola generated revenue of \$1.188 billion in FY20.⁷ However, Dianomi’s focus on the premium Financial Services and Business sectors and its non-programmatic system clearly differentiate it from other mass market content recommendation services.

8. Directors and Key Management

8.1 Board of Directors

The following table lists the names, ages, positions and dates of appointment as a director of the Company for each Existing Director and Proposed Director:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Date Appointed</i>
Michael Joseph Kelly Jr	64	Independent Non-Executive Chairman	21 February 2018
Rupert Edward Hodson	49	Chief Executive Officer	16 August 2002
Raphael Peter Georg Queisser	46	Chief Operating Officer	16 August 2002
Robert Cabell (“Cabell”) de Marcellus	52	Chief Technology Officer	10 December 2002
Charlotte Alexandra Stranner	41	Chief Financial Officer	27 April 2021
Matthew Singh	31	Non-Executive Director	12 September 2019
Laura Mary Shesgreen	54	Proposed Independent Non-Executive Director	Upon Admission

The business address of all of the Directors is the Company’s registered office.

5 eMarketer, March 2019
 6 eMarketer, April 2019
 7 www.taboola.com

The management expertise and experience of each of the Directors is set out below:

Michael Kelly Jr, *Independent Non-Executive Chairman*

Michael is the Co-Founder of Kelly Newman Ventures, LLC, an advisory and investment firm. Previously, he served as the President and Chief Executive Officer of The Weather Channel Companies, the leading weather-focused media and technology company. Prior to that, Michael served as the President of AOL Media Networks, a division of Time Warner, Inc. Before AOL, Michael served as President of the Global Marketing group at Time Warner and prior to that he was the Founder and Chief Executive Officer of American Town Network, LLC. Until April 2021, Michael was a non-executive director of Seen plc, a UK-based media and technology company. Currently, Michael also serves on the boards of directors of Cars.com, Quantcast Corporation, American Town Network, LLC, which operates AmericanTowns.com and Sliide, a UK based mobile technology company. Michael is also on the board of the American Advertising Federation and the board of councilors of the Carter Center in Atlanta, and is a founding member of The Kelly Gang. He graduated from the University of Illinois at Urbana-Champaign with a BA in Political Science.

Rupert Hodson, *Chief Executive Officer*

Rupert Hodson was one of the three co-founders of Dianomi and has been instrumental in driving the Group's expansion. Prior to founding Dianomi, he spent five years at Interactive Investor culminating in leading the commercial team. Rupert began his financial career in 1994 at Petropavlosk PLC. Rupert holds a BSc in Agricultural and Food Marketing from the University of Newcastle-upon-Tyne.

Raphael Queisser, *Chief Operating Officer*

Raphael is one of the three co-founders of Dianomi and has been responsible for growth in EMEA, finance, HR and strategic projects. Prior to founding Dianomi, Raphael was a Business Development Manager at Interactive Investor. He began his financial career in private banking at Pictet in 1999 Raphael holds an MA in International Relations and Management from the University of St Andrews and a postgraduate diploma in E-Commerce from the University of London.

Cabell de Marcellus, *Chief Technology Officer*

Cabell is the third co-founder of Dianomi and is responsible for the strategic development of Dianomi's technology platform, having coded the original HA/LAMP architecture. Prior to founding Dianomi, Cabell was Head of Software Development at Interactive Investor where his work was a vital contributor to the \$1bn valuation shortly after flotation. Cabell is currently a director of Buckingham Gate Financial Services Limited, a former subsidiary of the Company, where he serves as a part-time marketing director. Cabell graduated from Duke University with a BSc in Computer Science.

Charlotte Stranner, *Chief Financial Officer*

Charlotte became a consultant to the Company in August 2020. She became Chief Financial Officer of the Group in March 2021 and was appointed to the Board on 27 April 2021 as Chief Financial Officer. Before joining Dianomi, Charlotte was a partner at previously AIM-quoted MXC Capital, a technology, media and telecoms investor and adviser. During her time at MXC Capital she was Interim Chief Financial Officer at AIM-quoted IDE Group which is an investee company of MXC Capital. Prior to MXC Capital, Charlotte was a Corporate Finance Director at finnCap Ltd. Charlotte also currently serves on the boards of K3 Capital Group PLC and Elixirr International PLC. She is a chartered accountant, having qualified at Moore Stephens in 2007.

Matthew Singh, *Non-Executive Director*

Matthew works as an investor at the BGF Group where he is responsible for origination, execution and portfolio management of patient growth capital investments in UK growth companies across both the private and public markets. Matt joined the board of Dianomi in September 2019 following completion of an investment in Dianomi by BGF. Since joining the BGF Group in 2015, Matt has completed numerous investments across multiple sectors and also serves on the board of Flowline Limited. Prior to this, he worked for EY in their Transaction Support team and is a qualified Chartered Accountant, having graduated with a BSc in Mathematics, Operational Research, Statistics & Economics from the University of Warwick.

Laura Shesgreen, *Independent Non-Executive Director*

Laura has over thirty years of experience working with high growth companies in Europe and the USA. Laura started her career at PricewaterhouseCoopers where she qualified as a chartered accountant before moving into industry working as the chief financial officer at Pointcast and Evite Inc. In early 2007, Laura became the chief financial officer and vice-president of Finance of Skype where she served for a number of years, including when the company was acquired by private equity and later by Microsoft. Laura currently serves as Chair of the board of Stripe Technology Europe, Limited and on the boards of associated companies of AA Ireland Limited, as well as serving as a member of the Digital Advisory Board of Irish Life Assurance plc.

8.2 *Key management*

The Directors are supported by an experienced senior management team including the following individuals with responsibility for managing the Group's key divisions and business units.

Paul Hughes, *Head of Product*

Paul joined Dianomi in January 2007 and is responsible for client-related product planning, development and deployment. Current strategic products Paul is focusing on include Programmatic Activation, Privacy, Audience Intelligence and Video.

Michael Smith, *Head of Platform Engineering*

Michael is responsible for Dianomi's software and hardware. Michael has a D.Phil in Molecular Modelling from Oxford University, and has been at the leading edge of internet development since setting up his first website in 1993. Prior to joining Dianomi in March 2006, Michael was Head of Development at Interactive Investor.

Julian Peterson, *Sales & Marketing Director APAC*

Julian is responsible for growing Dianomi in Australia and across APAC. Prior to joining Dianomi in May 2011, Julian led all aspects of Time Out Australia's digital strategy: new advertising products, search, app launches, newsletters, social and marketing.

Rachel Tuffney, *Executive Vice President, U.S. Operations*

Rachel leads Dianomi's North American business. She joined Dianomi in September 2019 from Dow Jones (The Wall Street Journal), where she spent nearly ten years leading teams responsible for key advertisers such as Morgan Stanley, Citi and State Street Global Advisors. Most recently, Rachel was head of the finance sales vertical, accountable for the sales division's largest business unit by revenue. Prior to this, Rachel was an Account Director at News International from 2004 until 2007, having started her career as an Account Manager at The Independent in 2002.

9. Selected historical financial information

The following financial information of the Group has been derived from the consolidated historical financial information contained in Part III and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information set out below.

	<i>Year ended 31 December 2020 £' million</i>	<i>Year ended 31 December 2019 £'million</i>	<i>Year ended 31 December 2018 £'million</i>
Revenue	28.43	17.90	14.64
Gross profit	8.15	5.23	4.55
Adjusted EBITDA*	2.24	0.34	0.24
Operating profit	2.02	0.25	0.15

* Adjusted for share based payment charges relating to options in issue pre-Admission.

As at 31 December 2020, the Group had net cash and cash equivalents of £3.47 million.

10. Current trading and prospects

Trading in 2021 to date has seen continued strong growth, consistent with the Board's expectations. Unaudited revenue in Q1 of the current financial year was 49.7 per cent. ahead of the same period in the prior year at £8.92 million and impressions were up 63.3% to 11.4 million. Revenue includes video revenue of £0.32 million which increased from below £0.05 million in Q1 2020, representing an increase of 600 per cent. and £0.23 million of revenue from the Group's new lifestyle vertical.

Whilst FY21 is expected to show significant year on year revenue growth, the Board currently expects the level of growth during the full year to be less than the percentage growth seen in Q1 2021 versus Q1 2020. The Group has a significant pipeline of premium publishers which presents an immediate avenue for further growth and as described in paragraph 3.9 above there are a number of growth opportunities.

As at 31 March 2021, the Group had cash and cash equivalents of £4.4 million. The Group intends to repay the BGF Loan Notes on Admission.

During the previous lockdowns as well as the current lockdown due to the COVID-19 pandemic, employees have shifted to working remotely and the business has continued to deliver its services to customers. This is reflected in the strong performance of the Group since the year end.

11. The Placing, reasons for Admission, and use of Proceeds

The Placing comprises a placing of New Shares to raise funds for the Company and a placing of Existing Shares held by the Selling Shareholders.

Selling Shareholders

The Selling Shareholders are proposing to sell 11,721,611 Sale Shares currently held by existing Shareholders.

The Company, along with Panmure Gordon has entered into certain agreements in connection with the Placing, details of which are set out in paragraph 12.1(a) and 12.1(b) of Part V of this document.

Pursuant to the Placing Agreement, each Company Selling Shareholder has agreed to sell the Company Sale Shares held by him at the Placing Price and Panmure Gordon has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Company Sale Shares at the Placing Price.

Pursuant to the Institutional Selling Shareholder Agreement, the Institutional Selling Shareholder has agreed to sell the Institutional Sale Shares held by it at the Placing Price and Panmure Gordon has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Institutional Sale Shares.

Placing of New Shares

Pursuant to the Placing Agreement, Panmure Gordon has agreed, subject to certain conditions, to act as agent for the Company to use its reasonable endeavours to procure placees to subscribe for the New Shares at the Placing Price.

The Company is raising £5.00 million through the Placing of New Shares (approximately £3.93 million of net proceeds).

Use of Proceeds

The net funds from the Placing of the New Shares will be used by the Company to:

- (a) Increase headcount within EMEA and North America across both the Financial Services and Business vertical as well as the new lifestyle vertical (approximately £1.70 million); and
- (b) Increase investment in marketing (approximately £0.73 million);
- (c) Strengthen the balance sheet (approximately £1.50 million).

The Directors also believe that Admission will assist the Group in its development by raising its public profile, widening its shareholder base and will provide the Group with the appropriate capital structure to execute on its vision and growth strategy.

Admission will also provide the Company with the ability to incentivise employees through share incentive schemes which will assist it in continuing to attract, retain and motivate high calibre employees. Further details of the Company's share option schemes are set out in paragraph 13 of this Part I and in Part V of this document.

12. Corporate Governance

QCA Code

AIM quoted companies are required to adopt a recognised corporate governance code on Admission, however, there is no prescribed corporate governance regime in the UK for AIM companies. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of its Shareholders.

The QCA has published the Corporate Governance Code 2018, a set of corporate governance guidelines, which include a code of best practice comprising principles intended as a minimum standard for small and midsize quoted companies, particularly AIM Companies.

On Admission, the Board will comprise four executive directors and three non-executive directors, reflecting a blend of different experiences and backgrounds. Two Directors (including the Chairman) are regarded as independent.

The Board intends to meet regularly to review, formulate and approve the Group's strategy, performance and corporate actions. To enable the Board to discharge its duties, all Directors will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of Board meetings. All Directors will have access to the advice and services of the Chief Financial Officer, who will be responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. In addition, the procedures will be in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Further details on how the Company intends to comply with the QCA Code, from Admission, are included in Part IV of this document.

Board Committees

The Company will, upon Admission, have established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. Each of these committees will meet regularly on the frequencies set out in the following two paragraphs. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Audit Committee

The Audit and Risk Committee will be chaired by Laura Shesgreen. Its other members will be Michael Kelly and Matthew Singh, while Charlotte Stranner as Chief Financial Officer will be permitted to attend meetings on audit matters and Raphael Queisser, as Chief Operating Officer, will be permitted to attend meetings where risk matters are being discussed. The Audit Committee will have the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported. 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 three times per year.

The Remuneration Committee

The Remuneration Committee will be chaired by Michael Kelly. Its other members will be Laura Shesgreen and Matthew Singh. The Remuneration Committee intends to appoint a new independent non-executive director to the Board who, upon or shortly after appointment, would succeed Michael Kelly as the chair of the Remuneration Committee. Non-members (such as Rupert Hodson, as Chief Executive Officer) may be invited to participate in all or part of any meetings of the Remuneration Committee, as and when the Remuneration Committee considers appropriate. 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 employment. 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 share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the Company will be set by the Board. The Remuneration Committee will meet not less than twice per year.

Share Dealing Policy

The Company has adopted a share dealing policy regulating trading and confidentiality of inside information for persons discharging managerial responsibilities ("PDMRs") and persons closely associated with them which contains provisions appropriate for a company whose shares are admitted to trading on AIM and which complies with the Market Abuse Regulation (596/2014/EU) (as it applies in England and Wales from time to time). The Company will take all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of that share dealing policy.

13. Share Incentive Plans

The Company currently has in place a number of historic share incentive plans. All unexpired options granted under the Existing Option Schemes have been exercised, conditional on Admission, resulting in the issue of the Option Shares. Accordingly, it is expected that an accelerated non-cash share based payment charge will be recorded in the Group's consolidated income statement in the year ended 31 December 2021. Details of the Existing Option Schemes are set out in paragraph 3.11 of Part V of this document.

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

Accordingly, the Company has established the New Option Schemes. Further details of the New Option Schemes are set out in paragraph 10 of Part V of this document.

Details of Options to be granted to certain Directors and Senior Managers as at Admission are set out in paragraph 8.2 of Part V of this document. It is currently intended that Options will be granted on or shortly after Admission under the New Option Schemes over Shares representing, in aggregate, up to 5.4 per cent. of the Enlarged Share Capital, such Options being exercisable at the Placing Price after the later of the third anniversary of the date on which they are granted and the satisfaction of the applicable performance conditions. It is currently intended that the New Option Schemes will be used to provide share incentives to Directors and key employees.

14. Lock-in and Orderly Market Arrangements

The Directors, the Selling Shareholders (other than Steinbeck Holding AG) and an additional Shareholder have undertaken to the Company and Panmure Gordon not to dispose of any interests in Shares owned by them for a period of 12 months from Admission subject to certain limited exceptions.

Such undertakings are in place in respect of 16,436,609 Existing Shares in total, representing 54.7 per cent. of the Enlarged Share Capital. The Directors, and the Selling Shareholders (other than Steinbeck Holding AG) have also undertaken for a further 12 months thereafter, to effect all sales, transfers or other disposals of their Shares in such orderly manner as Panmure Gordon may reasonably require to maintain an orderly market.

Further details of these arrangements are set out in paragraph 12.1(c) of Part V of this document.

15. Dividend policy

The Directors intend to re-invest a significant portion of the Company's cash reserves and earnings to facilitate plans for further growth. Whilst the Directors do not expect to declare any dividend in respect of the current financial year ending on 31 December 2021, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years.

Declaration of dividends will always remain subject to all applicable legal and regulatory requirements. Recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will not exercise such discretion where it is not commercially prudent to do so. Whilst the Board considers dividends as the primary method of distributing profit to shareholders, it may, at its discretion, consider share purchases, when advantageous to shareholders and where permissible. The Company may revise its dividend policy from time to time.

16. Admission, Settlement and CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Shares will commence on 24 May 2021. The Shares will be in registered form. The Articles permit the Company to issue Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer.

The ISIN number of the Shares is GB00BLH32M40.

For more information concerning CREST, Shareholders should contact their own stockbroker or Euroclear UK & Ireland.

17. The Takeover Code

The Takeover Code applies to the Company. Under the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) 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 such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company. An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

Immediately following Admission and assuming the issue of the Option Shares and placing of all of the Placing Shares, members of the Concert Party will hold in aggregate, 9,729,047 Shares, representing

approximately 32.4 per cent. of the Enlarged Share Capital. Michael Kelly, a member of the Concert Party, has, conditional upon Admission been granted Options over a further 54,945 Shares in the Company pursuant to the New Option Schemes. Upon exercise of the Options to be granted to Michael Kelly and assuming no other issue of new Shares, the maximum holding of the Concert Party would be in aggregate, 9,783,992 Shares, representing approximately 32.5 per cent. of the so enlarged share capital.

Further information on the provisions of the Takeover Code and the holdings of the Concert Party is set out in paragraph 14.2 of Part V of this document.

18. Taxation

Your attention is drawn to the taxation section contained in paragraph 11 of Part V of this document. These details are, however, only intended as a guide to the current taxation law position in the UK. If you are in any doubt as to your tax position, you should consult your own independent financial or tax adviser immediately.

19. Further Information and Risk Factors

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

PART II

RISK FACTORS

Any investment in the Shares would be subject to a variety of risks which, if they occur, may have a materially adverse effect on the Group's business, financial condition, operating results or prospects. Prospective investors should consider carefully the factors and risks associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below.

The risks which the Company considers to be material as at the date of this document are set out below. The risks described in this Part II are based on information known at the date of this document but may not be the only risks to which the Company or Group is, or might be, exposed.

Additional risks and uncertainties that are not currently known to the Company, or that it currently deems immaterial, may also have an adverse effect on the Group's business, financial condition, operating results or prospects. In particular, the Company's or Group's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements. If any such circumstance or event occurs the price of the Shares may decline and investors could lose all or part of their investment. No assurance can be given that investors will realise a profit or avoid a loss on their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information in this document and their personal circumstances and the financial resources available to them. The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Shares and should be used as guidance only.

The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Company's or the Group's business, financial condition, operating results or prospects.

Prospective investors should read this document as a whole and not rely solely on the information set out in this section. Any prospective investor who is in any doubt as to any action he should take, should consult with an independent financial adviser authorised under the FSMA, if the investor is in the United Kingdom or, if not, another appropriately authorized independent financial adviser, who specialises in advising on the acquisition of shares and other securities.

A. RISKS RELATING TO THE GROUP'S BUSINESS AND THE INDUSTRY IN WHICH IT OPERATES

Business Strategy

The value of an investment in the Company is dependent, *inter alia*, upon the Group successfully implementing its growth plans and achieving the aims set out in this document. Although the Group has been successful in implementing its strategy to date and has a clearly defined strategy going forwards, there can be no guarantee that its objectives will be achieved or that the Group will achieve the continued level of success that the Directors expect or that certain successes might not replicate previous successes. Furthermore, the Group may decide to change aspects of its strategy described in this document. The Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated market forces, costs and expenses or technological factors. Should it be unsuccessful in implementing its strategy or should it take longer than expected to implement its growth plans, the future financial results of the Group could be negatively impacted.

Technological change and competition

The market that the Group operates in is fast paced and competitive. There can be no certainty that the Group will be able to increase or retain its market position. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Competitors and new entrants may have greater financial and marketing resources and may seek to develop technology that more successfully competes with the Group's current software and service offering, as well as potentially adopting more aggressive pricing models and marketing campaigns, which may place the Group at a significant disadvantage. There is also no guarantee that competitors or new entrants will not bring with them products or services to the market the Group serves, which could undercut the Group's service proposition to its customer and user base. While the Group continually invests in innovating the services it provides, even if the Group is able to compete successfully, it may need to make changes to its products or services in order to respond to changes in its customers' needs, which may have a negative impact on the Group's financial performance.

Although the Directors believe that the Group will continue to compete favourably in the current markets that it operates and that it will compete favourably in the Lifestyle Content market, there can be no assurance that the Group can maintain its competitive position against current and any potential competitors, especially those with greater financial, marketing, service, support, technical and other resources.

Retaining a large premium customer base

The Group's strategy is to work with premium advertisers and publishers and the success of the Group's business model is dependent on retaining large numbers of premium advertisers and publishers and ensuring that advertisements are suitably placed with reputable publishers. In the event that the Group were to deliberately or inadvertently take an action which damaged the reputation or branding of either the advertisers or publishers that the Group works with, this could have a significant impact on the Group's reputation and the willingness of its customer base and networks to continue to work with the Group. A decrease in the number of advertisers and publishers who work with Dianomi could have a material adverse impact on the financial position and prospects of the Group.

Reliance on a key distribution channel to maintain growth and future revenues

The Group's revenue grew significantly in 2019 and 2020, as impressions and the click-through rate increased. The increase in click volume is due, in part, to the significant exposure marketing partners have gained through the Apple News application. The Group's monetisation of adverts through the Apple News channel as an approved sales agent, which started in March 2019, has expanded the Group's existing relationships with publishers, but has also led to the origination of new relationships with publishers previously not engaged. Generation of revenue through the Apple News channel represented 25 per cent. of the Group's revenue in FY2020. Should Apple terminate the arrangement with some or all of the publishers, with whom the Group has a marketing partnership with, then the Group's revenue and growth prospects may decrease significantly, as the ability to deliver adverts through the Apple News channel as an approved sales agent for specific publishers would be lost. Furthermore, if the Group were to lose its position as an approved sales agent of advertisements by Apple, it would also have a significant adverse impact on the Group's revenue and prospects and the ability to seek new relationships with publishers that have access to the Apple News application would be lost. In addition, any unforeseen action by Apple in relation to, *inter alia*, its work with publishers and advertisers, its stance on user privacy or user experience could have direct or inadvertent but material impact on the Group. These changes could be sudden and unannounced and Apple may offer no remedy.

Reliance on key publishers and advertisers

In the year ended 31 December 2020, five publishers accounted for over 40 per cent. of the Group's revenue, while five advertisers accounted for over 30 per cent. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including a decision by a key customer to diversify or change how, or from whom, they source their advertising services currently provided by the Group, an inability to agree on mutually acceptable pricing terms with any one of its key customers or a significant dispute with or between the Group and one of its key customers. If the

Group's commercial relationship with any of its key customers terminates for any reason, or if one of its key customers significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, or if any one of its key customers imposes terms which vary significantly from the Group's standard terms and conditions and revenue shares, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.

Inability to contract with customers on the most favourable terms to the Group

The Group contracts with a wide variety of companies and partners, many of which are in strong negotiating positions and have greater financial resources than the Group. Whilst the Group has sought to create a sustainable pricing model for its products and contract terms, the Group may have limited scope for negotiation of the price or contract terms with its customers. Furthermore, certain contracts with publishers may contain revenue guarantees, which, if not met, could lead to losses in relation to that publisher. However, where revenue guarantees are entered into, the Group has sought to include recalibration rights so that in the case that performance is not as anticipated, the revenue guarantees can be amended.

The Group has a number of contractual relationships with advertisers and publishers which include indemnities, provided in some cases on an uncapped basis in a number of cases in relation to breaches of data protection laws which could lead to significant fines being imposed. In a small number of cases, where the Group's products and services may be offered to a customer's group, the indemnity protection is provided to the customer and to its affiliated entities, shareholders and personnel. Given the uncapped nature, and potential breadth of liability such warranties and indemnities create a risk that any liability on the Group's part could be material. A successful claim under such warranties and indemnities which is not covered by the Group's insurance policies may have a significant impact on the Group's business, prospects, results of operation and financial condition.

Reliance on software and IT infrastructure

The Group and its business model are dependent on its software and IT capabilities and the Group relies to a significant degree on the efficient and uninterrupted operation of its applications which deliver services to customers. As the Group's software is complex, undetected errors and failures may occur, especially when new versions or updates are made to the Group's software or network infrastructure, or changes are made to publishers' or advertisers' software which interface with the Group's platform. Errors or bugs in the Group's software, faulty algorithms, technical or infrastructure problems, or updates to the Group's systems could lead to an inability to process data, place advertisements or price inventory effectively, or cause advertisements to display improperly or be placed in proximity to inappropriate content. Despite testing by the Group, errors or bugs in the Group's software have in the past, and may in the future, not be found until the software is in the Group's live operating environment. Errors or failures in the Group's services, even if caused by the implementation of changes by publishers or advertisers to their systems, could also result in negative publicity, damage to the Group's reputation, loss of or delay in market acceptance of the Group's solution, increased costs or loss of revenue, loss of competitive position or claims by advertisers for losses sustained by them. Damage and interruption to the Group's technology systems could arise from events including, but not limited to, natural disasters, telecommunication failures, power loss, software failures, hacking, sabotage or war and terrorism.

The Group may make errors in the measurement of transactions conducted through the Group's platform, causing discrepancies in the internal key performance indicators of buyers and sellers, which may lead to a lack of confidence in the Group and require the Group to reduce the Group's fees or provide refunds. In addition, remedying problems arising as a result of errors in the Group's software could require significant capital and other resources and could cause interruptions, delays or the cessation of the Group's business.

Loss of increased engagement in response to recent events

Impressions, a visit to a publisher's website or application, is in part the mechanism by which the Group generates revenue. In March 2020, the Group saw a significant increase in monthly impressions, which is believed to have been caused by the coronavirus pandemic and the worldwide stay at home orders. A significant proportion of the surge in online traffic since March 2020 is attributable to the public seeking news regarding coronavirus, presidential elections and financial volatility etc. Whilst the Group

are not able to definitively attribute impression growth to these significant events, it is possible that the level of impressions could reduce when the pandemic has passed, which could have a material adverse impact on the Group's future revenues.

Compliance with laws, regulations and contractual restrictions

The Group's business is subject to regulation and legislation in the countries in which it operates including, but not limited to advertising standards and data protection. Inadvertent or deliberate breaches of these rules by the Group and/or the advertisers and publishers that the Group works could result in legal or regulatory action being taken against the Group. In addition, the contractual terms that the Group enters into may, in some circumstances, differ from the Group's standard terms and conditions and may involve the Group providing onerous and potentially even unlimited warranties and indemnities to advertisers and publishers with regards to compliance with laws and regulations and may include advertising restrictions in connection with for example, certain jurisdictions or publishers. Accordingly, a breach of applicable law or regulation by the Group and/or a breach of the Group's contractual obligations, could also result in a claim being made against the Group by affected publishers and/or advertisers.

In particular, the Group must ensure ongoing compliance with various data protection laws, including the UK's Data Protection Act 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, the General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**") and various laws and regulations in the US and Australia. The Group is under an obligation keep securely the private and personal data that it holds, including that of its employees and data from advertising campaigns. There is an inherent risk such data could be processed in a manner which is in direct breach of the relevant data protection legislation, the consequence of which may not only be a potentially significant fine and litigation, but may also result in damage to the Group's reputation further impacting the Group's revenue and prospects. Legislation in certain US states is particularly onerous.

Whilst the Group has policies and procedures in place, including vetting procedures and technology to enable compliance with laws and regulations and to prevent adverts running in certain countries and with certain publishers, there is no guarantee that the Group will be able to fully comply with the laws and regulations in each country it operates in or with its contractual obligations. Failure by the Group to adhere to rules and regulations could result in legal or regulatory action and/or result in a claim being made against the Group by affected publishers or advertisers or impacted data subjects which alone or in combination could have a significant adverse impact on the Group and its reputation and prospects.

Adequacy of the Group's insurance cover

Whilst the Group has insurance in place which provides a level of cover should a claim be made against the Group or regulatory or legal action be taken against the Group, the insurance coverage may not be adequate to cover the Group's losses as a result of this action. In particular, the Group's insurance cover is unlikely to cover a breach of contractual obligations by the Group where the contractual terms are different from the Group's standard terms. Uninsured claims against the Group could have a material adverse impact on the financial position and prospects on the Group.

Changes in laws and regulations

The Group's business is subject to regulation and legislation in the countries in which it operates. Whilst some changes may provide opportunities for the Group (for example by allowing it to consolidate its market position), the Group's business may be adversely affected by changes in government legislation, guidelines and regulations. For instance, the EU is expected to introduce two new acts into law, the Digital Services Act and Digital Markets Act, as part of its wider digital strategy. On 10 February 2021, the European Data Protection Supervisor ("EDPS") published two opinions on these new acts. The key recommendation of the EDPS is for stricter, additional rules regulating targeted advertising and in particular a prohibition of targeted advertising on the basis of pervasive tracking. Whilst the Digital Services Act will not be implemented in the UK, it will affect any businesses operating in the EU while there is a possibility that the UK may independently pass new regulations. Similarly, in November 2020, the California Privacy Rights Act ("CPRA") passed by ballot measure in California. The CPRA augments the existing California Consumer Privacy Act in certain ways including specifically addressing the use of personal information for cross-context behavioural advertising as a form of sharing personal information. The CPRA provides a right for users to opt out of data sale and sharing by companies that engage in advertising targeting and behavioural advertising. and is not effective until 1 January 2023.

Similar restrictions on use of personal information in other US states as seen in California under the CPRA are predicted in the future. For example, in March 2021, the Virginia Consumer Data Protection Act was passed and will be applicable as of 1 January 2023. Additionally, as of the date of this document, personal information privacy task forces or legislation is active in Connecticut, Hawaii, Louisiana, Minnesota, New York, North Dakota, Texas, and Washington. Where necessary, the Group will have to ensure it has sufficient contractual terms and processes in place to adhere to existing and future regulations.

Any changes to the prominent areas of the Group's business resulting from changes in laws, regulations or guidelines may cause the Group to incur significant costs in respect of implementing necessary changes required and may severely restrict aspects of the Group's business, leading to an impact on revenue and its financial condition. In the event that the Group does not adhere to new rules or regulations or contractual changes arising from these new rules or regulations, the Group could incur financial penalties and/or reputational damage and/or regulatory action could be taken against the Group, any of which could have a material financial impact against the Group.

Risk of fraud

A significant number of clicks on online adverts are produced by software robots which presents a fraud risk to the Group and the advertisers it engages with. The Group mitigates this risk by filtering out suspicious clicks to try and ensure only genuine clicks from live audiences interested in the content are visiting the advertisers. This helps protect the advertiser as well as helping to protect from inflated click numbers which would be detrimental to the advertiser. However, there remains a material risk that the Group cannot filter out all robotic clicks and that the Group's advertising partners will suffer as a result.

The Group may suffer losses if its reputation is harmed

The Group's ability to attract and retain customers and employees may be materially adversely affected to the extent its reputation is damaged. Issues that may give rise to reputational risk include, but are not limited to, offering a poor service to advertisers and publishers and failing to protect their brands, diluting the Group's "premium" brand; failure to deal appropriately with and malicious activities, factually incorrect reporting, staff difficulties, technological delays or malfunctions, failure to comply with applicable laws and regulations, the inability to respond to a disaster, privacy, record-keeping, sales and trading practices, the credit, liquidity and market risks inherent in the Group's business and the activities of the Group's affiliates.

Dependence on key personnel and employees

The continued success of the Group depends partly upon the performance and expertise of its current and future key executives and personnel. A lack of skilled workforce could result in a drop in services levels and customer dissatisfaction, and therefore have an adverse negative impact on the Group in terms of its reputation.

Although the Group provides various incentives for its management team and other key personnel in order to ensure these employees are retained and rewarded, the Group currently has a relatively small senior management team, whose skills, knowledge, experience and performance are important to the Group's ongoing success. The loss of such individuals, or the failure to train and attract other high calibre individuals may impact on the Group's business and the Group's ability to achieve its growth targets.

Expansion into new territories and verticals

Part of the Group's strategy is to expand into new markets. While every effort is made to take the appropriate precautions when developing new markets, there is a risk that the Group cannot successfully compete in these markets, or that the Group cannot attract the right publisher and advertiser partners in these territories, or that the Group cannot maintain the high standards of quality and brand protection associated with its services, which could severely restrict its growth and business plans.

Deployment of a programmatic advertising solution

The Group is developing a programmatic advertising solution which will allow its existing advertising clients to purchase advertising media on a viewable CPM basis programmatically. To preserve the

quality of the Group's offering, the programmatic solution will not be an open market solution. However, implementing a programmatic solution introduces a regulatory risk since the Group will be required to start implementing user consent for cookies, which it currently does not do. In order to achieve consent for cookies, the Company has joined the IAB Transparency and Consent Framework (TCF). The Group's programmatic advertising solution is still at an early stage of development and there is no guarantee that it will be introduced successfully or generate meaningful revenue for the Group.

Litigation and other adversarial actions in the ordinary course of business could materially adversely affect the Group

Although the Group is not currently party to (either as a claimant or as a defendant) any material litigation, it may be subject to such litigation in the future. In addition, the Group may be subject to other disputes, claims and complaints, including adversarial actions, by customers, employees, suppliers, insurers and others in the ordinary course of business. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from the Group's operations and may result in the Group having to pay monetary damages, any of which could have a material adverse effect on the Group's financial condition, business, prospectus and results of operations. In addition, adverse publicity or substantial litigation against the Group could negatively impact its reputation, even if the Group is not found liable, which could have a material adverse effect on the Group's business and financial condition.

A number of contracts that the Group has entered into with advertisers and publishers contain warranties, indemnities and unlimited liability in favour of the advertiser or publisher and may also contain restrictions relating to placement of adverts. If the Group were to deliberately or inadvertently breach the contractual terms in these contracts, whether or not an advertiser or publisher's brand was damaged as a result, (the Group may be subject to significant claims, and may result in the Group having to pay monetary damages, any of which could have a material adverse effect on the Group's financial condition, business, prospectus and results of operations.

The Group may seek to grow their business through acquisitions of or investments in new or complementary businesses, products or technologies, and the failure to manage acquisitions or investments, or the failure to integrate them with the existing business, could have a material adverse effect

The Group may consider opportunities to acquire or make investments in other technologies, products, and businesses that could enhance their capabilities, complement current products, or expand the breadth of their markets or customer base. Whilst the Group has no current commitments with respect to any acquisition or investment, the Group may consider acquisitions in the future to grow the business. The Group's ability to successfully grow through acquisitions depends upon their ability to identify, negotiate, complete, and integrate suitable target businesses and to obtain any necessary financing. These efforts could be expensive and time consuming and may disrupt ongoing business and prevent management from focusing on operations. If the Group is unable to successfully integrate any acquired businesses, products, or technologies effectively, the business, results of operations, and financial condition will be materially adversely affected.

Proprietary technology

The Group owns the intellectual property which underpins its proprietary software, comprising its ad algorithm, DMP, Ad Manager Platform and ad server software. However, the vast majority of the Group's material intellectual property estate is comprised of unregistered intellectual property rights, therefore there is a risk that third parties could replicate the Group's technology. To mitigate this risk only a limited number of individuals have access to the proprietary software and all IT staff members are bound by confidentiality obligations.

Currency risk

The Group is exposed to currency and exchange rate fluctuations which may affect the Group's results or operations. The Group's activities are conducted primarily in USD, GBP and AUD. The Group's functional and reporting currency is GBP. The principal foreign exchange risks to which the financial statements are exposed relate to adverse declines in the value of USD and AUD against GBP. Adverse changes in exchange rates may have a material adverse effect on the Group's business, operating results and financial condition.

Credit Risk

The Group is legally bound to settle amounts due under revenue share agreements with publishers even in the event that advertisers fail to pay the Group, therefore the Group is susceptible to a credit risk from advertisers. This risk is mitigated by the fact that the Group can request advance payments if there are questions over an advertiser's creditworthiness, or the Group can suspend advertisers' campaigns if balances become significantly overdue.

Overseas operations

The Group currently has operations in various jurisdictions, including but not limited to, EMEA, Australia and North America. Each of these jurisdictions has different regulatory, tax and legal environments that could change in the future and impact on how the group conducts its business in these countries. If the Group was to fail to comply with laws and regulations of overseas jurisdictions in which it operates, there is a risk that it could be subject to legal and reputational issues, such as government or regulatory enforcement, including the imposition of financial penalties. Such enforcement action could have a material adverse effect on the Group's reputation, profits and financial condition.

Impact of Brexit

Brexit could materially impact the future regulatory regime that applies to their business, products, services, and employees in the UK. As Brexit's political, legal, regulatory, and economic effects continue to evolve, it is currently difficult to predict the effect this may have on the Group's business, regulatory environment or staffing.

On 24 December 2020, the UK and the EU agreed a deal, the Trade and Cooperation Agreement (the "TCA"), to govern significant aspects of the trade relationship between the UK and the EU with effect from 1 January 2021 onwards. While the TCA avoids the consequences of a no-deal Brexit, the UK is no longer a member of the EU Single Market and Customs Union and the UK is therefore subject to revised restrictions on the free movement of services, goods, people and capital, which could affect economic and market conditions. Such a decline in trade could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on economic growth in the country. Negative developments in, or the general weakness of, the British economy may negatively affect the financial condition of the Company. In addition, the impact of Brexit on trade with countries outside the European Union is not known and therefore it is not certain whether there will be changes in trading arrangements, including tariffs, applicable to the Group and the impact this could have. Particularly in relation to the United States, as at the date of this document no trade deal has been struck between the United Kingdom and the United States, and it is not clear what form any deal, and any tariffs payable thereunder, would take. Economic conditions Covid-19 Brexit risk 48 Generally, it is also not known what the impact will be on the UK economy and its future growth, investor confidence, market performance and exchange rates.

Impact of Covid-19

The ongoing nature and uncertainty of the pandemic in many countries including the measures and restrictions put in place (travel bans and quarantining in particular) continue to have the ability to impact the Group's business continuity, workforce, business development and, consequently, future revenues. There has been a particularly negative impact on the advertising industry where budgets have been reduced. While the Directors believe that Covid-19 will not have a long-term lasting impact on the Group, it is currently difficult to predict its effect on future revenues.

B. RISKS RELATING TO THE PLACING AND THE SHARES

Share price volatility and liquidity

AIM is a trading platform designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Shares will develop or, if developed, that it will be maintained. The Shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM carries a higher risk than those listed on the Official List.

Prospective investors should be aware that the value of an investment in the Group may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Group. There can be no guarantee that the value of an investment in the Group will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Shares are quoted and the price which investors may realise for their Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, (i) the performance of the overall stock market; (ii) large purchases or sales of Shares by other investors; (iii) financial and operational results of the Group; (iv) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts; (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions; and (vi) other factors which are outside of the control of the Group.

Shareholders may sell their Shares in the future to realise their investment. Sales of substantial amounts of Shares following Admission and/or termination of the lock-in restrictions (the terms of which are summarised in paragraph 12.1(c) of Part V of this document), or the perception that such sales could occur, could materially adversely affect the market price of the Shares available for sale compared to the demand to buy Shares. There can be no guarantee that the price of the Shares will reflect their actual or potential market value or the underlying value of the Group's net assets and the price of the Shares may decline below the Placing Price. Shareholders may be unable to realise their Shares at the quoted market price or at all.

Investment risk

An investment in a quoted Group is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal.

Determination of Placing Price

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

Dilution

If the Group were to offer equity securities for sale in the future, Shareholders not participating in these equity offerings may be diluted and pre-emptive rights may not be available to certain Shareholders. The Group may also in the future issue Shares, warrants and/or options to subscribe for new Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

Substantial Shareholders

On Admission, the founders of the Group and separately BGF will hold, in aggregate, approximately 42.7 per cent. of the Enlarged Share Capital. In addition, Matthew Singh, a non-executive Director of the Company, is an investor for the BGF Group. Notwithstanding the Articles and applicable laws and regulations and that following Admission, Matthew Singh is not acting in a formal capacity as a board representative of BGF, the founders and BGF will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders.

Dividends

There can be no assurances as to the level of future dividends, if any. Whilst the Group intends to consider paying dividends in the future, the declaration, payment and amount of any future dividends of the Group is subject to the discretion of the Directors and will depend upon, among others, the Group's earnings, financial position, cash requirements, strategic goals and availability of distributable reserves, as well as the provisions of relevant laws and generally accepted accounting practice.

Taxation considerations

Any change in the Group's tax status or in taxation legislation or its interpretation, could affect the Group'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 Group and its investors are based upon current tax law and practice which is subject to change.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities, which are currently in the United Kingdom.

Forward looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future earnings or otherwise.

PART III

HISTORICAL FINANCIAL INFORMATION

SECTION A: ACCOUNTANT'S REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

The following is the full text of a report on the Group from RSM Corporate Finance LLP, the Reporting Accountants, to the Directors of Dianomi plc



RSM Corporate Finance LLP

The Directors
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18 May 2021

Dear Sirs,

Dianomi plc (the “Company”) and its subsidiary undertakings (the “Group”)

We report on the consolidated historical financial information of the Group set out in Section B of Part III of the admission document dated 18 May 2021 (“Admission Document”) of the Company. This consolidated historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the consolidated historical financial information. This report is required by Item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the “Prospectus Delegated Regulation”) as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that item and for no other purpose.

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

Responsibilities

The directors of the Company (the “Directors”) are responsible for preparing the consolidated historical financial information in accordance with UK adopted International Financial Reporting Standards.

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

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the consolidated historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of

the consolidated historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Opinion

In our opinion, the consolidated historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with UK adopted International Financial Reporting Standards.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes 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 11 of the Prospectus Delegated Regulation as applied by part (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully

RSM Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

SECTION B: HISTORICAL FINANCIAL INFORMATION ON DIANOMI PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<i>Year ended</i> 31 Dec 2020	<i>Year ended</i> 31 Dec 2019	<i>Year ended</i> 31 Dec 2018
	<i>Note</i>	£	£	£
Revenue	4	28,430,302	17,903,591	14,636,073
Cost of sales		<u>(20,285,249)</u>	<u>(12,675,744)</u>	<u>(10,081,838)</u>
Gross profit		8,145,053	5,227,847	4,554,235
Administrative expenses	6	(6,175,684)	(4,985,929)	(4,400,840)
Other operating income		38,463	–	–
Fair value movements		9,121	11,491	–
Operating profit		2,016,953	253,409	153,395
Finance income	9	6,728	12,121	7,033
Finance expense	9	(105,344)	(99,996)	(85,548)
Profit on ordinary activities before taxation		1,918,337	165,534	74,880
Taxation	10	(533,782)	(236,468)	(202,500)
Profit/(loss) for the year		1,384,555	(70,934)	(127,620)
Other comprehensive income items that may be reclassified subsequently to profit or loss				
Currency translation differences		(182,473)	(91,500)	122,708
Total comprehensive income for the year attributable to the owners of the company		<u>1,202,082</u>	<u>(162,434)</u>	<u>(4,912)</u>

All operations are continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
	Note	£	£	£
Non-current assets				
Right-of-use assets	11	187,932	–	–
Total non-current assets		187,932	–	–
Current assets				
Derivative financial asset	18	20,612	11,491	–
Trade and other receivables	13	5,520,369	3,825,756	3,518,832
Corporation tax receivable		26,088	113,004	431,117
Cash and cash equivalents	14	4,721,613	2,841,675	2,492,412
Total current assets		10,288,682	6,791,926	6,442,361
Total assets		10,476,614	6,791,926	6,442,361
Current liabilities				
Trade and other payables	15	(5,270,605)	(3,552,572)	(3,082,873)
Corporation tax payable		(452,948)	(1,222)	(48,790)
Lease liabilities	17	(168,539)	–	–
Total current liabilities		(5,892,092)	(3,553,794)	(3,131,663)
Non-current liabilities				
Loans and borrowings	16	(1,250,000)	(1,250,000)	(1,250,000)
Lease liabilities	17	(22,534)	–	–
Total non-current liabilities		(1,272,534)	(1,250,000)	(1,250,000)
Total liabilities		(7,164,626)	(4,803,794)	(4,381,663)
Net assets		3,311,988	1,988,132	2,060,698
Equity				
Share capital	21	294	294	294
Share premium account	23	1,084,776	1,084,776	1,084,776
Share options reserve	23	472,211	350,438	260,570
Translation reserve	23	(556,262)	(373,789)	(282,289)
Retained earnings	23	2,310,968	926,413	997,347
Total equity attributable to the owners of the company		3,311,988	1,988,132	2,060,698

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to the owners of the Company</i>					
	<i>Share capital</i>	<i>Share premium account</i>	<i>Share options reserve</i>	<i>Translation reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£	£	£	£	£	£
Balance at 1 January 2018	283	1,027,520	173,682	(404,997)	1,124,251	1,920,739
Comprehensive income for the year						
Loss for the year	–	–	–	–	(127,620)	(127,620)
Currency translation differences	–	–	–	122,708	–	122,708
Total comprehensive income for the year	–	–	–	122,708	(127,620)	(4,912)
Transactions with owners of the Company						
Shares issued	11	57,256	–	–	–	57,267
Share based payment credit	–	–	86,888	–	716	87,604
Total transactions with owners of the Company	11	57,256	86,888	–	716	144,871
Balance at 31 December 2018	294	1,084,776	260,570	(282,289)	997,347	2,060,698
Comprehensive income for the year						
Loss for the year	–	–	–	–	(70,934)	(70,934)
Currency translation differences	–	–	–	(91,500)	–	(91,500)
Total comprehensive income for the year	–	–	–	(91,500)	(70,934)	(162,434)
Transactions with owners of the Company						
Share based payment credit	–	–	89,868	–	–	89,868
Total transactions with owners of the Company	–	–	89,868	–	–	89,868
Balance at 31 December 2019	294	1,084,776	350,438	(373,789)	926,413	1,988,132
Comprehensive income for the year						
Profit for the year	–	–	–	–	1,384,555	1,384,555
Currency translation differences	–	–	–	(182,473)	–	(182,473)
Total comprehensive income for the year	–	–	–	(182,473)	1,384,555	1,202,082
Transactions with owners of the Company						
Share based payment credit	–	–	121,773	–	–	121,773
Total transactions with owners of the Company	–	–	121,773	–	–	121,773
Balance at 31 December 2020	294	1,084,776	472,211	(556,262)	2,310,968	3,311,988

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three years ended 31 December 2020:

	<i>Year ended</i> 31 Dec 2020	<i>Year ended</i> 31 Dec 2019	<i>Year ended</i> 31 Dec 2018
	£	£	£
Cash flows from operating activities			
Profit on ordinary activities before taxation	1,918,337	165,534	74,880
<i>Adjustments for:</i>			
Depreciation – leased assets	103,759	–	–
Interest paid	105,344	99,996	85,548
Interest received	(6,728)	(12,121)	(7,033)
Increase in trade and other receivables	(1,331,948)	(1,204,250)	(542,335)
Increase in trade and other payables	1,153,983	1,278,979	1,023,449
Net fair value gain recognised in P&L	(9,121)	(11,491)	–
Share based payment charge	121,773	89,868	87,604
Cash generated from operations	2,055,399	406,515	722,113
Taxation received/(paid)	4,860	34,077	(848,364)
Net cash generated from/(used in) operating activities	2,060,259	440,592	(126,251)
Cash flows from investing activities			
Interest received	6,728	12,121	7,033
Net cash used in investing activities	6,728	12,121	7,033
Cash flows from financing activities			
Issue of ordinary shares	–	–	57,267
Movements on invoice discounting	–	–	(31,859)
Loan proceeds	–	–	1,250,000
Interest paid	(101,274)	(99,996)	(85,548)
Finance lease repayment	(104,688)	–	–
Net cash (used in)/generated from financing activities	(205,962)	(99,996)	1,189,860
Net increase in cash and cash equivalents	1,861,025	352,717	1,070,642
Cash and cash equivalents at beginning of period	2,841,675	2,492,412	1,446,917
Exchange movement on cash	18,913	(3,454)	(25,147)
Cash and cash equivalents at end of period	4,721,613	2,841,675	2,492,412

DIANOMI PLC

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

Dianomi plc (the “Company”) and its subsidiaries’ (together the “Group”) principal activity is the delivery of premium native advertising for the financial services, technology, corporate and lifestyle sectors. The Company was incorporated on 16 August 2002 in England and Wales as a private company limited by shares under the name Data-ID Limited. On 17 December 2002, the Company changed its name to Dianomi Limited. On 17 May 2021, the Company re-registered as a public limited company and changed its name to Dianomi plc.

The address of the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR and the limited company number is 04513809.

2. Accounting policies

The principal accounting policies adopted in the preparation of the historical financial information of the Group (the “Historical Financial Information”), which have been applied consistently to all periods presented, are set out below:

Basis of preparation

The Historical Financial Information has been prepared in accordance with UK adopted International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee (“IFRIC”) in accordance with section 474(1) of the Companies Act 2006 (“IFRS”). The Historical Financial Information does not constitute statutory accounts within the meaning of the Companies Act 2006.

The functional and presentational currency of the Group is pounds sterling.

Measurement convention

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

The preparation of the Historical Financial Information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

Basis of consolidation

The Historical Financial Information incorporates the financial information of Dianomi Plc and all of its subsidiary undertakings. Subsidiary undertakings include entities over which the Group has effective control. The Group controls a group when it is exposed to, or has right to, variable returns from its involvement with the Group and has the ability to affect those returns through its power over the Group. In assessing control, the Group takes into consideration potential voting rights.

Going concern

After reviewing the Group’s forecasts and projections, the Directors and the Proposed Directors have a reasonable expectation that the Group has adequate resources to continue on operational existence for the foreseeable future. The Group has therefore adopted the going concern basis in preparing the Historical Financial Information.

On 11 March 2020, COVID-19 was declared a global pandemic by the WHO, and the UK and the rest of the world has since then been affected by the uncertainties arising from this, including periods of lockdown and other restrictions imposed by individual governments. Employees have shifted to working remotely and the business has continued to deliver its services to customers. This is reflected in the strong performance of the Group since the year end. The Group has not made any redundancies nor put any employees onto the furlough scheme to date. Identified risks and changes have been explored and suitable mitigants identified and put in place to the extent possible. The Group continues to experience strong cash collections and has a healthy cash position. The Group trades predominantly with blue chip financial institutions and premium publishers which, for the main part, have not been

heavily impacted by the pandemic. The Directors regularly monitor working capital; the Group has maintained a positive cash balance throughout the period under review and post year end continues to generate cash.

Revenue recognition

The Group's customers are direct advertisers, affiliate advertisers and advertising agencies with whom the Group will enter into a contract or insertion order.

The Group generates revenue by charging its customers a fee based on a customer's total spend on advertising campaigns delivered through its platform. The customer's total spend on advertising is determined by multiplying an agreed performance metric option, such as cost per mil (CPM), impression (CPI), click (CPC) or action (CPA) with the volumes of units delivered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised on completion of the performance criteria which, in most cases, is when an internet user clicks through to an advertisement that has been displayed on a web page.

Where advanced payments are made in advance of satisfying the performance obligation, these amounts are transferred to deferred revenue (contract liabilities) and recognised over the length of the contract.

The Group's standard payment terms require settlement of invoices within 60-90 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

Cost of sales

Cost of sales represents the direct expenses that are attributable to the services sold. They consist primarily of payments to publishers under the terms of the revenue share agreements that the Group has with them. Depending on the terms of the revenue share agreements, cost of sales can include commissions where applicable.

Taxation

Current tax is the tax currently payable based on the taxable profit for the year.

The Group recognises current tax assets and liabilities of entities in different jurisdictions separately as there is no legal right of offset.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss under a business combination. Deferred tax is determined using tax rates and laws that have been substantially enacted by the statement of financial position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward, and other tax credits to the Group, are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Foreign currency translation

(a) Function and presentational currency

Items included in the Historical Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates

(‘the functional currency’). The Historical Financial Information is presented in ‘sterling’, which is the Group’s functional currency and the Group’s presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial instruments

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

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified as loans and receivables.

(a) *Trade and other receivables and trade and other payables*

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

(b) *Contract assets*

Unbilled revenue is recognised at the fair value of consultancy services provided at the reporting date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in trade and other receivables.

(c) *Interest-bearing borrowings*

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

(d) *Cash and cash equivalents*

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

Post-retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in administrative expenses in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Leases

The Group leases property in the UK, US and Australia.

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

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

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. This is 3.0 per cent. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and

- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in the income statement using the effective interest method, unwinding of the discount on provisions, and not foreign exchange losses that are recognised in the statement of comprehensive income.

Financing income includes interest receivable on funds invested.

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

Adoption of new International Financial Reporting Standards (“IFRS”)

In the reporting period there have been a number of IFRS’s that have come into effect.

These standards have been adopted early and have been applied from the earliest reporting period in the Historical Financial Information.

Below is a summary of the standards that have been adopted early.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15	1 January 2018
Clarifications to IFRS 15 – Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

- *IFRS 9 ‘Financial Instruments’*
IFRS 9 ‘Financial Instruments’ replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities. The introduction of IFRS 9 impacts the Group’s accounting policy for trade receivables, where the Group has moved to an expected loss method of providing for future impairment. This replaces the previous accounting policy to initially recognise trade receivables at fair value, and then subsequently state at amortised cost less allowances for estimated irrecoverable amounts.
- *IFRS 15 ‘Revenue from Contracts with Customers’*
IFRS 15 introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards under IAS 18 ‘Revenue’. On all the Group’s engagement types the point at which revenue is recognised has not changed, as the point of transfer of control under IFRS 15 (which determines revenue recognition) is the same as the point of transfer of risks and rewards (which determines revenue recognition under IAS 18).

- *IFRS 16 'Leases'*

IFRS 16 specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less.

3. Judgements and key sources of estimation uncertainty

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

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the Historical Financial Information are:

- The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted and requires assumptions to be made, particularly regarding the value of a share at the date of options granted. Management have had to apply judgement in making assumptions.

4. Revenue

Revenue arises from:

	<i>Year to 31 Dec 2020 £</i>	<i>Year to 31 Dec 2019 £</i>	<i>Year to 31 Dec 2018 £</i>
North America	21,770,535	13,507,638	11,233,464
EMEA	4,836,331	3,069,664	2,158,442
APAC	1,823,436	1,326,289	1,244,167
	<u>28,430,302</u>	<u>17,903,591</u>	<u>14,636,073</u>

In the year ended 31 December 2020 14% of revenue was generated by one customer. In the years ended 31 December 2018 and 2019, no customer generated more than 10% of total revenue.

5. Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore consider that the Group has one operating segment. As such, no additional disclosure has been presented under IFRS 8.

6. Administrative expenses

	<i>Year to</i> <i>31 Dec 2020</i>	<i>Year to</i> <i>31 Dec 2019</i>	<i>Year to</i> <i>31 Dec 2018</i>
	£	£	£
Direct staff costs	3,966,051	3,164,818	2,309,650
IT costs	677,086	525,197	465,635
Deal costs	115,217	94,670	376,802
Legal and professional	619,671	456,708	434,090
Rent	148,205	293,153	229,725
Insurance	56,168	39,244	92,199
Depreciation – leased assets	103,759	–	–
Foreign exchange (gains)/losses	(1,393)	(195,736)	8,986
Bank charges	19,669	17,269	15,545
Share based payments	121,773	89,868	87,604
Other administrative expenses	349,478	500,738	380,604
Total administrative expenses	<u>6,175,684</u>	<u>4,985,929</u>	<u>4,400,840</u>

7. Employee information

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	<i>Year to</i> <i>31 Dec 2020</i>	<i>Year to</i> <i>31 Dec 2019</i>	<i>Year to</i> <i>31 Dec 2018</i>
	Number	Number	Number
Directors	5	5	5
Employees	27	28	22
	<u>32</u>	<u>33</u>	<u>27</u>

The aggregate payroll costs of these persons (including directors) were as follows:

	<i>Year to</i> <i>31 Dec 2020</i>	<i>Year to</i> <i>31 Dec 2019</i>	<i>Year to</i> <i>31 Dec 2018</i>
	£	£	£
Wages and salaries	3,409,757	2,539,786	1,886,558
Social security costs	350,967	293,729	206,992
Pension costs	65,945	116,108	47,655
	<u>3,826,669</u>	<u>2,949,623</u>	<u>2,141,205</u>

A defined contribution pension scheme is operated by a third party and the Group pays contributions on behalf of the employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund. Contributions amounting to £nil were payable to the fund at the end of 2020 (2019: £nil, 2018: £nil).

Key management personnel include employees across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel are considered to be the directors of the Group and details regarding their remuneration are disclosed in note 8.

8. Directors' remuneration

	Year to 31 Dec 2020 £	Year to 31 Dec 2019 £	Year to 31 Dec 2018 £
Directors emoluments	924,769	742,274	670,857
Pension costs	10,847	25,236	24,828
Amounts paid to third parties in respect of directors' services	<u>38,953</u>	<u>39,168</u>	<u>31,206</u>
	<u>974,569</u>	<u>806,678</u>	<u>726,891</u>

During the year retirement benefits were accruing to 3 directors (2019: 3, 2018: 3) in respect of defined contribution pension schemes.

The highest paid directors received remuneration of £313,793 (2019: £252,961, 2018: £229,155). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,216 (2019: £4,188, 2018: £3,668).

9. Finance income and expenses

	Year to 31 Dec 2020 £	Year to 31 Dec 2019 £	Year to 31 Dec 2018 £
Interest received	<u>6,728</u>	<u>12,121</u>	<u>7,033</u>
Total finance income	<u>6,728</u>	<u>12,121</u>	<u>7,033</u>
Loan note interest	101,274	99,996	85,548
On lease liability	<u>4,070</u>	<u>–</u>	<u>–</u>
Total finance expense	<u>105,344</u>	<u>99,996</u>	<u>85,548</u>

10. Taxation

	Year to 31 Dec 2020 £	Year to 31 Dec 2019 £	Year to 31 Dec 2018 £
UK corporation tax			
Current tax on income for the year	–	–	–
Adjustments in respect of prior periods	<u>–</u>	<u>(26,035)</u>	<u>(67,979)</u>
	<u>–</u>	<u>–</u>	<u>(67,979)</u>
Foreign tax			
Foreign tax on income for the year	<u>533,782</u>	<u>262,503</u>	<u>270,479</u>
	<u>533,782</u>	<u>262,503</u>	<u>270,479</u>
Total current tax	<u>533,782</u>	<u>236,468</u>	<u>202,500</u>
Deferred tax	<u>–</u>	<u>–</u>	<u>–</u>
Total deferred tax	<u>–</u>	<u>–</u>	<u>–</u>
Taxation on profit on ordinary activities	<u>533,782</u>	<u>236,468</u>	<u>202,500</u>

Reconciliation of tax expense

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

	Year to 31 Dec 2020 £	Year to 31 Dec 2019 £	Year to 31 Dec 2018 £
Profit on ordinary activities before taxation	<u>1,918,337</u>	<u>165,534</u>	<u>74,880</u>
Profit on ordinary activities multiplies by standard rate of corporation tax in the UK of 19% (2019: 19%, 2018: 19%)	364,484	31,451	14,227
Effects of:			
Expenses not deductible for tax purposes	95,438	(22,473)	153,822
Income not taxable for tax purposes	–	–	(300)
Losses carried back	–	–	8,731
Foreign tax	143,891	77,910	78,076
Adjustments in respect of prior periods	–	(26,035)	(67,979)
Adjust closing deferred tax to average rate	–	16,753	38
Adjust opening deferred tax to average rate	–	(38)	(46)
Remeasurement of deferred tax for changes in tax rates	(16,753)	–	–
Deferred tax not recognised	<u>(53,278)</u>	<u>158,900</u>	<u>15,931</u>
Tax on profit	<u>533,782</u>	<u>236,468</u>	<u>202,500</u>

11. Right-of-use assets

	<i>Leased property</i> £	<i>Leased motor vehicles</i> £	<i>Total</i> £
Cost			
At 1 January 2020	–	–	–
Additions	<u>256,987</u>	<u>34,704</u>	<u>291,691</u>
At 31 December 2020	<u>256,987</u>	<u>34,704</u>	<u>291,691</u>
Depreciation			
At 1 January 2020	–	–	–
Depreciation charge	<u>102,795</u>	<u>964</u>	<u>103,759</u>
At 31 December 2020	<u>102,795</u>	<u>964</u>	<u>103,759</u>
Net book value			
At 31 December 2019	–	–	–
At 31 December 2020	154,192	33,740	187,932

Lease liabilities in respect of right-of-use assets were £191,073 as at 31 December 2020 (2019: £nil, 2018: £nil). The discount rate used in determining the present value of the lease liability was the Group's incremental borrowing rate of 3%. The interest expense recognised in the statement of comprehensive income for the year ended 31 December 2020 was £4,070 (2019: £nil, 2018: £nil).

12. Investments in subsidiaries

The undertakings in which the Group's interest at the year end is 20 percent or more are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>At 31 Dec 2020</i>	<i>At 31 Dec 2019</i>	<i>At 31 Dec 2018</i>
Dianomi Inc	United States	Business support services	100%	100%	100%
Dianomi Pty	Australia	Business support services	100%	100%	100%
Exedra Capital Limited	England and Wales	Business support services	–	100%	100%

The registered office of Dianomi Inc is Corporate Service Bureau Inc., 28 Old Rudnick Lane, Dover, Delaware, 19901.

The registered office of Dianomi PTY is ALM Williams Partners, Level 2, 570 St Kilda Road, Melbourne, VIC 3004.

The registered office of Exedra Capital Limited is 6th Floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR. This company was dissolved on 06 October 2020.

13. Trade and other receivables

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Trade receivables	5,240,155	3,522,379	3,173,778
Prepayments	52,035	40,340	28,966
Loan receivable	154,344	164,568	164,590
Other receivables	73,835	98,469	151,498
	<u>5,520,369</u>	<u>3,825,756</u>	<u>3,518,832</u>

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The directors consider that the carrying value of trade and other receivables approximates to their fair value.

The loan receivable balances relate to a loan owed from Buckingham Gate Financial Services Limited, a shareholder and related party. The loan accrues annual interest at 4%. The loan is repayable on demand.

The impairment loss recognised in the income statement for the period in respect of bad and doubtful trade receivables was £nil (2019: £nil, 2018: £nil). IFRS 9 requires an allowance for expected credit losses. On transition to IFRS 9, there was deemed to be no material difference to previous accounting treatment.

The ageing of trade receivables is detailed below:

As at 31 December 2020

	<i>< 30 days</i> £	<i>< 60 days</i> £	<i>< 90 days</i> £	<i>< 120 days</i> £	<i>> 120 days</i> £	<i>Total</i> £
Gross carrying amount	<u>3,377,349</u>	<u>948,294</u>	<u>436,094</u>	<u>214,725</u>	<u>263,693</u>	<u>5,240,155</u>

As at 31 December 2019

	<i>< 30 days</i> £	<i>< 60 days</i> £	<i>< 90 days</i> £	<i>< 120 days</i> £	<i>> 120 days</i> £	<i>Total</i> £
Gross carrying amount	<u>1,848,718</u>	<u>842,762</u>	<u>547,538</u>	<u>237,115</u>	<u>46,246</u>	<u>3,522,379</u>

As at 31 December 2018

	<i>< 30 days</i> £	<i>< 60 days</i> £	<i>< 90 days</i> £	<i>< 120 days</i> £	<i>> 120 days</i> £	<i>Total</i> £
Gross carrying amount	<u>1,505,210</u>	<u>821,741</u>	<u>393,704</u>	<u>235,796</u>	<u>217,327</u>	<u>3,173,778</u>

14. Cash and cash equivalents

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Cash at bank and in hand	<u>4,721,613</u>	<u>2,841,675</u>	<u>2,492,412</u>

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

15. Trade and other payables

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Current liabilities			
Trade payables	2,359,019	1,665,163	1,046,955
Other taxes and social security costs	63,264	107,693	76,552
Contract liabilities	262,526	229,045	166,554
Other payables and accruals	2,585,796	1,550,671	1,792,812
	<u>5,270,605</u>	<u>3,552,572</u>	<u>3,082,873</u>

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

16. Loans and borrowings

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Non-current liabilities			
Other loans	1,250,000	1,250,000	1,250,000
	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

During the year ended 31 December 2018, the Group issued loan notes totalling £1,250,000 to BGF Investments LP ("BGF"), a shareholder and related party (see note 19). The loan notes accrue annual interest at 8% and are repayable in 4 equal, bi-annual instalments starting 31 December 2023. The loan notes are secured by a personal guarantee of the Directors.

17. Lease liabilities

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Current liabilities			
Lease liabilities	168,539	–	–
Non-current liabilities			
Lease liabilities	22,534	–	–
	<u>191,073</u>	<u>–</u>	<u>–</u>

The Group leases an office building in London for use by its staff. It also leases the use of a motor vehicle. The discount rate used in determining the present value of lease liabilities was the Group's incremental borrowing rate of 3%. The interest expense recognised in the consolidated statement of comprehensive income for the year ended 31 December 2020 was £4,070 (2019: £nil, 2018: £nil). Payments of £104,688 (2019: £nil, 2018: £nil) in respect of rental payments paying down lease liabilities have been recognised in the consolidated statement of cash flows.

All other leases are considered short term as the lease terms are 12 months or less. The total amount recorded in the consolidated statement of comprehensive income in respect of short term leases is £148,205 (2019: £293,153, 2018: £229,725). Remaining commitments on short term leases are recorded below.

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Within one year	53,476	68,406	66,593
	<u>53,476</u>	<u>68,406</u>	<u>66,593</u>

18. Financial instruments

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

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Financial assets			
Derivative financial instruments measured at fair value through profit or loss	20,612	11,491	–
Financial assets measured at amortised cost:			
Cash at bank and in hand	4,721,613	2,841,675	2,492,412
Trade receivables	5,240,155	3,522,379	3,173,778
Loan receivable	154,344	164,568	164,590
Other receivables	73,835	98,469	151,498
	<u>10,210,559</u>	<u>6,638,582</u>	<u>5,982,278</u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
Trade payables	2,359,019	1,665,163	1,046,955
Other payables and accruals	2,585,796	1,550,671	1,792,812
Other loans	1,250,000	1,250,000	1,250,000
Lease liabilities	191,073	–	–
	<u>6,385,888</u>	<u>4,465,834</u>	<u>4,089,767</u>

The Group's income, expense, gains and losses in respect of financial assets measured at fair value through profit or loss realised fair value gains of £9,121 (2019: £11,491, 2018: £nil).

Hedge against volatility of foreign exchange rates

In order to hedge against the potential volatility of unfavourable foreign exchange rates, during 2020 and 2019, the Group entered into various forward contract agreements with Silicon Valley Bank.

As at 31 December 2019, the Group had three forward contract agreements yet to reach their settlement date and as such were fair valued generating a fair value gain of £11,491.

These contracts closed in 2020 resulting in the reversal of the fair value gain.

As at 31 December 2020, the Group had one forward contract agreement yet to reach its settlement date and as such was fair valued generating a fair value gain of £20,612. The net fair value gain for 2020 was £9,121.

19. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables. The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

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

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Trade receivables	5,240,155	3,522,379	3,173,778
Loan receivable	154,344	164,568	164,590
Other receivables	73,835	98,469	151,498
	<u>5,468,334</u>	<u>3,785,416</u>	<u>3,489,866</u>

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

The Group's trade and other receivables are actively monitored. The ageing profit of trade receivables is monitored regularly by Directors. Any debtors over 30 days are reviewed by Directors every month and explanations sought for any balances that have not been recovered.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy.

The Directors are of the opinion that there is no material credit risk at group level.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities at 31 December 2020

	<i>Less than 6 months</i>	<i>6-12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Total contractual cashflows</i>	<i>Carrying amount</i>
	£	£	£	£	£	£	£
Trade and other payables	5,270,605	–	–	–	–	5,270,605	5,270,605
Corporation tax payable	452,948	–	–	–	–	452,948	452,948
Loan borrowings	–	–	–	1,250,000	–	1,250,000	1,250,000
Lease liabilities	85,743	85,743	12,067	11,061	–	194,614	191,073
Total	5,809,296	85,743	12,067	1,261,061	–	7,168,167	7,164,626

Contractual maturities of financial liabilities at 31 December 2019

	<i>Less than 6 months</i>	<i>6-12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Total contractual cashflows</i>	<i>Carrying amount</i>
	£	£	£	£	£	£	£
Trade and other payables	3,552,572	–	–	–	–	3,552,572	3,552,572
Corporation tax payable	1,222	–	–	–	–	1,222	1,222
Loan borrowings	–	–	–	1,250,000	–	1,250,000	1,250,000
Total	3,553,794	–	–	1,250,000	–	4,803,794	4,803,794

Contractual maturities of financial liabilities at 31 December 2018

	<i>Less than 6 months</i>	<i>6-12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Total contractual cashflows</i>	<i>Carrying amount</i>
	£	£	£	£	£	£	£
Trade and other payables	3,131,663	–	–	–	–	3,131,663	3,131,663
Loan borrowings	–	–	–	–	1,250,000	1,250,000	1,250,000
Total	3,131,663	–	–	–	1,250,000	4,381,663	4,381,663

Interest rate risk

The Group is not exposed to interest rate risk as the loan facilities that the Group has in place (see note 15) consist of loan notes, which are subject to a fixed rate of interest of 8% per annum. The balance on the loan notes was £1,250,000 as at 31 December 2020, 31 December 2019 and 31 December 2018 respectively.

Foreign currency risk

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

The Group's exposure to foreign currency risk at the end of the respective reporting period, expressed in Currency Units, was as follows:

	As at 31 Dec 2020					
	USD	CAD	EUR	AUD	INR	SGD
Cash & cash equivalents	4,210,280	463,849	115,784	746,831	913,837	168,322
	As at 31 Dec 2019					
	USD	CAD	EUR	AUD	INR	SGD
Cash & cash equivalents	2,212,331	135,753	123,292	629,307	954,050	–
	As at 31 Dec 2018					
	USD	CAD	EUR	AUD	INR	SGD
Cash & cash equivalents	2,377,418	197	110,256	530,764	793,667	10,717

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

	As at 31 Dec 2020 £	As at 31 Dec 2019 £	As at 31 Dec 2018 £
10% weakening of functional currency	399,740	221,707	228,285
10% strengthening of functional currency	(399,740)	(221,707)	(228,285)

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

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates their carrying value.

20. Related party disclosures

In 2018, BGF acquired 2,464 A Ordinary shares from existing shareholders in addition to 7,897 Ordinary shares in the Company which were subsequently re-designated to A Ordinary shares, which together represent 35.2% of the total shares outstanding. Simultaneously with the acquisition of the shares by BGF, the Group issued loan notes totalling £1,250,000 to BGF. The loan notes accrue annual interest at 8% and are repayable in 4 equal, bi-annual instalments starting 31 December 2023.

Transactions with BGF are disclosed below:

	Year to 31 Dec 2020 £	Year to 31 Dec 2019 £	Year to 31 Dec 2018 £
Arrangement fee	–	–	126,365
Annual fee	52,788	55,504	42,626
Interest on loan notes	101,274	99,996	85,548
	<u>154,062</u>	<u>155,500</u>	<u>254,539</u>

The annual fee due to BGF as at 31 December 2020 is £16,073 (2019: £5,041, 2018: £15,150). Interest on loan notes due as at 31 December 2020 is £30,245 (2019: £25,205, 2018: £35,233). As at 31 December 2020, BGF held £1,250,000 loan notes (2019: £1,250,000, 2018: £1,250,000).

The Group received revenues of £54,124 (2019: £56,854, 2018: £30,868) from Buckingham Gate Financial Services Limited, a company that is controlled by the shareholders of the Company. As at 31 December 2020 there were trade receivables from Buckingham Gate Financial Services Limited of £16,250 (2019: £25,740, 2018: £27,624). The Group also has a loan receivable from Buckingham Gate Financial Services Limited of £154,344 as at 31 December 2020 (2019: £164,568, 2018: £164,590), details of which are set out in note 13. Interest receivable of £6,728 accrued in the year ended 31 December 2020 (2019: £12,121, 2018: £7,033).

Key management compensation is disclosed in note 8.

21. Share capital

	<i>As at</i> 31 Dec 2020 £	<i>As at</i> 31 Dec 2019 £	<i>As at</i> 31 Dec 2018 £
Allotted, called up and fully paid			
18,345 (2019: 18,345, 2018: 18,345) Ordinary shares of £0.01 each	183	183	183
10,361 (2019: 10,361, 2018: 10,361) A Ordinary shares of £0.01 each	104	104	104
602 (2019: 602, 2018: 602) B Ordinary shares of £0.01 each	6	6	6
106 (2019: 106, 2018: 106) C Ordinary shares of £0.01 each	1	1	1
	<u>294</u>	<u>294</u>	<u>294</u>

A Ordinary shares and C Ordinary shares are entitled to receive the Long Term Dividend in priority over holders of the Ordinary shares. B Ordinary shares are not entitled to receive any dividend.

Upon wind up or an exit, A Ordinary and C Ordinary shares are entitled to The Minimum Return, Ordinary and B Ordinary are entitled to any balance of the exit proceeds.

A Ordinary, C Ordinary and Ordinary shares all carry the right to vote, attend and speak at any general meeting of the Company. B Ordinary shares carry no such rights.

On 21 February 2018, Dianomi Limited issued 602 B Ordinary shares, 106 C Ordinary shares and 473 Ordinary shares. The company also reclassified 7,897 existing Ordinary shares that were acquired by BGF Investment LP to A Ordinary shares, which, together with the 2,464 existing A Ordinary share in issue which were also acquired by BGF Investment LP, represent 35.2% of the total shares outstanding.

22. Share based payments

The Group operates an equity-settled share based remuneration scheme for employees. All UK employees are eligible to participate in the long term incentive scheme, the only vesting condition being that the individual remains an employee of the Group over the ten year vesting period.

	<i>Weighted average exercise price (pence) 2020</i>	<i>Number 2020</i>	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>	<i>Weighted average exercise price (pence) 2018</i>	<i>Number 2018</i>
Outstanding at the beginning of the year	1.00	2,927	1.00	2,597	1.00	2,770
Granted during the year	1.00	700	1.00	330	1.00	300
Exercised during the year	1.00	–	1.00	–	1.00	(473)
Outstanding at the end of the year	1.00	3,627	1.00	2,927	1.00	2,597

Of the total number of options outstanding at the end of the year, Nil (2019: Nil, 2018: 473) had vested and were exercisable at the end of the year with a weighted average exercise price of 1p (2019: 1p, 2018: 1p).

The Black-Scholes option pricing model was used to value the equity-settles share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of the options granted. The following information was used in this valuation.

	<i>Year to 31 Dec 2020</i>	<i>Year to 31 Dec 2019</i>	<i>Year to 31 Dec 2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Share price (£)	622.83	534.87	503.98
Exercise price (pence)	1.00	1.00	1.00
Weighted average contractual life (years)	10	10	10
Expected volatility	30.28%	30.28%	30.28%
Expected dividend growth rate	0%	0%	0%
Risk-free interest rate	0.251%	0.913%	1.334%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of the share price over the last 10 years consistent with the options vesting over a 10 year period.

The share-based remuneration expense comprises:

	<i>Year to 31 Dec 2020</i>	<i>Year to 31 Dec 2019</i>	<i>Year to 31 Dec 2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Equity-settled schemes	121,773	89,868	87,604

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

23. Reserves

Share premium – The share premium account includes the premium on issue of equity shares, net of any issue costs.

Retained earnings – This reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Share options reserve – This reserve represents cumulative share-based payment expense for the Group's share option schemes.

Translation reserve – This reserve represents foreign currency translations upon consolidation.

24. Capital management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

25. Events after the balance sheet date

In connection with Admission, the Company has undertaken a number of steps to reorganise its share capital as follows:

- (a) On 6 May 2021, £49,709.66 of the available £1,084,776 of the Company's share premium account was capitalised through the issue of bonus ordinary shares of £0.01 each, A ordinary shares of £0.01 each ("A Shares"), B ordinary shares of £0.01 each ("B Shares"), and C ordinary shares of £0.01 each ("C Shares") to existing shareholders pro rata to their holdings of ordinary shares of £0.01 each, A Shares, B Shares and/or C Shares. The capitalisation resulted in an issued share capital of 3,118,650 ordinary shares of £0.01 each, 1,761,370 A Shares, 102,340 B Shares and 18,020 C Shares.
- (b) A new set of interim articles of association were adopted by the Company to reflect its re-registration as a public limited company and the Company's name was changed to Dianomi plc.
- (c) Immediately prior to Admission taking place, the A Shares and C Shares will be re-designated as ordinary shares of £0.01 each in the capital of the Company on the basis of one ordinary share of £0.01 per A Share or C Share then in issue.
- (d) Immediately prior to Admission taking place, the 102,340 B Shares in issue after the bonus issue described above will be re-designated as 80,124 ordinary shares of £0.01 each and 22,216 deferred shares of £0.01 each in the capital of the Company.
- (e) Immediately after the re-designation of shares described above, each ordinary share of £0.01 will be sub-divided into five ordinary shares of £0.002 each.
- (f) Immediately on Admission taking place, all of the deferred shares of £0.01 each will be repurchased by the Company for an aggregate consideration of £1.00 to be satisfied in cash.

The Company has granted share options under its existing option schemes. Certain options granted under the existing option schemes will lapse on 17 May 2021, and all but two of these lapsing options will be replaced with equivalent options. Of the two other lapsing options, one of these will be replaced with an option over a greater number of Shares. Following adjustment to take into account the bonus issue, re-designation, repurchase and sub-division of shares described above and the replacement of options lapsing on 17 May 2021, immediately prior to Admission Options over a total of 1,501,950 Shares will subsist under the Dianomi Limited Enterprise Management Incentive Plan, options over a total of 792,200 Shares will subsist under the Company's stock option plan and options over a total of 1,011,500 Shares will subsist under the Dianomi Limited Non-Executive Incentive Scheme, giving a grand total of 3,305,650 Shares under subsisting Options. Following Admission, no further share options will be granted under the existing option schemes.

All of the options set out in the paragraph above will be exercised immediately on Admission. Details of the new option schemes which have been established are included in paragraph 10 of Part V of this document.

PART IV

CORPORATE GOVERNANCE

As a company that will be admitted to trading to AIM, the Company is not required to comply with a particular corporate governance code. However, it is required to provide details of the corporate governance code it has decided to apply and state how it will comply with that code or explain where it departs from compliance with that code.

The Directors support high standards of corporate governance and have decided to comply with the QCA Code. Set out below are details of how the Company will comply with the QCA Code with effect from Admission.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group's business model and strategy is set out in Part I of this document. The Board will hold at least one session each year dedicated to strategy, which will include input from senior members of the Dianomi team and any necessary external advisers. A strategic report reflecting the outcome of such sessions will be included in the Company's annual report and accounts.

The principal risks facing the Group are set out in Part II of this document. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day challenges of the business post-Admission. See in addition, Principle 4 below.

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

The Board is committed to open and ongoing engagement with the Company's Shareholders. The Board will communicate with Shareholders through:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- the annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

From Admission, the Chief Financial Officer will be the primary contact for Shareholders and there will be a dedicated e-mail address for shareholder questions and comments.

Regular meetings will be held between the Chief Executive Officer, Chief Financial Officer and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

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

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new customers, academics and its advisory group that it collaborates with as part of its business strategy, in order to achieve long-term success.

The Executive Directors will maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business.

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

The principal risks facing the Group and the industry in which it operates are set out in Part II of this document. These risks will be reviewed at least once a year and included in the annual report and accounts.

The Company currently operates a risk framework including a risk register that is managed by Raphael Queisser, the Chief Operating Officer. The risk register is intended to be signed off annually by the Board and included in the annual report and accounts. The Chief Executive Officer and Audit Committee intend to review the risk register regularly throughout the year.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

On Admission, the Board will comprise seven directors:

- Michael Kelly (Chair), Matthew Singh and Laura Shesgreen as Non-Executive Directors; and
- four Executive Directors.

The biographies of the Directors are provided in Part I of this document.

Michael Kelly and Laura Shesgreen are considered by the Board to be independent Non-Executive Directors and were selected with the objective of bringing experience and independent judgement to the Board.

The Board has been constructed to ensure that it has the right balance of skills, experience, independence and knowledge of the business.

The Board is also supported by the Audit Committee and Remuneration Committee. Details of these committees are set out in Part I of this document.

The Board will meet regularly and at least six times a year. Processes are in place to ensure that each member of the Board is, at all times, provided with such information as is necessary for him/her to discharge his/her duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders. Notwithstanding this, the Board intends to appoint an additional independent non-executive director to the Board in due course.

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

The skills and experience of the Directors are summarised in their biographies set out in Part I of this document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules and the Company's Solicitors in respect of continued compliance with, inter alia, MAR.

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

The Non-Executive Chair is responsible for ensuring an effective Board. Post-Admission, the Company intends to establish a formal process for evaluating the performance of the Board, the committees, and the individual Directors against its objectives to ensure that members of the Board provide relevant and effective contribution.

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

The Group promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings. The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Company.

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

The Independent Non-Executive Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Chief Financial Officer is the primary contact for the Company's Shareholders and is responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board has adopted Terms of Reference, which have a clear and specific schedule of matters reserved for the Board, including corporate governance, strategy, major investments, financial reporting and internal controls.

The Board is supported by the Audit Committee and Remuneration Committee. Details of these committees and their responsibilities are set out in Part I of this document. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise.

The Board intends to review the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

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

The Company intends to use the following principal methods of communication with its Shareholders:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate)
- the annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages which will go live on Admission).

The Company's website is updated on a regular basis with information regarding the Group's activities and performance. The Company's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings will also be made available on the website.

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names and functions are set out in paragraph 8.1 of Section I of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (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.

2. THE COMPANY

- 2.1 The Company was incorporated and registered as a private limited company in England and Wales under the Companies Act 1985 on 16 August 2002 with the name Data-ID Limited and with registered number 04513809. The Company's name was changed to Dianomi Limited on 17 December 2002. On 17 May 2021, the Company was re-registered as a public limited company and changed its name to Dianomi plc. The Company's legal entity identifier is 213800MX8ULRGE9XRT31.
- 2.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Companies Act and the regulations made thereunder.
- 2.3 The Company's registered address is at 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR, while its trading office is at 84 Eccleston Square, London, United Kingdom SW1V 1PX. The telephone number of the Company is +44 (0) 20 7802 5530 and its website on which the information required by Rule 26 of the AIM Rules for Companies is available is <https://www.dianomi.com/>. The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.
- 2.4 In accordance with the articles of association of the Company prior to Admission, the directors of the Company were permitted to declare and pay dividends in accordance with the Companies Act. During the period covered by the historic financial information, the Company has not declared, issued or paid any dividends.
- 2.5 In accordance with the current articles of association of the Company and the Companies Act, the first annual general meeting of the Company as a newly registered public limited company will be held before 30 June 2022.

3. SHARE CAPITAL

- 3.1 As at 16 August 2002, being the date on which the Company was incorporated, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Shares of £1.00 each	1	£1
Total	1	£1

- 3.2 On 2 February 2003, the Company allotted an additional 100 ordinary shares of £1.00 each, giving a total issued share capital of £101. On 6 October 2003, an additional 99 ordinary shares of £1.00 each were allotted, and on 16 March 2004 a further 10 ordinary shares of £1.00 were allotted.
- 3.3 On 22 January 2007, the Company sub-divided its existing share capital of 210 ordinary shares of £1.00 each in the capital of the Company into 21,000 ordinary shares of £0.01 each in the capital of the Company.

- 3.4 The Company proceeded to allot the following new shares on the following dates:
- (a) 1,400 ordinary shares of £0.01 each in the capital of the Company on 2 February 2007.
 - (b) a total of 2,464 A ordinary shares of £0.01 each and 336 ordinary shares of £0.01 each in the capital of the Company on 3 May 2007.
 - (c) a total of 1,880 ordinary shares of £0.01 each in the capital of the Company on 15 October 2008.
 - (d) a total of 1,153 ordinary shares of £0.01 each in the capital of the Company on 13 January 2011.

3.5 On 21 February 2018, BGF made an investment in the Company pursuant to which it obtained shares in the Company via the acquisition by BGF Nominees Limited (a/c BGF) of 7,897 ordinary shares of £0.01 each and 2,464 A ordinary shares of £0.01 each in the capital of the Company. The ordinary shares acquired by BGF included a total of 473 new ordinary shares of £0.01 each in the capital of the Company that were issued upon the exercise of options by the respective option holders. The 7,897 ordinary shares were immediately converted into A ordinary shares of £0.01 each in the capital of the Company, resulting in BGF holding a total of 10,361 A ordinary shares of £0.01 each. As part of the same investment round, Strategic Growth Partners subscribed for 602 B ordinary shares of £0.01 each and 106 C ordinary shares of £0.01 each in the capital of the Company.

3.6 As at 31 December 2020, being the latest date to which audited accounts for the Company have been prepared, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Ordinary shares of £0.01 each	18,345	£183.45
A ordinary shares of £0.01 each	10,361	£103.61
B ordinary shares of £0.01 each	602	£6.02
C ordinary shares of £0.01 each	106	£1.06
Total	29,414	£294.14

3.7 In connection with Admission, the Company has undertaken a number of steps to reorganise its share capital (the “**Pre-IPO Reorganisation**”). The Pre-IPO Reorganisation steps are as follows:

- (a) On 6 May 2021, £49,709.66 of the available £1,084,776 of the Company’s share premium account was capitalised through the issue of bonus ordinary shares of £0.01 each, A ordinary shares of £0.01 each (“**A Shares**”), B ordinary shares of £0.01 each (“**B Shares**”), and C ordinary shares of £0.01 each (“**C Shares**”) to existing shareholders pro rata to their holdings of ordinary shares of £0.01 each, A Shares, B Shares and/or C Shares. The capitalisation resulted in an issued share capital of 3,118,650 ordinary shares of £0.01 each, 1,761,370 A Shares, 102,340 B Shares and 18,020 C Shares.
- (b) A new set of interim articles of association were adopted by the Company to reflect its re-registration as a public limited company and the Company’s name was changed to Dianomi plc.
- (c) Immediately prior to Admission taking place, the A Shares and C Shares will be re-designated as ordinary shares of £0.01 each in the capital of the Company on the basis of one ordinary share of £0.01 per A Share or C Share then in issue.
- (d) Immediately prior to Admission taking place, the 102,340 B Shares in issue after the bonus issue described in paragraph (a) above will be re-designated as 80,124 ordinary shares of £0.01 each and 22,216 deferred shares of £0.01 each in the capital of the Company.
- (e) Immediately after the re-designation of shares described above in paragraphs 3.7(c) and (d), each ordinary share of £0.01 will be sub-divided into five ordinary shares of £0.002 each.

- (f) Immediately on Admission taking place, all of the deferred shares of £0.01 each will be repurchased by the Company for an aggregate consideration of £1.00 to be satisfied in cash.

- 3.8 Following the bonus issue described above in paragraph 3.7(a) of this Part V, the issued share capital of the Company was:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Ordinary shares of £0.01 each	3,118,650	£31,186.50
A ordinary shares of £0.01 each	1,761,370	£17,613.70
B ordinary shares of £0.01 each	102,340	£1,023.40
C ordinary shares of £0.01 each	18,020	£180.20
Total	5,000,380	£50,003.80

- 3.9 Following the re-designation and share split described above in paragraphs 3.7(c), (d), and (e) of this Part V, the issued share capital of the Company (excluding the Option Shares), all of which is fully paid up, as at the date of publication of this document is as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Shares of £0.002 each	24,890,820	£49,781.64
Deferred shares of £0.01 each	22,216	£222.16
Total	24,913,036	£50,003.80

- 3.10 The issued share capital of the Company as it is expected to be immediately following Admission (following the implementation of the Pre-IPO Reorganisation, the issue of the New Shares and the Option Shares, further details of which are provided in paragraph 3.11 of this Part V), all of which will be fully paid up on or before Admission, is as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Shares of £0.002 each	30,027,971	£60,055.94
Total	30,027,971	£60,055.94

- 3.11 The Company has granted share options under its Existing Option Schemes. Certain options granted under the Existing Option Schemes will lapse on 17 May 2021, and all but two of these lapsing options will be replaced with equivalent options. Of the two other lapsing options, one of these will be replaced with an option over a greater number of Shares. Following adjustment to take into account the bonus issue, re-designation, repurchase and sub-division of shares described above in paragraph 3.7 and the replacement of options lapsing on 17 May 2021, immediately prior to Admission Options over a total of 1,501,950 Shares will subsist under the Dianomi Limited Enterprise Management Incentive Plan, options over a total of 792,200 Shares will subsist under the Company's stock option plan and options over a total of 1,011,500 Shares will subsist under the Dianomi Limited Non-Executive Incentive Scheme, giving a grand total of 3,305,650 Shares under subsisting Options. Following Admission, no further share options will be granted under the Existing Option Schemes.
- 3.12 All of the Options set out in paragraph 3.11 will be exercised immediately on Admission and form part of the Existing Shares.
- 3.13 Details of the New Option Schemes which have been established are included in paragraph 10 of Part V of this document. On Admission, it is expected that Options over a total of 1,618,605 Shares will be granted pursuant to the New Option Schemes. This includes the Options to be granted to Directors and senior employees as set out in paragraph 8.2 of Part V of this document. The Company does not have an authorised share capital.
- 3.14 Application will be made for the Shares to be admitted to trading on AIM. The Shares are not listed or traded on, and no application has been or is being made, for the admission of the Shares to listing or trading on any other stock exchange or securities market.
- 3.15 None of the Shares have been sold or made available to the public in conjunction with the application for Admission.

- 3.16 The legislation under which the Shares have been created is the Companies Act and regulations made under the Companies Act.
- 3.17 The Shares in issue on Admission will be in registered form and, following Admission, will be capable of being held in either certificated or uncertificated form. Application has been made to Euroclear UK & Ireland for the Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Shares in certificated form within 10 business days of the date of Admission. The International Securities Identification Number (ISIN) for the Shares is GB00BLH32M40.
- 3.18 The Placing Price of 273 pence per Share represents a premium of 272.8 pence over the nominal value of £0.002 per Share and is payable in full on Admission under the terms of the Placing.
- 3.19 Pursuant to a special resolution of the Company dated 6 May 2021, conditional on and with effect from Admission, the Directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all powers of the Company to allot shares and grant rights to subscribe for or to convert any security into shares of the Company up to an aggregate nominal amount of £10,274.31, such authority to be limited to the allotment of:
- (a) 3,305,650 Shares pursuant to the exercise of the Options;
 - (b) 1,831,501 Shares pursuant to the Placing; and
 - (c) relevant securities other than pursuant to sub-paragraphs (a) and (b) above, having an aggregate nominal value equal to £19,998.63 (being 33.3 per cent. of the issued share capital of the Company on Admission),

such authority to expire upon the earlier of the conclusion of the next annual general meeting of the Company and the date which is 15 months from the date of the passing of the resolution, save that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted or subscription or conversion rights to be granted after such expiry and the Directors may allot shares or grant subscription or conversion rights in pursuance of any such offer or agreement as if the authority had not expired.

- 3.20 Pursuant to a special resolution of the Company dated 6 May 2021, conditional on and with effect from Admission, the Directors are empowered pursuant to section 570 and section 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act), grant rights over or otherwise dispose of equity securities wholly for cash pursuant to the authority conferred by the resolution referred to in paragraph 3.19 above as if section 561(1) of the Companies Act did not apply to any such allotment provided that this power be limited to:
- (a) the allotment of equity securities which fall within sub-paragraphs (a) and (b) of paragraph 3.19 above;
 - (b) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities to (i) the holders of Shares in proportion (as nearly as may be practicable) to their existing respective holdings of Shares and to (ii) holders of other equity securities existing as at the date of the resolution, as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities (but subject to such limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, any legal, regulatory or practical problems in or under the laws of any territory, the requirements of any regulatory body or any stock exchange or any other matter whatsoever); and
 - (c) otherwise than pursuant to sub-paragraph (a) or (b) of this paragraph 3.20, the allotment of equity securities up to an aggregate nominal amount of £6,005.60 (being ten per cent. of the issued share capital of the Company on Admission),

such power to expire upon the earlier of the conclusion of the next annual general meeting of the Company and the date which is 15 months from the date of the passing of the resolution, save that the Company may before such expiry make an offer or enter into an agreement which would

or might require equity securities to be allotted or rights to be granted after such expiry and the Directors may allot equity securities or grant rights in pursuance of any such offer or agreement as if the authority had not expired.

- 3.21 The Shares are not redeemable. However, the Company may, subject to the requirements of the Companies Act, purchase any of the Shares on or off-market. The Company may purchase Shares only out of distributable reserves or the proceeds of a new issue of shares made for the purpose of financing the purchase.
- 3.22 Save as set out in this paragraph 3:
- (a) no shares in the capital of the Company have been issued otherwise than as fully paid;
 - (b) the Company does not have in issue any shares not representing capital;
 - (c) the Company does not hold any treasury shares and no shares in the capital of the Company are held by or on behalf of any member of the Company;
 - (d) the Company does not have in issue any convertible securities, exchangeable securities or securities with warrants;
 - (e) there are no acquisition rights and/or obligations over any unissued shares in the capital of the Company and no undertaking has been given by the Company to increase its issued share capital; and
 - (f) no share or loan capital of any member of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 3.23 No shares in 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.
- 3.24 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

4. SUBSIDIARY UNDERTAKINGS

- 4.1 The Company is the holding company of the Group and currently has the following significant subsidiaries:

<i>Name</i>	<i>Registration Number</i>	<i>Status</i>	<i>Place of Incorporation</i>	<i>Percentage of voting share capital held</i>
Dianomi Inc.	4840831	Trading	Delaware, USA	100%
Dianomi Pty Ltd	ACN: 147 618 728	Trading	New South Wales, Australia	100%

- 4.2 Historically, the Company has also held interests in the following companies (both incorporated in England): Exedra Capital Limited, which was a wholly-owned subsidiary of the Company, and Buckingham Gate Financial Services Limited, in which the Company held 95% of the voting share capital. Exedra Capital Limited was dissolved by voluntary strike off on 6 October 2020, and Buckingham Gate Financial Services Limited was demerged from the Group by way of a dividend in specie on 5 August 2016.

5. SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles, which were adopted by a written resolution passed on 6 May 2021 conditional on and with effect from Admission, contain, amongst others, provisions to the following effect:

5.1 *Limited liability*

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

5.2 **Unrestricted objects**

The objects of the Company are unrestricted.

5.3 **Change of name**

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the power of the Company under section 77 of the Companies Act to change its name by special resolution.

5.4 **Share rights**

Rights of different classes of shares

Subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of any such determination, as the Board may decide. Subject to any rights attached to any existing shares, the Company may also issue shares which are to be redeemed or which, at the option of the Company or the holder, are liable to be redeemed. The Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

Voting rights

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

- (a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if he has been instructed to vote in different ways on the resolution); and
- (b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which he is the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by him to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

Variation of rights

If at any time the capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

Transfer of shares

A member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any usual form or common form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. A member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in accordance with the CREST Regulations.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case of a class of shares admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may refuse to register a transfer of a certificated share unless the instrument of transfer is:

- (a) in respect of only one class of share;
- (b) in favour of not more than four persons jointly; and
- (c) lodged (duly stamped if required) at the place where the register of members is situated (or such other place as the Board may appoint) accompanied (except in the case of a transfer by a person to whom the Company is not by law required to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board may refuse to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "*Suspension of rights attaching to shares*" below, the Articles contain no restrictions on the free transferability of fully paid shares.

Pre-emption rights

There are no pre-emption rights under the Articles in respect of transfers of issued shares or the allotment of new shares.

Section 561 of the Companies Act confers on holders of Shares rights of pre-emption in respect of the allotment by the Company of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash. Under these statutory pre-emption rights, the Company is, subject to certain limited exceptions, required to offer to allot the equity securities concerned to holders of Shares on a pro rata basis before allotting them to other persons. These statutory pre-emption rights have been disapplied to the extent set out in paragraph 3.20.

Suspension of rights attaching to shares

Under section 793 of the Companies Act, the Company may send out a notice (a "**section 793 notice**") to any person whom the Company knows or has reasonable cause to believe to be interested in its shares (or to have been so interested at any time during the preceding three years) asking for information concerning his interest in the shares and information concerning any other interest in the shares of which he is aware. Where a person receives a section 793 notice and fails to provide the information required by the notice within the time specified in it, the Company can apply to the court for an order directing that the relevant shares be subject to restrictions. The effect of a court order imposing restrictions is that (i) any transfer of the shares is void, (ii) no voting rights are exercisable in respect of the shares, (iii) no further shares may be issued in right of the shares or in pursuance of an offer made to the holder of them, and (iv) except in a liquidation, no payment may be made of sums due from the Company on the shares (whether in respect of capital or otherwise). The Articles also contain provisions for the imposition of restrictions on shares in circumstances where a person fails to comply with a section 793 notice which are described below.

If a member, or any other person appearing to be interested in shares held by that member, has been served with a section 793 notice and has failed in relation to any shares (the "**default shares**" which expression includes any further shares issued in respect of those shares) to give the Company the information required by the notice for a period of 14 days from the date of its service, then (unless the Board otherwise determines) the following sanctions apply:

- (a) the member is not entitled in respect of the default shares to attend or to vote (either in person or by proxy) at any meeting or on a poll or to exercise any other right conferred by membership in relation to shareholder meetings;
- (b) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of any class of shares (excluding any shares of that class held as treasury shares):

- (i) any dividend or any other amount payable in respect of the default shares is to be withheld by the Company (without the Company being liable to pay interest on it) and the member is not entitled to elect to receive shares in lieu of dividend; and
- (ii) save for an excepted transfer, no transfer of any default shares is to be registered unless the member is not himself in default in supplying the information required and he proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares included the subject of the transfer.

Where the sanctions described above apply, they cease to have effect (and any dividend or other money withheld becomes payable) at the expiry of seven days (or such shorter period as the Board may decide) following the earlier of:

- (a) the date on which the Company receives notification that the default shares have been transferred by means of an excepted transfer; and
- (b) the date on which the Company receives, in a form satisfactory to the Board, all of the information required by the relevant section 793 notice.

For the purposes of the above, an “excepted transfer” is (i) a transfer by way of acceptance of a takeover offer, (ii) a transfer in consequence of a sale made through a recognised investment exchange or any other stock exchange outside the UK on which the Company’s shares are normally traded or (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

Dividends

The Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit.

Except as otherwise provided by the rights attaching to, or the terms of issue of, any shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid and shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose, no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share.

Unless otherwise provided by the rights attaching to the share, no dividend payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of 12 years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may, with the prior authority of an ordinary resolution of the Company, offer holders of Shares (excluding Shares held as treasury shares) the right to elect to receive new Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period but such period may not end later than the fifth anniversary of the date of the meeting at which the resolution is passed.

Distribution of assets on liquidation

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by legislation, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, may transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

5.5 **Shareholder meetings**

Annual general meetings

In accordance with the requirements of the Companies Act, the Company must hold a general meeting as its annual general meeting in each six month period following its accounting reference date.

Calling of general meetings

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of members under the Companies Act, call a general meeting in accordance with the requirements of the Companies Act.

Notice of general meetings

General meetings must be called by at least such minimum period of notice as is required under the Companies Act which, in the case of an annual general meeting, is 21 clear days' notice and, in the case of other general meetings, is 14 clear days' notice. Notice of the meeting must be given to the members (other than any members who, under the Articles or by virtue of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and to the auditors of the Company. The accidental omission to send notice of a general meeting to any person entitled to receive it does not invalidate the proceedings of the meeting.

Every notice of a general meeting must specify (i) the time, date and place of the meeting, (ii) (in the case of an annual general meeting) that the meeting is an annual general meeting, (iii) the general nature of the business to be transacted at the meeting and (iv) any intention to propose a resolution as a special resolution. In addition, the notice must specify, with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to different shares and that a proxy need not be a member.

Quorum

No business is to be transacted at any general meeting unless a quorum is present. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

Method of voting

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

5.6 **Directors**

Number and appointment of Directors

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification.

Retirement of Directors

At each annual general meeting, any Director:

- (a) who has been appointed by the Board since the preceding annual general meeting; or
- (b) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
- (c) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

shall retire from office but shall be eligible for re-appointment.

Removal of a Director by resolution of the Company

In addition to any power of removal conferred by the Companies Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

Vacation of office

The Articles provide for the office of a Director to be vacated in the following circumstances:

- (a) if he resigns or offers to resign and the Board resolves to accept such offer;
- (b) if he ceases to be a Director by virtue of any provision of the Companies Act, is removed from office pursuant to the Articles or the Companies Act or becomes prohibited by law from acting as a Director;
- (c) if he becomes bankrupt, has an interim receiving order made against him, makes any arrangement with or compounds with his creditors generally or applies to the court for an interim order under the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) if he is, or may be, suffering from mental disorder or is otherwise incapable of managing his affairs and either:
 - (i) an order is made by any court or official having jurisdiction (whether in the UK or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (ii) he is admitted to hospital following an application for admission for treatment under the Mental Health Act 1983 or any similar legislation in any other jurisdiction,and the Board resolves that his office be vacated;
- (e) if he is absent from meetings of the Board for a period of six consecutive months without the permission of the Board and his alternate Director (if any) has not attended in his place during that period and the Board resolves that his office be vacated;
- (f) (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) if he is removed from office by a notice in writing addressed to him at his last known address signed by at least three fourths in number of his co-Directors; or
- (g) in the case of any Director who holds any executive office with the Company, if his appointment as such is terminated or expires and the Board resolves that his office be vacated.

Alternate directors

Any Director may appoint any person to be his alternate and may remove any alternate appointed by him. The appointment requires the approval of the Board unless the appointee is another Director.

Directors' remuneration and expenses

Each Director is entitled to be paid by way of remuneration for his services as a Director such fee as may be decided by the Board but the aggregate of all fees so paid to Directors must not exceed £1,000,000 per annum (or such higher amount as may be decided by ordinary resolution of the Company). Such fee shall be distinct from and additional to any salary, remuneration or other benefits which may be paid or provided to a Director under any other provision of the Articles.

Any Director who performs any special or extra services which in the opinion of the Board are outside the scope of his ordinary duties as a Director and not in his capacity as a holder of employment or executive office may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration paid or provided for pursuant to any other provision of the Articles.

The salary or remuneration of any Director appointed to hold any employment or executive office shall be such as the Board may decide and may be either a fixed sum of money or may, in whole or in part, be governed by business done or profits made or otherwise decided by the Board. Any such salary or remuneration may be in addition to or in lieu of any fee payable to him for his services as a Director under the Articles.

Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as a Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or shareholder meetings.

Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) to or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings, members of his family and his dependents.

The Board may also exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings.

Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but, as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control, the Board can secure) that the aggregate principal amount outstanding at any time of all borrowings by the Company after deducting cash deposited shall not, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the adjusted capital and reserves (as defined in the Articles).

Proceedings of the Directors

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. The quorum necessary for the transaction of business may be determined by the Board and, unless so determined at any other number, shall be two. A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the powers vested in or exercisable by the Board. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting has a second or casting vote.

A resolution in writing signed by all the Directors who would have been entitled to vote on the resolution at a meeting of the Board (provided that those Directors would have formed a quorum at such a meeting) is as valid and effective as a resolution duly passed at a meeting of the Board.

Directors' conflicts of interest

The Board may authorise any situation or matter in which a Director (an “**Interested Director**”) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of his statutory duty to avoid conflicts of interest. An Interested Director seeking authorisation of a conflict of interest must declare to the Board the nature and extent of his interest giving rise to the conflict as soon as reasonably practicable. An Interested Director must not be counted in the quorum or vote in respect of any resolution of the Board giving such authorisation.

Where the Board authorises a situation or matter, it may impose on the Interested Director such terms for the purpose of dealing with the conflict of interest as the Board may determine.

Permitted interests of Directors

A Director, notwithstanding his office, may:

- (a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director or act by himself or through a firm with which he is associated in a professional capacity for the Company or any body corporate in which the Company is directly or indirectly interested (otherwise than as auditor);
- (c) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested (including by the holding of shares or other securities) in, any body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested or as regards which the Company has any powers of appointment; and
- (d) be a director of any body corporate in which the Company is not directly or indirectly interested if, at the time of his appointment as a director of that other company, such appointment cannot reasonably be regarded as giving rise to a conflict of interest.

If a Director has any interest referred to above, he must, subject to certain exceptions, declare the nature and extent of that interest to the Board. The declaration must be made as soon as is reasonably practicable and, in the case of an interest in a proposed transaction or arrangement with the Company, before the Company enters into the transaction or arrangement.

Directors not liable to account

A Director is not liable to account to the Company for any benefit which he derives from any transaction or arrangement or from any office, employment, position or relationship or from any interest in any body corporate if the relevant matter has been authorised by the Board (subject, in any such case, to the terms of such authorisation) or is permitted under the Articles.

No transaction or arrangement is liable to be avoided on the grounds that a Director has an interest in it (or derives a benefit from it) if the interest has been authorised by the Board or is permitted under the Articles.

Restrictions on voting by Directors

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board (or of a Board committee) concerning any transaction or arrangement in which he has a direct or indirect interest. However, this prohibition does not apply to any resolution concerning a

transaction or arrangement in which his interest cannot reasonably be regarded as likely to give rise to a conflict of interest or to any resolution concerning:

- (a) the giving of any guarantee, security or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (b) an offer by the Company or any of its subsidiary undertakings of securities for subscription, purchase or exchange, in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (c) a transaction or arrangement in which he has an interest only by virtue of an interest in shares, debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (d) a transaction or arrangement concerning any other body corporate in which the Director (or any person connected with him) is interested (directly or indirectly) and whether as an officer, shareholder, creditor, employee or otherwise, if he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital of that body corporate or the voting rights available to members of that body corporate;
- (e) a transaction or arrangement concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefit scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the fund or scheme relates;
- (f) a transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the transaction or arrangement relates;
- (g) any proposal relating to the purchase or maintenance of insurance against any liability for the benefit of any Directors (or of persons who include Directors);
- (h) the giving of indemnities in favour of Directors; and
- (i) the funding of expenditure incurred or to be incurred by any Director in defending any criminal or civil proceedings or in connection with an application to the court for relief or in defending him in any investigation by, or against action proposed to be taken by, a regulatory authority or the doing of anything to enable any Director to avoid incurring any such expenditure.

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested.

Indemnification of Directors

Subject to the Companies Act, every Director is entitled to be indemnified by the Company against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company (other than any liability to the Company or any associated company or any liability of the kind referred to in section 234(3) of the Companies Act) and any other liability incurred by him in the performance of his duties.

Subject to the Companies Act, the Company may provide a Director with funding to meet his expenditure in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or any

associated company. The Company may also provide a Director with funding to meet his expenditure in connection with any investigation or action undertaken by a regulatory authority.

The above is a summary only of certain provisions of the Articles. The full provisions of the Articles are available on the Company's website at <https://www.dianomi.com/>

6. DIRECTORS AND EMPLOYEES

- 6.1 Details of the Directors and each of their respective functions are set out in paragraph 8.1 of Part I of this document. Each of the Directors can be contacted at the registered business address of the Company at 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR.
- 6.2 Details of the date of birth and length of service to date (if any) in their current or proposed office for each of the Directors are set out below:

<i>Name</i>	<i>Date of birth</i>	<i>Commencement date in office</i>
Raphael Queisser	16 June 1974	16 August 2002
Rupert Hodson	1 April 1972	16 August 2002
Cabell de Marcellus	27 September 1968	10 December 2002
Michael Kelly	17 May 1957	21 February 2018
Matthew Singh	5 September 1989	12 September 2019
Charlotte Stranner	22 September 1979	27 April 2021
Laura Shesgreen	25 March 1967	Upon Admission

- 6.3 In addition to their directorships of the Company (and any subsidiary or former subsidiary within the past five years) the Directors are currently, or have within the five years prior to the date of this document, been directors or partners of the following companies and partnerships:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Raphael Queisser	None	None
Rupert Hodson	None	None
Cabell De Marcellus	Buckingham Gate Financial Services Limited	None
Michael Kelly	American Town Network, LLC Cars.com Plus44 Holdings Ltd Quantcast Strategic Growth Partners LLC	Bankrate Inc. ColSpace Corporation Seen plc
Matthew Singh	Flowline Limited	
Charlotte Stranner	Elixirr International plc K3 Capital Group plc	Aggregated Telecom Limited Connexions4London Limited IDE Group Connect Limited IDE Group Financing Limited IDE Group Limited IDE Group Manage Limited IDE Group Protect Limited IDE Group Subholdings Limited IDE Group Voice Limited MXC Advisory Limited MXC Capital (UK) Limited MXC Capital Markets LLP PTCA Tech Solutions Limited Selection Services Limited Selection Services Investments Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Laura Shesgreen	AA Ireland Limited Erbium Limited Grafton Street Boulevard Designated Activity Company Stripe Technology Europe, Limited Skillpages Holdings Ltd (In liquidation)	Boxever Nominee Limited Boxever UK Ltd Boxever U.S., Inc Digital Catapult

Laura Shesgreen was a director of Skillpages Holding Limited from 2012. In 2014 Skillpages was placed into insolvency and a liquidator was appointed. The intellectual property of the company was subsequently sold which along with the Company's existing cash resources extinguished the majority of the company's outstanding debts. The amount unpaid to unsecured creditors was Euro 11,000.

6.4 Save as disclosed above, at the date of this document none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his or her assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been 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.

6.5 Details of the number of the Group's employees for each of the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 for the Company are as follows:

<i>Period</i>	<i>Average number of employees</i>
Financial year ended 31 December 2018	25
Financial year ended 31 December 2019	31
Financial year ended 31 December 2020	30

6.6 As at 31 December 2020, the employees of the Group were employed as follows:

<i>Department</i>	
Sales	13
Account Management	9
IT	5
Directors	3
Other	3
Total	33

<i>Countries</i>	
UK	19
USA	12
Australia	2
Total	33

7. DIRECTORS' REMUNERATION AND SERVICE AGREEMENTS

7.1 *Raphael Queisser*

Mr Queisser is employed as Chief Operating Officer pursuant to the terms of a service agreement with the Company dated 21 February 2018 and which will, at and conditional upon Admission, be replaced by a service agreement between Mr Queisser and the Company dated 18 May 2021. The new service agreement is terminable by either party on not less than 6 months' written notice. Mr Queisser is paid a basic annual salary of £205,000 and is entitled to participate in discretionary bonus and commission schemes operated by the Company. His basic salary is subject to annual review by the Remuneration Committee. Mr Queisser participates in the Company's defined contribution pension scheme and is entitled to private medical insurance and life assurance. Mr Queisser is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. The agreement is governed by English law.

7.2 *Rupert Hodson*

Mr Hodson is employed as Chief Executive Officer pursuant to the terms of a service agreement with the Company dated 21 February 2018 and which will, at and conditional upon Admission, be replaced by a service agreement between Mr Hodson and the Company dated 18 May 2021. The new service agreement is terminable by either party on not less than 6 months' written notice. Mr Hodson is paid a basic annual salary of £205,000 and is entitled to participate in discretionary bonus and commission schemes operated by the Company. His basic salary is subject to annual review by the Remuneration Committee. Mr Hodson participates in the Company's defined contribution pension scheme and is entitled to private medical insurance and life assurance. Mr Hodson is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. The agreement is governed by English law.

7.3 *Cabell De Marcellus*

Mr De Marcellus is employed as Chief Technical Officer pursuant to the terms of a service agreement with the Company dated 21 February 2018 and which will, at and conditional upon Admission, be replaced by a service agreement between Mr De Marcellus and the Company dated 18 May 2021. The new service agreement is terminable by either party on not less than 6 months' written notice. Mr De Marcellus is paid a basic annual salary of £205,000 and is entitled to participate in discretionary bonus and commission schemes operated by the Company. His basic salary is subject to annual review by the Remuneration Committee. Mr De Marcellus participates in the Company's defined contribution pension scheme and is entitled to private medical insurance and life assurance. Mr De Marcellus is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. The agreement is governed by English law.

7.4 *Charlotte Stranner*

Ms Stranner is employed as Chief Financial Officer pursuant to the terms of a service agreement with the Company dated 31 March 2021 and which will, at and conditional upon Admission, be replaced by a service agreement between Ms Stranner and the Company dated 18 May 2021. The new service agreement is terminable by either party on not less than 3 months' written notice. Ms Stranner is paid a basic annual salary of £160,000 and is entitled to participate in a discretionary bonus scheme operated by the Company. Her basic salary is subject to annual review by the Remuneration Committee. Ms Stranner participates in the Company's occupational pension scheme and is entitled to private medical insurance. Ms Stranner is subject to certain

non-competition and non-solicitation covenants for a period of 6 months following the termination of her employment. The agreement is governed by English law.

7.5 **Michael Kelly**

Pursuant to the terms of a letter of appointment with the Company dated 18 May 2021, Mr Kelly has agreed to serve as a Non-Executive Director and Non-Executive Chairman of the Company for an annual fee of £50,000. This appointment is terminable by either party on not less than 3 months' written notice but will terminate automatically if Mr Kelly is removed from office by a resolution of the Shareholders or is not re-elected to office.

7.6 **Matthew Singh**

Pursuant to the terms of a letter of appointment with the Company dated 18 May 2021 and which is conditional upon Admission, Mr Singh has agreed to serve as a Non-Executive Director for an annual fee of £50,000 which will be paid to BGF IML. This appointment is terminable by either party on not less than 30 days' written notice but will terminate automatically if Mr Singh is removed from office by a resolution of the Shareholders or is not re-elected to office.

7.7 **Laura Shesgreen**

Pursuant to the terms of a letter of appointment with the Company dated 18 May 2021 and which is conditional upon Admission, Ms Shesgreen has agreed to serve as a Non-Executive Director for an annual fee of £60,000. This appointment is terminable by either party on not less than 90 days' written notice but will terminate automatically if Ms Shesgreen is removed from office by a resolution of the Shareholders or is not re-elected to office.

7.8 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company.

7.9 There are no arrangements under which any Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.

7.10 In the financial year ended 31 December 2020 (being the last completed financial year of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted, to the Directors was £957,052.

7.11 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable, including pension contributions and benefits in kind granted, to the Directors for the year ending 31 December 2021 (being the current financial year of the Company) will be £1.26 million.

8. **DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS**

8.1 The interests of the Directors and Senior Managers, and any persons connected with them (within the meaning of section 252 of the Companies Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document (assuming implementation of the Pre-IPO Reorganisation and the issue of the Option Shares) and as they are expected to be immediately following Admission are as follows:

<i>Director</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of Existing Shares</i>	<i>Number of Shares</i>	<i>Percentage of issued Shares</i>
Raphael Queisser ⁽¹⁾	5,587,900	19.8%	3,632,134	12.1%
Rupert Hodson ⁽²⁾	4,339,250	15.4%	2,820,512	9.4%
Cabell De Marcellus	4,291,650	15.2%	2,789,572	9.3%
Michael Kelly ⁽³⁾	490,720	1.7%	294,432	1.0%
Matthew Singh	–	–	–	–
Charlotte Stranner	–	–	20,000	0.1%
Laura Shesgreen	–	–	–	–

	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of Existing Shares</i>	<i>Number of Shares</i>	<i>Percentage of issued Shares</i>
<i>Senior Managers</i>				
Paul Hughes	477,700	1.7%	425,200	1.4%
Julian Peterson	187,000	0.7%	121,550	0.4%
Michael Smith	821,950	2.9%	534,267	1.8%
Rachel Tuffney	212,500	0.8%	138,125	0.5%

(1) As at the date of this document, includes 1,296,250 Shares held by Marie-Rose Queisser, a close family member of Raphael Queisser. As at Admission, includes 842,562 held by Marie-Rose Queisser

(2) As at the date of this document, includes 47,600 Shares held by Philippa Hodson, Rupert Hodson's wife. As at Admission, includes 30,940 held by Philippa Hodson

(3) All of the Shares beneficially owned by Michael Kelly are held by Strategic Growth Partners

8.2 The following Options will be granted to Directors and Senior Managers under the New Option Schemes on Admission, such Options being exercisable at the Placing Price on the dates or occurrence of the events set out below:

<i>Director</i>	<i>Number of Shares</i>	<i>Option Scheme</i>	<i>Date of Grant</i>	<i>Expiry Date</i>
Michael Kelly	54,945	Non-employee Option Plan	24 May 2021	24 May 2031
Charlotte Stranner	175,824	EMI Plan	24 May 2021	24 May 2031

<i>Senior Manager</i>	<i>Number of Shares</i>	<i>Option Scheme</i>	<i>Date of Grant</i>	<i>Expiry Date</i>
Paul Hughes	91,575	EMI Plan	24 May 2021	24 May 2031
Julian Peterson	85,165	EMI Plan	24 May 2021	24 May 2031
Michael Smith	114,469	EMI Plan	24 May 2021	24 May 2031
Rachel Tuffney	70,513	US Option Plan	24 May 2021	24 May 2031

The exercise of the Options set out in this paragraph 8.2 will be subject to the satisfaction of a performance condition which is linked to the achievement of challenging performance over a period of at least three years and has the intention of enhancing shareholder value. The Options set out in this paragraph 8.2 may be exercised after the later of the third anniversary of the date on which they are granted and the satisfaction of the applicable performance condition.

8.3 Save as disclosed above, none of the Directors or Senior Managers nor any member of their immediate family nor any person connected with them (within the meaning of section 252 of the Companies Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.

8.4 No Director nor any member of his immediate family nor any person connected with them (within the meaning of section 252 of the Companies Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Shares.

8.5 There are no outstanding loans or guarantees provided by the Company to or for the benefit of any of the Directors.

8.6 No Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Company.

8.7 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.

8.8 No Director has any conflict of interest (or potential conflict of interest) between any duties owed by him to the Company and any private interests and/or other duties owed by him to third parties.

- 8.9 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 12.1(c) of this Part V.

9. MAJOR SHAREHOLDERS

- 9.1 In addition to the interests of the Directors set out in paragraph 8 above, insofar as is known to the Company, the following persons are as at the date of this document (assuming implementation of the Pre-IPO Reorganisation and the issue of the Option Shares), and/or are expected immediately following Admission be, interested in 3 per cent. or more of the issued share capital or voting rights of the Company:

<i>Shareholder</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of Existing Shares</i>	<i>Number of Shares</i>	<i>Percentage of issued Shares</i>
BGF Nominees Limited (a/c BGF)	8,806,850	31.2%	4,461,620	14.9%
Hargreave Hale Limited	–	–	3,868,132	12.9%
TB Amati UK Smaller Companies Fund	–	–	2,973,626	9.9%
Chelverton Asset Management	–	–	1,904,762	6.3%
Steinbeck Holding AG	1,099,050	3.9%	–	–

- 9.2 The Company's share capital at Admission will consist of one class of Shares with equal voting rights. At Admission no major Shareholder of the Company will have any different voting rights from the other Shareholders. Save as disclosed in this paragraph 9, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document directly or indirectly, jointly or severally, exercise or could exercise control over the Company or who will or could do so immediately following Admission.
- 9.3 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

10. OPTION SCHEMES

10.1 *Introduction*

The Directors believe that employee share ownership will continue to form a vital part of the culture and incentives structure of the business. The Company has adopted the New Option Schemes which it intends to operate after Admission. The Option Schemes comprise (i) the Enterprise Management Incentive Plan (the "**EMI Plan**") under which options may be granted to employees which are either qualifying tax-advantaged Enterprise Management Incentive options ("**EMI Options**") or non-tax advantaged options, (ii) the Schedule for Non-Executive Directors and Consultants, under which non-tax advantaged options may be granted to consultants and contractors (the "**Non-employee Option Plan**"), and (iii) the US Plan, under which options may be granted to employees and contractors in the United States (the "**US Option Plan**"). The principal features of the New Option Schemes are summarised below.

Awards under the New Option Schemes will take the form of options to acquire Shares. In the case of EMI Options, these options are intended to satisfy the requirements of Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 and to benefit from favourable UK tax treatment. Certain of the options granted under the US Option Plan are intended to qualify as Incentive Stock Options which benefit from tax-advantaged treatment in the United States. All other awards under the New Option Schemes will be non-tax advantaged options to acquire Shares.

10.2 *EMI Plan*

(a) *Eligibility*

Any employee or full time director of the Company and its subsidiaries will generally be eligible to be granted an EMI Option at the discretion of the Remuneration Committee

provided he or she works for the Company or one of its subsidiaries for at least 25 hours per week or, if less, at least 75 per cent. of his or her working time. Employees and full-time directors who do not satisfy this working time requirement will be eligible to be granted non-tax advantaged options (“**NTA Options**”) under the EMI Plan at the discretion of the Remuneration Committee (EMI Options and NTA Options are together “**Options**”). Options may be granted to employees and full-time directors on a discretionary basis, i.e. the Company can determine who to grant Options to and the size of the Options it wishes to grant. Any individual with a “material interest” may not be granted an EMI Option. A material interest for this purpose is a holding of 30 per cent. of the shares or the ability to control 30 per cent. of the shares, either alone or with a “connected person”. An individual with a material interest may be granted an NTA Option.

(b) *Grant of Options*

Options may be granted at any time when the grant of options is not prohibited by law, by the MAR, or by any regulation with the force of law, by the rules of any investment exchange on which the Shares are traded, or by any non-statutory rule that binds the Company or with which the Board has decided to comply. No Options will be granted more than ten years after the Date of Approval. No payment is required for the grant of an Option. Options are not pensionable. An Option is personal to the participant and, subject to the rights of a participant’s personal representatives, may not be transferred.

(c) *Exercise Price*

The price payable for each Share on the exercise of an Option (the “**Exercise Price**”) will be specified by the Remuneration Committee but will not be less than the market value of a Share on the date of grant unless the Remuneration Committee considers that circumstances exist which would justify the grant of an Option with an exercise price less than market value. For newly issued Shares the Exercise Price cannot be less than their nominal value. For the above purposes, the market value of a Share on the date of grant will be set in accordance with a basis agreed with HMRC Shares and Assets Valuation and will normally be taken as being the middle market quotation of a Share as derived from the Daily Official List of the London Stock Exchange for the dealing day last preceding the date of grant.

(d) *Individual Limits*

No person may at any time hold Options granted under the EMI Plan (or any other enterprise management incentive plan or tax advantaged company share option plan operated by the Company) over Shares having a total market value at the time of grant of more than £250,000. For this purpose, the value of shares is measured at the date of grant of the relevant options. The limit of £250,000 does not apply to NTA Options.

(e) *Performance Conditions*

The Remuneration Committee may, in its absolute discretion, make the exercise of an Option subject to the achievement of objective performance conditions, for example relating to the financial performance of the Company. The Remuneration Committee will have the power to vary the terms of any performance conditions attaching to an outstanding Option in appropriate circumstances, provided that the amended conditions shall be no more difficult to satisfy than was the original performance condition(s).

(f) *Exercise and Lapse of Options*

Options will generally vest and become exercisable on the date specified by the Remuneration Committee in the Option certificate (the “**Normal Vesting Date**”). The Normal Vesting Date may not be earlier than third anniversary of the date of grant of the Option, unless the Remuneration Committee considers that circumstances exist which would justify the grant of an Option with an earlier Normal Vesting Date. An Option may only be exercised if, and to the extent that, any performance conditions have been satisfied (if not previously waived by the Remuneration Committee). Options will lapse on the tenth anniversary of the date of grant or such earlier date as specified by the Remuneration

Committee in the Option certificate or sooner on the occurrence of certain corporate events or where the participant ceases to hold employment with the Group (subject to certain exceptions, details of which are set out below).

(g) *Source of Shares and Overall Limit*

Options may be satisfied either by the issue of new Shares, the transfer of Shares from treasury or the transfer of existing Shares purchased in the market. The maximum number of new Shares that may be issued to satisfy Options granted under the New Option Schemes (and rights granted under any other employees' share scheme established by the Company) in any 10 year period may not exceed 10 per cent. of the total number of Shares in issue from time to time. In addition, the maximum market value of Shares over which EMI Options may exist at any time is limited to £3 million.

(h) *Shareholder Rights*

Options will not confer any shareholder rights unless and until they have been exercised and the participants have received their Shares. Shares will normally be transferred or allotted on the exercise of an Option within thirty days of the date of exercise. Any Shares issued or transferred to participants will rank equally with the other Shares then in issue (except in respect of rights arising prior to the date of allotment or transfer of the Shares acquired on the exercise of the Option). Application will then be made, if appropriate, for permission for any Shares to be admitted to trading on AIM.

(i) *Cessation of Employment*

As a general rule, an Option may not be exercised at any time unless the participant then holds office or employment with the Company or a subsidiary of the Company.

If a participant ceases to be an employee or director before the Normal Vesting Date by reason of injury, ill-health, disability, redundancy, or their employing company or the business for which they work no longer being a subsidiary of the Company (i.e. the participant is a "good leaver"), they may exercise a pro-rated proportion of their Option for a period of 90 days beginning with the date of such cessation.

If a participant ceases to be an employee or director before the Normal Vesting Date for any other reason, they may exercise a pro-rated proportion of their Option only if permitted to do so by the Board, in which case the pro-rated portion of the Option may be exercised for a period of not more than 90 days beginning with the date of such cessation.

If a participant ceases to be an employee or director after the Normal Vesting Date for any other reason other than summary dismissal, they may exercise their Option for a period of 90 days beginning with the date of such cessation.

To the extent an Option is not exercised within these periods, it shall lapse and cease to be exercisable at the end of the specified period.

If a participant dies then their Option may be exercised during the following period of 12 months, but over a pro-rated number of shares if the death occurs prior to the Normal Vesting Date.

(j) *Corporate Events*

In the event of a statutory compromise, takeover or winding up of the Company, Options will vest early subject to the extent to which any performance conditions have been satisfied or has been waived or varied by the Remuneration Committee. In the event of an internal corporate reorganisation, Options may be replaced by equivalent rights over shares in a new holding company.

(k) *Variation of Capital*

In the event of any capitalisation issue, rights issue, consolidation, subdivision or reduction of capital or any other variation in the share capital of the Company, the number, amount

or description of the Option shares may be adjusted by the Remuneration Committee (subject to various conditions) as well as the exercise price of the Options.

(l) *Non-employee Option Plan*

The Non-employee Option Plan allows for the grant of options to key consultants and contractors providing services to the Company and its subsidiaries. The Non-employee Option Plan incorporates the terms of the EMI Plan and varies them to the extent necessary for them to be applicable to options granted to non-employees. Principally, the provisions of the EMI Plan relating to the termination of an option holder's employment are varied so that they take effect in relation to the termination of the office of the contractor or consultancy arrangement as applicable. Options granted under the Non-employee Option Plan are subject to and counted towards the overall limit in the EMI Plan.

10.3 US Option Plan

The US Option Plan allows for the grant of options to employees and contractors of the Company in the United States. The US Option Plan incorporates the terms of the EMI Plan and varies them to the extent necessary for options to be granted to individuals in the United States taking account of specific US tax and securities laws requirements. Options granted under the US Option Plan are subject to and counted towards the overall limit in the EMI Plan.

10.4 Amendment to the Option Schemes

The Board may, at any time, amend the provisions of the New Option Schemes in any respect, provided that if it is intended that the EMI Plan shall continue to be a tax advantaged plan, no amendment may be made to a key feature of the EMI Plan if it would result in the relevant statutory requirement for arrangements of that type no longer being met. Details of any amendments must be given to any affected participant as soon as reasonably practicable.

11. TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HM Revenue and Customs ("HMRC") as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individual Shareholders, domiciled) for UK tax purposes in (and only in) the UK, who hold their Shares as an investment (other than under tax exempt arrangements such as individual savings accounts), and who are the absolute beneficial owners of both their Shares and any dividends paid on them.

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, persons holding Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

11.1 Any person who is in any doubt about his or her position should contact their professional adviser on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

Taxation of Dividends

Withholding tax on dividends

Under current UK tax legislation, no tax is required to be withheld from dividend payments made by the Company.

UK tax resident individual Shareholders

UK resident individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent., but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.

Dividend income in excess of the annual dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for the fiscal period ended 5 April 2021: 7.5 per cent. to the extent it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK discretionary trustees

The annual dividend allowance is not available to UK resident trustees of a discretionary trust. UK 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.

UK tax resident corporate Shareholders

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti-avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but shareholders should seek independent advice to confirm their position (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

11.2 Taxation of Chargeable Gains

For the purpose of UK tax on chargeable gains, the purchase of Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Shares allotted to them, the Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Shares will generally constitute the tax base cost of a Shareholder's holding.

A disposal of all or any of the Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

UK tax resident individual Shareholders

Where a UK tax resident individual Shareholder disposes of Shares at a gain, Capital Gains Tax ("CGT") will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

For such individuals, CGT will be charged at 10 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, CGT will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK resident corporate Shareholders

Where a Shareholder is within the charge to UK corporation tax, a disposal of Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

The corporation tax rate applicable to a UK resident corporate Shareholder on such taxable gains is currently 19 per cent.

11.3 **Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange.

The Company anticipates that this exemption will apply to dealings in the Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Shares.

Absent an exemption from stamp duty and SDRT, any dealings in Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to a *de minimis* limit and relevant anti-avoidance provisions.

The above comments are intended as a guide to the general stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate 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.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

12. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company (i) within the period of two years immediately preceding the date of this document and which are, or may be, material to the Company or (ii) which contain any provision under which the Company has an obligation or entitlement which is, or may be, material to the Company as at the date of this document:

12.1 **The Placing and Admission**

(a) *Placing Agreement*

A placing agreement dated 18 May 2021 and made between (1) the Company, (2) the Directors, (3) Panmure Gordon and (4) the Company Selling Shareholders pursuant to which pursuant to which each Company Selling Shareholders have agreed to sell the

Company Sale Shares held by them at the Placing Price and Panmure Gordon has agreed, subject to certain conditions, to act as agent for the Company to use its reasonable endeavours to procure placees to subscribe for or purchase (as the case may be) the New Shares and the Company Sale Shares at the Placing Price.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 24 May 2021 (or such later date as the Company and Panmure Gordon may agree, being not later than 5.00 p.m. on 14 June 2021). The Placing Agreement contains warranties from the Company and the Directors in favour of Panmure Gordon in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. It also contains warranties from the Company Selling Shareholders in favour of Panmure Gordon in relation to, among other things, title to the Company Sale Shares. In addition, the Company and the Company Selling Shareholders have agreed to indemnify Panmure Gordon in respect of certain liabilities it may incur in respect of the Placing. Panmure Gordon has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event. The Placing Agreement also sets out the fees and commissions payable to Panmure Gordon by the Company and the Company Selling Shareholders, respectively, in relation to the Placing and Admission. The Placing Agreement is terminable by Panmure upon a number of events, including material breach (including of the warranties given) by either the Company or the Company Selling Shareholders of the obligations in the Placing Agreement; if it becomes apparent that any statement in this Admission Document is materially untrue, inaccurate or misleading; if a material adverse event occurs; or if the conditions set out in the Placing Agreement have not been fulfilled by the Company or Company Selling Shareholders by 18 May 2021, save for any condition relating to Admission.

(b) *Institutional Selling Shareholder Agreement*

An institutional selling shareholder agreement dated 18 May 2021 and made between (1) Panmure Gordon, (2) the Company and (3) the Institutional Selling Shareholder pursuant to which the Institutional Selling Shareholder has agreed to sell the Institutional Sale Shares held by it at the Placing Price and Panmure Gordon has agreed, subject to certain conditions, to use its reasonable endeavours to procure purchasers for the Institutional Sale Shares.

The Institutional Selling Shareholder Agreement is conditional upon, *inter alia*, the Placing Agreement having become unconditional in all respects (save for any condition requiring the Institutional Selling Shareholder Agreement to have become unconditional) and Admission occurring on or before 8.00 a.m. on 24 May 2021. The Institutional Selling Shareholder Agreement contains warranties from the Institutional Selling Shareholder in favour of Panmure Gordon in relation to, *inter alia*, its title to the Institutional Sale Shares held by it. In addition, the Institutional Selling Shareholder has agreed to indemnify Panmure Gordon in respect of certain liabilities it may incur in respect of the sale of the Institutional Sale Shares. The Institutional Selling Shareholder Agreement also sets out the fees and commissions payable to Panmure Gordon by the Institutional Selling Shareholder in relation to the Placing and Admission. The Institutional Selling Shareholder Agreement is terminable by Panmure upon material breach by either the Company or the Institutional Selling Shareholder of the obligations in the Institutional Selling Shareholder Agreement or if the conditions set out in the Institutional Selling Shareholder Agreement have not been fulfilled by the Company or Institutional Selling Shareholder by 24 May 2021, save for any condition relating to Admission.

(c) *Lock-in and Orderly Market Agreement*

Separate lock-in and orderly market agreements each dated 18 May 2021 and made between (1) the Company, (2) Panmure Gordon and (3) each of the Selling Shareholders, other than Steinbeck Holding AG, and Paul Olliver (together the “**Covenantors**”) pursuant to which each of the Covenantors has undertaken to the Company and Panmure Gordon (subject to certain limited exceptions including (i) transfers to family members or to trustees for their benefit, (ii) disposals by way of acceptance of a recommended takeover

offer for the entire issued share capital of the Company, (iii) under any scheme or reconstruction under section 110 of the Insolvency Act 1986 to the Company, (iv) pursuant to any compromise or arrangement under Part 26 of the Companies Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the share capital of the Company, (v) pursuant to the acceptance of an offer made by the Company to purchase its own shares; (vi) by the personal representatives after the death of the Covenantor, or otherwise with the prior consent of Panmure Gordon and the Company acting in their absolute discretion), not to dispose of the Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission without the prior written consent of Panmure Gordon.

Furthermore, each of the Covenantors have also undertaken to the Company and Panmure Gordon not to dispose of their Shares for the period of 12 months following the expiry of the relevant Lock-in Period otherwise than on an orderly market basis through Panmure Gordon or the Company's UK brokers at that time.

(d) *Nominated Adviser and Broker Agreement*

A nominated adviser and broker agreement dated 18 May 2021 and made between (1) the Company and (2) Panmure Gordon pursuant to which the Company has appointed Panmure Gordon to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Panmure Gordon an initial fee of £70,000 plus VAT per annum for its services as nominated adviser and broker under this agreement, subject to a fee increase from 1 January 2022 onwards in line with the level of the Retail Price Index for the preceding 12 months as published by the Office For National Statistics or its successor body. The agreement contains certain undertakings, warranties and indemnities given by the Company to Panmure Gordon. The agreement is for an initial term of 12 months and will be automatically renewed annually unless terminated upon not less than three months' prior written notice by either the Company or Panmure Gordon.

12.2 **General**

BGF Investment Agreement and Deed of Termination

The Company has entered into an investment agreement dated 21 February 2018 and made between (1) BGF, (2) Michael Kelly, (3) Strategic Growth Partners, (4) BGF IML, (5) Rupert Hodson, Cabell De Marcellus and Raphael Queisser, (6) the Company, (7) Marie-Rose Queisser, Steinbeck Holding AG, Philip Darwin and CBY Ltd Retirement Scheme, and (8) Michael Smith and Paul Hughes (the "**Investment Agreement**"), pursuant to which BGF acquired shares and loan notes in the Company in return for its investment.

The Investment Agreement terminates upon Admission in accordance with its terms. In addition, on 18 May 2021 the Company entered into a deed of termination with BGF and BGF IML in relation to the Investment Agreement, pursuant to which the Company, BGF and BGF IML have each agreed to irrevocably and unconditionally waive, release and forever discharge all and any rights or claims which it may have (whether or not known to it) against the others, or their respective officers and employees (as applicable) arising under or in connection with the Investment Agreement (other than in respect of any fees due to BGF and/or BGF IML under the Investment Agreement up to the date of Admission). The deed of termination is effective at the point in time immediately prior to Admission.

BGF Loan Note Instrument

On 21 February 2018, the Company issued a loan note instrument (the "**Loan Note Instrument**"), under which it issued secured fixed rate loan notes amounting to £1,250,000 to BGF, held by its nominee BGF Nominees Limited (a/c BGF) (the "**Loan Notes**").

The Loan Notes are repayable in four instalments twice a year, commencing on 30 June 2023 and may be repaid in full at any time by the Company. The Loan Notes are not in any circumstances convertible into Shares or any other securities of any kind. The Loan Notes bear

interest at the rate of 8 per cent. per annum, which is payable in arrears on 31 March, 30 June, 30 September and 31 December in each year. The Loan Notes are secured by the following guarantees and security:

- (i) a guarantee dated 21 February 2018 pursuant to which Dianomi Inc., Dianomi Pty Ltd and Exedra Capital Limited guarantee the obligations of the Company under the Loan Note Instrument (the “**Guarantee**”);
- (ii) a debenture dated 21 February 2018 and entered into between the Company and Exedra Capital Limited as chargors and BGF IML as security agent, pursuant to which the chargors secure the Company’s obligations under the Loan Note Instrument and Exedra Capital Limited’s obligations under the Guarantee;
- (iii) a pledge and security agreement dated 21 February 2018 and entered into between Dianomi Inc. and BGF IML as security agent; and
- (iv) a general security agreement dated 21 February 2018 and entered into between BGF IML as agent and trustee and Dianomi Pty Ltd as grantor, pursuant to which Dianomi Pty Ltd secures its obligations under the Guarantee.

The Company intends to repay the Loan Notes (together with all accrued but unpaid interest) on Admission out of its existing resources, and all related security (as set out above) will be released on repayment of the Loan Notes.

13. RELATED PARTY TRANSACTIONS

Save as set disclosed in paragraph 13 of Section B, paragraph 16 of Section B and paragraph 20 of Section B of Part III and paragraph 12.2 of this Part V of this document, there have been no related party transactions of the kind set out in the Standards adopted according to Regulation (EC) No 1606/2002 that the Company has entered into during the period covered by the historical financial information set out in Part III of this document and up to the date of this document.

14. OTHER RELEVANT LAWS AND REGULATIONS

14.1 *Disclosure and Transparency Rules*

Under Chapter 5 of the Disclosure and Transparency Rules, a person must notify the Company of the percentage of its voting rights he holds as shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights;

- (a) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or
- (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure and Transparency Rules.

14.2 *Public Takeover Bids*

- (a) *City Code on Takeovers and Mergers*

The Company will be subject to the provisions of the Takeover Code, including the rules regarding mandatory takeover offers set out in the Takeover Code. Brief details of the Takeover Panel, the Takeover Code and the protections they afford are described below. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed public company resident in the United Kingdom. The Company is a public company resident in the United Kingdom and its shareholders are therefore entitled to the protections afforded by the Takeover Code. For the purpose of the Takeover Code, a takeover will include any transaction which has its objective or potential effect (directly or indirectly) obtaining or consolidating control of the Company.

For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

(b) *Mandatory Bids*

Under Rule 9 of the Takeover Code, when (i) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) 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 such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Takeover Panel consent. For the purposes of the Takeover Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company. Paragraph (9) of the definition of 'acting in concert' also presumes any 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 Takeover Code applies to be acting in concert for the purposes of the Takeover Code unless the contrary is established.

(c) *Squeeze-out Rules*

Under the Companies Act, if a takeover offer (as defined in section 974 of the Companies Act) is made for the Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Shares to which the takeover offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

(d) *Sell-out Rules*

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. If a takeover offer relates to all the Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Shares (being voting shares that carry voting rights in the Company), any holder of Shares to which the offer relates who has not accepted the offer is entitled by a written

communication to the offeror to require it to acquire its Shares. The offeror is 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 the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, the giving of the notice. If a Shareholder exercises his other rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

(e) *Concert Party*

- (i) As described above, under the Takeover Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest, or interests in, shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.
- (ii) Following the re-registration of a company as a public company in connection with an initial public offering, all of its existing shareholders will be presumed to be acting in concert with each other for the purposes of the public offering unless the contrary is established. The Company has discussed these issues with the Takeover Panel and the Company and the Takeover Panel have agreed that the presumption that all of the shareholders are acting in concert may be rebutted and that one concert party exists at the time of the initial public offering. Details of this concert party are set out below.
- (iii) The interests of the Concert Party (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document, as they are expected to be immediately following Admission and as they would be following Admission and exercise of all options granted to members of the Concert Party are/will be as follows:

Name	As at the date of this document		Immediately following Admission		Maximum holding following exercise of Options granted to members of the Concert Party ²	
	Number of Existing Shares	Percentage of Existing Shares	Number of Shares	Percentage of issued Shares	Maximum number of Shares ³	Maximum percentage of issued Shares ³
	Raphael Queisser	4,291,650	15.2%	2,789,572	9.3%	2,789,572
Rupert Hodson	4,291,650	15.2%	2,789,572	9.3%	2,789,572	9.3%
Cabell De Marcellus	4,291,650	15.2%	2,789,572	9.3%	2,789,572	9.3%
Philippa Hodson ⁽¹⁾	47,600	0.2%	30,940	0.1%	30,940	0.1%
Chris Darwin	9,350	0.0%	6,077	0.0%	6,077	0.0%
Sarah Darwin	28,900	0.1%	28,900	0.1%	28,900	0.1%
Robert Darwin	9,350	0.0%	9,350	0.0%	9,350	0.0%
Camilla Luard	47,600	0.2%	30,940	0.1%	30,940	0.1%
Henrietta Ridgwell	47,600	0.2%	30,940	0.1%	30,940	0.1%
Marie-Rose Queisser	1,296,250	4.6%	842,562	2.8%	842,562	2.8%
Michael Kelly ⁽⁴⁾	490,720	1.7%	294,432	1.0%	349,377	1.2%
CBY Ltd Retirement Scheme	132,600	0.5%	86,190	0.3%	86,190	0.3%

- (1) Philippa Hodson is the wife of Rupert Hodson
- (2) See paragraph 8.2 of Part V for details of the options over Shares to be granted conditional upon Admission
- (3) Assumes exercise of the options over 54,945 Shares granted to Michael Kelly, a member of the Concert Party and assumes no other issue of Shares
- (4) All of the Shares beneficially owned by Michael Kelly are held by Strategic Growth Partners LLC which is also deemed to be part of the Concert Party

- (iv) If the Concert Party was to acquire an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested in, it shall, except with the consent of the Takeover Panel, extend its offer, on the basis set out in Rules 9 of the Takeover Code, to the holders of any other class of transferable securities carrying voting rights.

14.3 Since 31 December 2020, there has been no takeover offer (within the meaning of Part 28 of the Companies Act) for any Shares.

15. INTELLECTUAL PROPERTY RIGHTS

15.1 The Company's business is dependent upon the following technology platforms: (i) a proprietary platform offered to both advertisers and publishers; (ii) an in-house data management platform; and (iii) a central advert approval platform (the "Platforms"). The Platforms allow the Company's clients to execute interactive campaigns via a secure and regulated framework via the PSA.

15.2 The proprietary source code for these Platforms has been developed by the Company's employees and contractors. The Company does not incorporate or use any open source code which would fall within a permissive licensing regime within its proprietary software. The Company has adopted a robust approach to the protection of its copyright and know-how attributed to the operations of the Company's Platforms and business functionality in general. Each employee and contractor who has written the code or been involved in the development of the Platforms has entered into an IP assignment agreement, and security measures have been put into place for those employees who have access to the Platforms to ensure the confidentiality of the proprietary code is maintained.

15.3 The Company has the following registered trademarks:

<i>Country</i>	<i>Trade Mark</i>	<i>Registration Number</i>
United States	MarketViews	App 85574950 Reg 4951531
United States	DIANOMI	App 76703809 Reg 3933160
Canada	DIANOMI	App 1488492 Reg TMA796565
United Kingdom	AutoeViews	App 2596002 Reg 2596002
United Kingdom	MarketViews	App 2596001 Reg 2596001
United Kingdom	EXEDRA	App 2573160 Reg 2573160
United Kingdom	DIANOMI	App 2516446 Reg 2516446
Australia	DIANOMI	App 1397437 Reg 1397437

15.4 Save as disclosed in this document, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Company's business or profitability.

16. WORKING CAPITAL

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

17. LITIGATION.

The Company has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company nor, so far as the Company is aware, are any such proceedings pending or threatened.

18. SIGNIFICANT CHANGE

There has been no significant change in the financial position or financial performance of the Group, save as disclosed in this document, since 31 December 2020, being the date to which the historical financial information set out in Section B of Part III of this document has been prepared.

19. ACCOUNTING

19.1 BDO LLP of 55 Baker Street, London, W1U 7EU are the auditors of the Company and audited the financial statements of the Company for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020. BDO LLP are a member of the Institute of Chartered Accountants in England and Wales.

19.2 The financial information contained in Part III of this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act. A copy of the statutory accounts of the Company for each of the years ended 31 December 2018 and 31 December 2019 have been delivered to the Registrar of Companies in England and Wales. The Company's auditors made a report under section 495 of the Companies Act in respect of each of those statutory accounts and each such report was an unqualified report and did not include a statement under section 498(2) or (3) of the Companies Act.

19.3 The current accounting reference period of the Company will end on 31 December 2021.

20. CONSENTS

20.1 Panmure Gordon (UK) Limited of One New Change, London EC4M 9AF is authorised and regulated in the United Kingdom by the FCA. Panmure has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

20.2 RSM Corporate Finance LLP of 25 Farringdon Street, London EC4A 4AB has given and not withdrawn its written consent to the inclusion of its report set out in Section A of Part III of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules for Companies.

21. GENERAL

21.1 The expenses payable by the Company in connection with the application for Admission are estimated to be £1.07 million, excluding VAT.

21.2 Save as disclosed at paragraph 13 above and paragraph 21.3 below, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

- (a) fees totalling £10,000 or more;
- (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.

21.3 The Company has engaged the following professional service providers and advisers in the 12 months preceding the date of this document, to provide the services set out below:

<i>Service provider/Adviser</i>	<i>Services provided</i>
Clientside Law Limited	Legal services in relation to data privacy

21.4 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 21.5 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 21.6 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 21.7 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been:
- (a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.
- 21.8 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.

22. SELLING SHAREHOLDERS

The names and addresses of each of the Selling Shareholders are set out below:

(a) **Company Selling Shareholders:**

<i>Name</i>	<i>Business Address</i>	<i>Number of Existing Shares as at the date of this document</i>	<i>Number of Sale Shares</i>	<i>Number of Shares immediately following Admission</i>
Rupert Hodson	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	4,291,650	1,502,078	2,789,572
Philippa Hodson	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	47,600	16,660	30,940
Cabell de Marcellus	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	4,291,650	1,502,078	2,789,572
Raphael Queisser	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	4,291,650	1,502,078	2,789,572
Marie-Rose Queisser	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	1,296,250	453,688	842,562
CBY LTD Retirement Scheme	Roman House, 296 Golders Green Road, London, NW11 9PY	132,600	46,410	86,190
Chris Darwin	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	9,350	3,273	6,077
Camilla Sarah Luard	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	47,600	16,660	30,940

<i>Name</i>	<i>Business Address</i>	<i>Number of Existing Shares as at the date of this document</i>	<i>Number of Sale Shares</i>	<i>Number of Shares immediately following Admission</i>
Henrietta Penelope Ridgwell	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	47,600	16,660	30,940
Steinbeck Holding AG	Limmatquai 180, 8001 Zurich, Switzerland	1,099,050	1,099,050	–
Strategic Growth Partners LLC	530 East, 86th Street, 7B, New York, NY 10028, USA	490,720	196,288	294,432
Michael Smith	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	821,950	287,683	534,267
Paul Hughes	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	477,700	52,500	425,200
Michael Stevens	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	212,500	74,375	138,125
James Hodson	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	42,500	14,875	27,625
Rajar Lally	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	85,000	29,750	55,250
Julian Peterson	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	187,000	65,450	121,550
Andrew Gussman	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	255,000	89,250	165,750
Rachel Tuffney	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	212,500	74,375	138,125
Julian Barkes	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	595,000	208,250	386,750
Ken Johnston	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	297,500	104,125	193,375
Matt Rothman	6th Floor 60 Gracechurch Street, London, United Kingdom, EC34 0HR	59,500	20,825	38,675

(b) ***Institutional Selling Shareholder:***

<i>Name</i>	<i>Business Address</i>	<i>Number of Existing Shares as at the date of this document</i>	<i>Number of Sale Shares</i>	<i>Number of Shares immediately following Admission</i>
BGF Nominees Limited (a/c BGF)	13-15 York Buildings, London, United Kingdom, WC2N 6JU	8,806,850	4,345,230	4,461,620

23. AVAILABILITY OF THIS DOCUMENT

A copy of this document is available at the Company's website <https://www.dianomi.com/>.

Dated 18 May 2021

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