

Armstrong Ventures plc
(‘Armstrong’ or the ‘Company’)

PROPOSED ACQUISITION OF MELODYVR LTD
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
CHANGE OF NAME TO EVR HOLDINGS PLC
SHARE CONSOLIDATION
ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

Armstrong Ventures plc (AIM:AVP), the AIM listed company investing in the media, technology and healthcare sectors, announces today that it has conditionally agreed to acquire MelodyVR Ltd, a company which has developed technologies, products and services that enable users to consume immersive virtual reality (“VR”) music experiences, for a total consideration of £5.12 million to be satisfied by the issue of New Ordinary Shares at 1.1p each. The Acquisition, if completed, will constitute a reverse takeover under the AIM Rules and as such is subject to the approval of Shareholders at the General Meeting of the Company to be held on 13 May 2016, notice of which is set out at the end of the Admission Document, which will be posted to Shareholders today and is available on the Company’s website: www.armstrongventures.com.

Key Highlights

- The consideration for the Acquisition of £5.12 million is to be satisfied by the issue of 465,702,743 New Ordinary Shares at a price of £0.011 per share, which values the Existing Share Capital at £2.6 million.
- It is proposed that the Company changes its name to EVR Holdings plc (“EVR”) following a General Meeting to be held on 13 May 2016.
- Proposed Share Consolidation whereby every 100 Existing Shares of £0.0001 are converted into 1 New Ordinary Share of £0.01.
- If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 16 May 2016.
- The focus of the Company will be to provide consumers, via a number of monetised distribution channels, audiovisual and interactive material intended for use with virtual reality devices.

Sean Nicolson, Chairman of Armstrong Ventures plc, said: “We are delighted to announce the proposed acquisition of MelodyVR, a business which is well positioned to benefit from the rapidly expanding VR sector. With a number of recognised global manufacturers having recently entered the market with new head mounted display VR headsets, the interest of consumers and investors alike has been reignited. Cumulative sales of VR headsets is forecast to reach 83.3 million by 2018 with the global market for recorded videos and live events alone potentially reaching US\$7.3 billion of sales by 2025 with over 175 million users.

“We believe that MelodyVR’s proposition will appeal to many music fans who have embraced the latest VR technology. MelodyVR offers an immersive music experience to fans who are unable to attend a live event due to geographical or financial constraints, age restrictions or simply to an event being sold out. It also gives music fans the opportunity to access recorded content.

“Following completion of the Acquisition, I am pleased to announce that Anthony Matchett and Steven Hancock of MelodyVR will join the Board together with Simon Cole, the current CEO of 7Digital Group plc. We look forward to welcoming them to the Board.”

- Ends -

For further information:

Armstrong Ventures plc

Sean Nicolson, Chairman
Peter Read, Director

Tel: +44 (0) 20 7466 5000

www.armstrongventures.com

SPARK Advisory Partners Limited (Nominated Adviser)

Neil Baldwin / Sean Wyndham-Quin

Tel: +44 (0) 203 368 3550

www.sparkadvisorypartners.com

Peterhouse Corporate Finance Limited (Broker)

Eran Zucker / Lucy Williams

Tel: +44 (0) 20 7469 0930

www.pcorpfin.com

Media enquiries:

Buchanan

Henry Harrison-Topham / Sophie Cowles / Catriona Flint
EVR@buchanan.uk.com

Tel: +44 (0) 20 7466 5000

www.buchanan.uk.com

The following information has been extracted without material adjustment from the Admission document incorporating, *inter alia*, a circular to Armstrong shareholders (the “Circular”) dated 27 April 2016. Copies of the Circular will be available at the offices of SPARK Advisory Partners, 5 St John’s Lane, Farringdon, London EC1M 4BH.

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APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
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1. INTRODUCTION

The Company announced earlier today that it has agreed terms in respect of the acquisition of MelodyVR. As a result, a number of proposals are to be put to Shareholders at the General Meeting. This announcement sets out the details of, and reasons for, the Proposals.

The Acquisition, if completed, will constitute a reverse takeover under the AIM Rules and therefore is subject to the approval of Shareholders at the General Meeting. Further details of the General Meeting are set out in paragraph 22 of this announcement. Further details of the terms and conditions of the Acquisition are set out in paragraph 6 of this announcement.

The consideration for the Acquisition of £5.12 million is to be satisfied by the issue of 465,702,743 New Ordinary Shares at a price of £0.011 per share, which values the Existing Share Capital at £2.6 million.

Following implementation of the Proposals, certain Shareholders of the Company and others who are deemed to be acting in concert, the Concert Party, will hold 489,811,833 New Ordinary Shares, representing approximately 68.18 per cent. of the Enlarged Ordinary Share Capital. If all Warrants held by members of the Concert Party were exercised, the Concert Party would hold a total of 514,762,282 New Ordinary Shares representing 69.25 per cent. of the Company’s then issued share capital. Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make an offer to all Shareholders (other than the Concert Party) to acquire their New Ordinary Shares. Following an application by the Concert Party to the Panel, the Panel has agreed to waive this obligation, subject to the approval of the Independent Shareholders (on a poll) at the General Meeting. Shareholder’s attention is drawn to the Rule 9 Waiver section contained in paragraph 8 of this announcement.

The Directors believe that it is appropriate, should the Acquisition be approved by Shareholders at the General Meeting and the Acquisition completed, that the name of the Company be changed to EVR Holdings plc.

The Directors are proposing the Share Consolidation (whereby every 100 Existing Shares of £0.0001 are converted into 1 New Ordinary Share of £0.01) as they consider that it is in the best interests of the Company's long term development as a public quoted company to have a lower number of shares in issue and a higher nominal value such that Ordinary Shares are traded in pence rather than fractions of a penny.

The purpose of this announcement is to provide Shareholders with further information regarding the matters described above and to seek your approval of the Resolutions, which include the Rule 9 Waiver, at the General Meeting. The notice of General Meeting is set out at the end of this announcement. The Proposals are conditional, among other things, on the passing of the Resolutions (save for Resolution 8) and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 16 May 2016. The General Meeting of the Company at which the Resolutions will be proposed has been convened for 11.00 a.m. on 13 May 2016 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT.

Shareholders should read the whole of the Circular and not just rely on the information contained in this announcement. In particular, Shareholders should consider carefully the "Risk Factors" set out in Part II of the Circular. Your attention is also drawn to the information set out in Parts III to VII of the Circular.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Company has been an investing company since August 2012, and has since then been seeking suitable acquisitions that fit within its investing policy, which policy covered activities in resources and energy sectors between 2012 and 2015. In July 2015 shareholders approved a change to the Company's investing policy to focus on opportunities in the media, technology and healthcare sectors.

The Existing Directors believe that the acquisition of MelodyVR fits within that policy, and that the Acquisition presents the Company and its Shareholders with an exciting opportunity to benefit from a business with significant potential in a developing technological sector.

Accordingly, the Directors propose that, subject to approval of the Resolutions by the Shareholders at the General Meeting, the Company should acquire the entire issued share capital of MelodyVR. The Enlarged Group's operations would thereafter constitute exclusively those of the MelodyVR Group, which is a group developing a premium music service and which specialises in creating immersive virtual reality music experiences. Details of the business and operations of MelodyVR are set out in paragraph 3 below.

3. INFORMATION ON MELODYVR

3.1 *Virtual Reality*

Virtual Reality (“VR”) has seen a resurgence over the last three years since the initial technology became available in the 1980s. Consumer and investor interest in VR was reignited by Palmer Luckey’s Kickstarter campaign for the Oculus Rift (DK1). On 1 August 2012, the Kickstarter campaign set out to raise US\$250,000 with the goal of developing an up to date VR headset capable of providing a comfortable and immersive experience when playing computer games. Luckey’s campaign closed a month after launch having raised US\$2.4 million in funding. Palmer Luckey’s garage start-up, Oculus VR LLC, was subsequently acquired by Facebook Inc. for US\$2 billion two years later in 2014. Oculus’s first consumer product, the Oculus Rift, launched on 28 March 2016.

Google released its own Head-Mounted Display (“HMD”), the Google Cardboard, in 2014. Google announced that, in the year and a half since its release, 5 million headsets have been sold, along with over 25 million downloads of VR enabled apps from its store.

Other manufacturers have also entered the market. Samsung’s headset, the Gear VR (which utilises Oculus technology) works with the latest generation of Samsung smartphones and is now being shipped free of charge with all pre-orders of their flagship smartphone, the Galaxy S7. HTC released its own Oculus Rift competitor, the HTC Vive, in early April 2016. HTC stated more than 15,000 units were sold in the first 10 minutes when pre-orders for the Vive opened on 29 February 2016. Sony has announced that it will release its headset, the PlayStation VR, in October 2016.

The Directors believe that the principal driver of the VR market is going to be the rate at which HMD devices are sold to consumers. Consequently, they expect the VR market to see a surge in growth in 2016 as the aforementioned manufacturers are expected to release a variety of products onto the market.

Market research indicates that, following the launch of HMD devices, the market is likely to expand rapidly. According to Kzero Worldwide’s VR Market Sizing report (Q3 2014), HMD unit sales are forecast to grow from 200,000 in 2014 to 38.8 million in 2018 with cumulative unit sales estimated to reach 83.1 million by 2018. This report states that HMD revenues are estimated to grow from US\$70 million to US\$3.8 billion annually over the same period. Goldman Sachs has predicted that the market for recorded videos and live events alone could reach US\$7.3 billion by 2025 with over 175 million users. According to the Virtual Reality Consumer Survey published by Greenlight VR and Touchstone Research in October 2015, 85 per cent. of gaming enthusiasts across all gaming platforms (mobile, PC, game systems and consoles), are expected to try VR.

The Directors believe that the market research and significant investment from some of the world’s leading technology businesses are reasonable indicators of the potential scale of the VR market over the coming years. The gaming industry is predicted to be one of the biggest beneficiaries of the growth in VR.

According to a report by SuperData Research, published in January 2016, people who play video games are predicted to spend US\$5.1 billion on VR gaming hardware, accessories and software in 2016. Whilst gaming is expected to be the primary driver of HMD device sales, other entertainment applications are expected to become widespread. These applications are anticipated to include live entertainment, immersive cinema and social experiences. According to Kzero Worldwide's VR Market Sizing report, VR software revenues are estimated to grow from US\$960,000 in 2014 to US\$4.6 billion annually by 2018. VR can bring live entertainment fans a new, immersive experience that is an alternative to being physically present at a live event. The survey, published by Greenlight VR and Touchstone Research in October 2015, found that in response to the question of whether or not the respondents would like to try a specific type of VR experience, ranging from "definitely would" to "definitely would not", 59 per cent. responded that they definitely, or probably, would be interested in experiencing a VR live event. The survey found that live music events were in the top four experiences most wanted to be tried by three out of the four age group categories surveyed.

The sporting industry has already combined VR with live events (for example, the US Open Golf Tournament in 2015 and the opening game of the NBA's 2015-2016 season). The Directors believe the music industry will follow this trend.

3.2 Background to MelodyVR

MelodyVR was incorporated on 22 April 2015 by Anthony Matchett and Steven Hancock. MelodyVR was formed to capitalise on the expected wave of virtual reality hardware scheduled for release during 2015 and 2016. Recognising that a significant investment had been made in VR hardware, but that there was only a limited amount of forthcoming VR content in late 2014, the founders began building an end-to-end virtual reality content production and distribution business.

The founders' vision and consumer proposition is to allow music fans to experience a recorded music event or concert, via virtual reality.

The Directors believe that their proposition will appeal to many music fans that are unable to attend a live event due to geographical or financial constraints, age restrictions or simply to an event being sold out.

3.3 Description of the MelodyVR business

MelodyVR has developed technologies, products and services that enable users to consume immersive VR music experiences. The directors have developed, using commercially available parts, 360 degree cameras that record audio-visual material for the purposes of capturing the performances which occur at live music events. This includes the live performances themselves, as well as additional backstage and interview content.

MelodyVR currently holds a number of contracts with music brands and event partners granting MelodyVR exclusive rights to create and exploit 360 degree/virtual reality content for a period of five years or more, described in paragraph 3.6.

MelodyVR has developed a proprietary post-production workflow that enables the aforementioned recorded material to be processed into MelodyVR 360 degree panoramic video content. It is intended that this material will then be exploited via various distribution channels and monetisation models, including through the MelodyVR App which has been designed by the team at Immersive, MelodyVR's subsidiary undertaking, described in paragraph 3.7.

The Directors believe that MelodyVR's USP will lie in its ability to offer an end-to-end, integrated offering, taking an artist's performances, repackaging them within an immersive VR format, and then distributing such performances to the end consumer.

3.4 Filming

MelodyVR has developed 360 degree cameras that the team use to capture music events in 4K video quality. These cameras can be placed in strategic positions throughout the venue which enables the VR viewer to view the performance from multiple positions, whether in the audience or on stage with the artist/performer. The Directors believe these usually inaccessible locations/experiences to be a core driver of user conversion/adoption.

Once an event has been recorded and produced, MelodyVR obtains final approval from the rights' holders to enable it to release the material. This includes consent from the performer that they are satisfied with their performance, in keeping with standard music industry practice. Further details of these rights, permissions and clearances are set out in paragraph 3.6.

3.5 Content

All the experiences captured by MelodyVR are interactive, in that viewers have the freedom to move between different camera locations/viewpoints and/or to look around the event in any direction during the playback of recorded content as if they were actually present in person.

The audio is usually provided in a binaural format compatible with head tracking which lends to a more immersive experience. There is also often an option for consumers to select the "clean" audio which has been recorded directly from the sound/mixing desk.

Once the MelodyVR App has been launched, the available content will consist of three distinct offerings:

Recorded music:

From its current catalogue, comprising over 255 artists, MelodyVR intends to license and curate a library of content that consumers will be able to browse and purchase via the MelodyVR App. Content will be available in the form of VR experiences, which will either contain a performance of an individual song or a segment of a live event or concert.

Live streams:

The Directors intend to launch live streamed VR experiences in 2016. Live experiences will offer consumers the ability to watch a concert or event as it happens in real time.

The Directors believe that live streaming and “VR tickets” to events could develop into a significant revenue stream over the coming years.

Interactive experiences:

The Directors intend to develop a number of highly interactive music experiences. These experiences will react to a user’s inputs and movements in real time, and are expected to take the form of a short video game/CGI music video. The Directors believe that these experiences, which are to be developed in close partnership with artists, will provide an even greater degree of interaction and consumer engagement than recorded content and will therefore warrant a higher retail price than recorded content.

3.6 Rights, permissions and waivers

MelodyVR operates a business which, among other things: (i) records and produces audiovisual material and footage capturing the activities and performances which may occur at live music events (including, where applicable, additional back-stage and interview content); (ii) edits and creates footage intended for or capable of being used to create 360 degree panoramic images or to create content intended for use on virtual reality devices (“footage”); and (iii) exploits the footage by means of various distribution channels and monetisation models.

In order to facilitate this there are a number of rights, permissions and clearances which may need to be considered. These include:

(i) Performing artists: performers (includes singers, backing singers, musicians and dancers) are entitled to certain rights in their live performances. Performers’ rights can be divided into two distinct categories: property rights, which are assignable, and non-property rights, which are non-assignable but may be waived.

- Performers’ property rights: these rights include: (i) the right to make a copy of a recording of a performance; (ii) the right to issue copies of such recording to the public; and (iii) the right to make available a recording of a performance to the public over the internet. It is necessary to obtain a licence or assignment over these performers’ rights to exploit the Footage.
- Performers’ non-property rights: a performer’s consent is required for the recording and exploitation of

- their performances. It is necessary to obtain consent from a performer to produce the Footage.
- Equitable remuneration: performers also have a right to equitable remuneration (payment) when: (i) a sound recording embodying the performer's performance is broadcast or otherwise communicated to the public (other than by on-demand exploitation); and (ii) where the performer's rental right in a film or sound recording is transferred to its producer. It is necessary to ensure that performers are paid for their performances and for such payments to be categorised as fulfilling the requirement for performers to be paid "equitable remuneration".
- Moral rights: performers are also entitled to exercise moral rights in relation to their performance (the right to be identified as the performer of a performance, and the right to object to derogatory treatment of a performance). It is prudent to obtain relevant waivers from performers in respect of their moral rights.
- Image rights: although English law generally does not recognise an "image right", it is considered good practice to obtain from performing artists consent to use those artists' name, likeness, image and biography in connection with exploitation of the Footage.

Generally, performers' rights are controlled by the performers themselves, meaning that the requisite consents and rights must be obtained from the performers directly by means of a standard form of release. However, if a performing artist is subject to an exclusive recording agreement with a record label then the performers' property rights will need to be obtained from the label instead.

(ii) Venues: it is necessary to obtain: (i) access rights for permission to use the venue for recording; and (ii) licences to use any logos, names and other branding displayed in and around the venue which may be captured by the Footage.

(iii) Members of the public: it is considered good practice to obtain consents from members of the public who attend events which are to be recorded. Often this is done by means of the venue's ticket terms and conditions, or through prevalent signage at the venue explaining that recording will occur in the area.

(iv) Musical compositions: to the extent that performances of musical compositions are embodied in the Footage, it is necessary to obtain a:

- Performers' property rights: these rights include: (i) the right to make a copy of a recording of a performance; (ii) the right to issue copies of such recording to the public; and (iii) the right to make available a recording of a performance to the public over the internet. It is necessary to obtain a licence or assignment over these performers' rights to exploit the Footage.
- reproduction licence: to cover both the initial fixation of the performance of the compositions in the Footage, and the subsequent reproduction of such Footage;
- communication to the public licence: to cover the transmission, performance and other exploitation of the compositions (as embodied in the Footage); and
- waiver of moral rights: similarly to performers' moral rights, composers are entitled to exercise so-called "moral rights" (the right to be identified as the author, the right to object to derogatory treatment, and the right not to suffer false attribution). It is therefore prudent to obtain a waiver of such rights (or to procure that the rightsholder obtains such waiver from the composer) or to ensure that the exploitation of the Footage is undertaken in a manner which does not infringe such moral rights.

Musical compositions are likely to be controlled by either: (i) the original composer (to the extent the composer is not affiliated with a music publisher or a collection society); (ii) a music publisher representing the

original composer; or (iii) a collection society representing the original composer or their music publisher. It is therefore necessary to establish which entity controls these rights and to obtain the necessary licences. It should be noted that some musical compositions have more than one composer and can therefore be controlled by multiple entities.

(v) Sound recordings: to the extent that sound recordings are embodied in the Footage (which is less likely since the performances are being given live, but may still be relevant in the case of DJs), it is necessary to obtain a:

- reproduction licence: to cover both the initial fixation of the performance of the sound recordings in the Footage, and the subsequent reproduction of such Footage; and
- communication to the public licence: to cover the transmission, performance and other exploitation of the sound recordings (as embodied in the Footage).

Sound recordings are likely to be controlled by either: (i) the initial producer of the sound recording; or (ii) a record label to which the artist is signed. It is therefore necessary to establish which entity controls these rights and to obtain the necessary licences.

(vi) Lighting design and choreography: to the extent that the Footage includes recordings of a light sequence, choreographed movement, sound design, set design or creative direction in which copyright subsists, then it may also be necessary to obtain a licence and permissions from the relevant copyright owners (i.e. lighting designers, choreographers, sound designers, set designers, and directors). However, in our experience, such peripheral clearances are rarely obtained, unless more high-profile venues and artists are involved.

(vii) Footage: under English copyright law, the automatic first owner of the copyright in a film is the producer and principal director (or their employer (where applicable)). Unless there is an employment relationship between the producer, director and the ultimate operating business, it is necessary to obtain an express, written assignment from whoever produces the recordings to transfer ownership of copyright. Furthermore, it is good practice to obtain an acknowledgement from certain parties (such as the performing artists and the venues) that ownership in the recordings does not transfer to them.

It should also be noted that, with respect to major labels in particular, it is common for such rightsholders to insist that recordings made of their artists are assigned to and owned by the applicable label – it is then usual practice for the record label to license back such recording on an exclusive basis for a particular period (say three years), after which time the licence becomes non-exclusive and the label is free to use the recording for its own purposes.

MelodyVR has entered into a number of agreements with artists, venues and promoters regarding the necessary rights, permissions and artist waivers to exploit recorded and live content.

Agreements with Artists

MelodyVR has entered into various agreements with featured performing artists. The artist agreements comprise, among other things, the artists' consent for certain performances being filmed by MelodyVR for the purposes of producing 360 degree VR footage, and exclusive ownership by MelodyVR of all footage, subject to any separate agreement between MelodyVR and the artists' record label (if any). The Directors believe that over 50 per cent. of the footage currently captured features artists who are not party to an exclusive recording contract with a record label.

Negotiations with Music Rights Holders

MelodyVR is in active negotiations with various major and independent music labels and publishers, with a view to formalising on-going relationships to build and exploit content featuring established artists and music content.

Partnership Agreements

MelodyVR has agreements with nine companies specialising in event promotion and venues, including Ibiza Rocks Group Limited and Broadwick Live Limited. These agreements provide for a period of exclusivity to capture and create VR or 360 degree content of events organised or hosted by the partner, ownership by MelodyVR of all VR content filmed by MelodyVR and consent to include venue branding in such content.

MelodyVR's VR music experiences will provide an additional revenue stream to event promoters and venues as MelodyVR will enable such promoters and venues to make their events available beyond the capacity of the venue to a significant number of users at any given time through immersive VR footage accessible via the users' smart phones. The Directors believe that this will be of particular interest to promoters and venues that typically host sold out performances.

3.7 The MelodyVR App

MelodyVR has developed an app, called MelodyVR. Once launched, it will be able to be downloaded free of charge and it is expected to be available in stores accessible by most current generation smart phones (i.e., it is not pre-installed on smart phones) and/or VR devices. Customers will then be able to browse through performances, exclusively created by MelodyVR, and purchase content via in-app purchases comparable to that currently utilised by iTunes/Google Play.

MelodyVR's subsidiary, Immersive, developed the software, including the MelodyVR App and has assigned all rights in and to the software that Immersive developed to MelodyVR.

The directors of MelodyVR have consulted with Facebook/Oculus and HTC on the development of the MelodyVR App and expect that the MelodyVR App will feature in the devices' relevant app stores.

3.8 Competition

The Directors are aware of a number of content creation VR companies that may potentially compete with MelodyVR. These include:

- JauntVR, which is involved in the capture, post production and distribution of VR related media.
- NextVR, which states that it focuses on live VR experiences in both music and sports.
- Immersive Media, which claims to have introduced the first 360 degree full digital camera in 2004 and supplied the cameras and drivers for Google Street View.

The Directors are not currently aware that any of these companies have publicly announced their intention to launch a comparable music platform to MelodyVR's.

4. FUTURE STRATEGY OF THE ENLARGED GROUP

Investing in supply

The Enlarged Group intends to continue to invest in recording and post production equipment and staff, to record and capture content. As part of this investment, the Enlarged Group will supplement its camera inventory with further hardware enabling the Enlarged Group to capture more content in multiple locations, simultaneously. The Enlarged Group also intends to enhance its post-production capacity enabling faster and more efficient content turnaround and delivery. The Directors believe that investing in capture and postproduction will enable the Enlarged Group to exploit its first mover advantage within the music industry and to further increase the value of its content library.

In the future, the Enlarged Group may seek to explore new content verticals such as sport, theatre and education and is interested in pursuing opportunities to deploy its existing technology as a white label SaaS solution, enabling broadcasters to launch their own VR platforms and channels.

5. EXISTING DIRECTORS, PROPOSED DIRECTORS, SENIOR MANAGEMENT AND ADVISORY BOARD

Brief biographical details of the Existing Directors, Proposed Directors, senior management and members of the Advisory Board are set out below:

5.1 Existing Directors

The current composition of the Board of the Company is as follows:

Sean Nicolson (Non-executive Chairman) aged 50

Sean is an Executive Director of e-Therapeutics plc, an AIM quoted drug discovery and development company. He has over 20 years' experience as a corporate finance lawyer and was previously an equity partner in the corporate team of Bond Dickinson. Sean has many years' experience of advising companies in the media, technology and healthcare sectors on flotations, venture capital and private equity fundraisings, mergers and acquisitions, takeovers, joint ventures and corporate governance matters.

Peter Read, FCA (Non-executive Director) aged 59

Peter began his career with KPMG in 1976, becoming a partner in 1990 and Head of Transaction Services for the telecoms, media, technology (TMT) practice in 1998 and Head of the TMT practice in 2003. In 2008, Peter was appointed Chairman of KPMG's TMT practice and Chairman (EMA) of the global Japanese practice. He held these positions until retiring from KPMG in 2013. Over this six year period he was also the lead partner for key TMT clients including WPP, IBM, Informa and DMGT and European sub-groups of Japanese clients, including Sony, Sumitomo, Mazda and Hitachi.

5.2 Proposed Directors

On Admission the following individuals will be appointed to the Board:

Anthony Matchett (Chief Executive Officer) aged 27

Anthony is the Chief Executive Officer of MelodyVR. He has extensive music industry experience and began his career as an audio engineer before moving on from the music industry to the world of post-production for advertising. In 2011, Anthony was tasked with founding Wave Recording Studios' first interactive division, focused on servicing the audio requirements of game developers and publishers. During his time at Wave, he secured clients such as Microsoft Studios, Sony Computer Entertainment, King.com and Ubisoft, and spearheaded numerous projects on their behalf. In 2015, Anthony's background and passion for music and technology inspired him to create MelodyVR, together with Steven Hancock.

Steven Hancock (Chief Operations Officer) aged 33

Steven is the Chief Operations Officer of MelodyVR. Prior to this, Steven gained over 15 years' experience at senior management level, within events management where he worked with music artists around the globe and also numerous FTSE 100 companies, managing more than 150 staff on a daily basis. More recently, Steven was the Commercial Manager at Ibiza Rocks, one of the fastest growing youth lifestyle brands in Europe, where he oversaw sales and marketing. In 2015, Steven joined forces with Anthony Matchett to create MelodyVR.

Simon Cole (Non-executive director) aged 57

Following spells at the BBC and at Piccadilly Radio, where he helped establish PPM Radiowaves, an independent production company, in 1989 Simon founded The Unique Broadcasting Company ("Unique"). Unique became a market leader in both the production of network radio programmes for commercial radio throughout the UK and BBC Radio. In 2000, Unique floated on the London Stock Exchange as part of UBC Media Group plc ("UBC"), (now called 7Digital Group plc), with Simon as Chief Executive. UBC were leaders in content production and software development for the global radio and online communities. Simon has overseen the acquisition of several production companies in both London and Manchester and driven UBC's move into new online platforms. He was formerly a non-executive director of AIM quoted Audioboom Holdings plc.

5.3 Senior Management

In addition to the Board, details of key senior management personnel within the Enlarged Group are set out below:

Sebastian Theron (Chief Financial Officer) aged 34

Conditional upon Admission, Sebastian Theron has agreed to join the Company as Chief Financial Officer with effect from 1 May 2016. Sebastian Theron is a chartered accountant who most recently held the position of Finance Director of Affectv Ltd, ranked number 11 in the Sunday Times Tech Track 100, where he successfully raised significant funding and restructured the business to scale efficiently. Prior to this he was Group Financial Controller and Board Secretary of Interactive Investor plc, a leading retail execution only stockbroker.

5.4 Advisory Board

The Advisory Board comprises the following individuals:

Christopher Gilbert aged 64

Chris has developed a number of successful businesses, with specific responsibility for fundraising, executive business management and their subsequent disposals. Chris co-founded Infectious Records, an independent record company which grew to be one of the most successful independent record companies in the UK until it was sold to News Corporation in 1999. Following this he founded Auriga Networks, a satellite transmission company which has developed a technology to deliver mpeg 3 video over VSAT networks and numbers among its clients NATO, the British and US Army, BBC, Fox Television and CBS News. In addition, Chris co-founded DarkStar Technologies, a hi-tech start up providing internet security and data management services to the entertainment industry with such clients as EMI, Sony, BMG, Warner Brothers Pictures and Universal-NBC, which was subsequently sold in 2010. In 2005, Chris co-founded Crosstown Songs, a buy & build music publishing venture funded by Cargill which became a major independent music publishing company which was sold to KKR/Bertelsmann in 2009. Chris is currently Chief Executive Officer of AIM quoted Fox Marble Holdings plc.

Annie MacManus aged 37

Dublin born, Annie Mac has spent the last decade carving out a career as broadcaster, tastemaker, talent-finder and international DJ. Radio 1's champion of new music, the successor to Zane Lowe and John Peel, Annie Mac now presents the primetime weekday evening show from Monday to Thursday as well as her primetime specialist Friday night Dance Show, while maintaining huge success as a live DJ in demand from stadiums to major clubs. Her own Annie Mac Presents brand ("AMP") not only hosts events with stellar line-ups personally curated by Annie at venues and festivals worldwide (including the 2015 launched brand new AMP Lost & Found Festival in Malta, which sold out in just a few days); but also delivers the highly anticipated annual compilation series which have topped the UK iTunes album charts for the past three years running.

Spencer Hyman aged 52

Spencer Hyman is an entrepreneur and investor in internet technology, media and consumer products. He is currently launching Cocoarunners.com, a service that aims to bring the world's best chocolate bars to its customers' doors. Prior to this, he founded and was Chief Executive Officer of Artfinder, Chief Operations Officer of Last.fm, and General Manager of technology products for Amazon in Europe, where he launched Amazon's Software, Video games, Electronics and Toy stores. He currently sits on the board/advisory boards of a number of other institutions including Lux Fix, the Pigeon Hole, Flixmedia and the Foundling Museum.

6. PRINCIPAL TERMS OF THE ACQUISITION

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of MelodyVR for a consideration of £5.12 million, to be satisfied by the issue of the Consideration Shares. The Acquisition Agreement is conditional, among other things, on the passing of the Resolutions (save for Resolution 8) and Admission becoming effective on or before 10 June 2016. The Company and each of the Vendors have given certain customary warranties pursuant to the Acquisition Agreement.

Further details of the Acquisition Agreement are set out in paragraph 15.1 of Part VII of the Circular.

7. FINANCIAL INFORMATION

Historical financial information on the Company and on MelodyVR is set out in Parts III and IV respectively of the Circular. An unaudited pro forma net assets statement showing the hypothetical net assets of the Enlarged Group after the Acquisition and the Share Consolidation is set out in Part V of the Circular.

8. IMPLICATIONS OF THE PROPOSALS UNDER THE CODE

Background to the Concert Party

The Vendors and their connected advisers (see below) are deemed under the Code to be acting in concert in relation to the Proposals and where relevant are referred to as the Concert Party throughout this announcement. Further details of the Concert Party are set out in Part VI of the Circular. Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company. Under the Code a concert party arises, among other things, when persons acting together pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company to which the Code applies. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company irrespective of whether the holding or holdings give de facto control.

SRG, Chris Akers, Russell Backhouse and Rodger Sargent are “connected advisers”, in their capacity as financial advisers to MelodyVR, and as such are treated as members of the Concert Party. SRG, Chris Akers, Russell Backhouse and Rodger Sargent each have no relationship to the other Concert Party members, other than in this professional capacity.

Concert Party

The Concert Party’s existing shareholdings in the Company and its proposed interest in the Enlarged Group immediately following Admission are set out in the table below.

Name	Current interest in the Company		Proposed interest in the Enlarged Group post Admission (and assuming all Warrants held by Concert Party members are exercised) ¹		% of issued Enlarged Ordinary Share Capital (assuming Warrants have been exercised)
	Number of Existing Ordinary Shares	% of the Existing Ordinary Share Capital	Number of New Ordinary Shares	Number of New Ordinary Shares under Warrant ¹	
Anthony Matchett	-	-	215,357,796	11,537,725	30.52%
Steven Hancock	-	-	176,876,784	11,537,725	25.35%
Mark Newton	-	-	48,525,867	-	6.53%
Stefan Glaenzer	-	-	24,262,933	-	3.26%
Alex Pearce	-	-	679,362	-	0.09%
Chris Akers ²	300,000,000	1.29%	9,969,697	625,000	1.43%
Russell Backhouse ²	20,000,000	0.09%	7,169,697	416,666	1.02%
Rodger Sargent ²	-	-	6,969,697	833,333	1.05%
Total	320,000,000	1.38%	489,811,833	24,950,449	69.25%

¹ The Warrants held by Messrs Matchett and Hancock may be exercised at a price of £0.011 per New Ordinary Share, and those held by Messrs Akers, Backhouse and Sargent at a price of £0.014 per New Ordinary Share (in each case at any time after Admission), further details of which are set out in paragraph 2.3 (b) of Part VI of the Circular.

² SRG, who is a connected adviser to the Concert Party under the Code, has received a financial advisory fee in relation to the Acquisition, as set out in paragraph 15.16 of Part VII of the Circular. This fee is to be settled by the issue of 20,909,091 New Ordinary Shares in the Company (“Adviser Shares”) at £0.011 per share, being the closing mid-market price of Existing Ordinary Shares (adjusted for the Share

Consolidation) at 25 April 2016. These shares are included in the table above - with 6,969,697 New Ordinary Shares each to Chris Akers, Russell Backhouse and Rodger Sargent respectively.

In aggregate, the Concert Party will be interested in 489,811,833 New Ordinary Shares, representing a maximum of 68.18 per cent. of the Enlarged Share Capital following Admission assuming: (a) no exercise of any outstanding warrants; and (b) no other share issues.

Maximum Potential Controlling Position

As at the date of this document, the members of the Concert Party are interested in 320,000,000 Existing Ordinary Shares. Immediately following Admission, the Concert Party will hold in aggregate 489,811,833 New Ordinary Shares, representing 68.18 per cent. of the Enlarged Ordinary Share Capital which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code. Assuming only the Warrants held by members of the Concert Party are exercised, the Concert Party will hold 514,762,282 New Ordinary Shares representing 69.25 per cent. of the Ordinary Share Capital.

The issue of the Consideration Shares and the Adviser Shares to the Concert Party would ordinarily incur an obligation under Rule 9 of the Code for the Concert Party to make a general offer for the remainder of the entire issued share capital of the Company. Additionally, the exercise of Warrants (if the aggregate holding of the Concert Party at that time was below 50 per cent.) would also ordinarily incur an obligation under Rule 9 of the Code for the Concert Party to make a general offer for the remainder of the entire issued share capital of the Company. However, the Panel has agreed to waive these obligations subject to the approval of the Independent Shareholders voting on a poll at the General Meeting.

Further details regarding the provisions of the Code, the Whitewash Resolution and the interests of the Concert Party in the Company are set out below in the Section headed "Waiver of Rule 9 of the Code" of this announcement and in Part VI of the Circular.

Intentions of the Concert Party

At present the Company is an "investing company" with no trading business. The Company's objective has been to acquire a trading business, and the Existing Directors believe that the acquisition of MelodyVR fulfils this objective. The Concert Party has confirmed that following completion of the Proposals its intention is that the business of the Company be changed to that of developing the MelodyVR business as described under "Future Strategy of the Enlarged Group" above.

Following the Acquisition, the future business of the Group will change as set out in "Future Strategy of the Enlarged Group" in paragraph 4 above.

Other than this, the Concert Party has confirmed that no changes will be made regarding:

- the location of the Company's places of business;
- the continued employment of the Company's employees and management, including any material changes in employment;
- employer contributions into the Company's pension schemes, the accrual of benefits for existing members and the admission of new members; or
- the maintenance of any existing trading facilities for the Ordinary Shares (i.e., the trading of the Company's shares on AIM), nor will there be any redeployment of the fixed assets of the Company as result of the Proposals.

Waiver of Rule 9 of the Code

The Code is issued and administered by the Panel. The Company is a company to which the Code applies and its Shareholders are entitled to the protections afforded by the Code. Under Rule 9 of the Code, any person who acquires an interest (as defined in the Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Rule 9 of the Code further provides that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any such 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, such person or persons acting in concert with him will normally be required to make a general offer to all remaining shareholders to acquire their shares.

Rule 9 of the 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, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares, although individual members of the concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold, without Panel consent.

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

The Company has applied to the Panel for a waiver of Rule 9 of the Code in order to permit the Acquisition without triggering an obligation on the part of the Concert Party to make a general offer to Shareholders. Subject to the approval of the Independent Shareholders taken on a poll in the General Meeting, the Panel has agreed to waive the obligation to make a general offer for the entire issued share capital of the Company that would otherwise arise as a result of the issue of the Consideration Shares and Adviser Shares

in connection with the Acquisition, or any subsequent exercise of Warrants. Accordingly, the Whitewash Resolution being proposed at the General Meeting will be taken by means of a poll of Independent Shareholders attending and voting at the General Meeting. None of the members of the Concert Party (nor any adviser connected to them) are permitted to exercise their voting rights in respect of the Whitewash Resolution but may exercise their voting rights in respect of the remainder of the Resolutions.

The waiver to which the Panel has agreed under the Code will be invalidated if any purchases are made by any member of the Concert Party, or any person acting in concert with it, in the period between the date of this document and the General Meeting. Furthermore, other than as set out in paragraph 2.3(a) of Part VI of the Circular no member of the Concert Party, nor any person acting in concert with it, has purchased Ordinary Shares in the 12 months preceding the date of this announcement.

The Concert Party will not be restricted from making an offer for the Ordinary Shares in the Company which it will not own post-Admission.

In each case above it is assumed that no other person has converted any convertible securities or exercised any option or any other right to subscribe for shares in the Company following the date of this announcement.

Independent Advice

SPARK Advisory Partners has provided advice to the Existing Directors in respect of the Proposals as required under Rule 3 of the Code.

9. CHANGE OF NAME

Subject to Shareholders' approval of Resolution 10 as a special resolution, the name of the Company will be changed to EVR Holdings plc.

The Directors believe the Company's name should be changed to EVR Holdings plc to better represent the operations of the Enlarged Group.

If the special resolution to approve the change of name of the Company is passed at the General Meeting, the Company's AIM symbol will be changed to EVRH and its website address will be changed to www.EVRHoldings.com following the General Meeting.

10. SHARE CONSOLIDATION

The Admission is conditional upon the approval and completion of the Proposals, including the Share Consolidation. The Company's Existing Ordinary Share Capital comprises 23,175,034,357 Existing Ordinary Shares.

The Share Consolidation, which is expected to take place after close of business on the Record Date, will involve every 100 Existing Ordinary Shares being consolidated into 1 New Ordinary Share. Accordingly, subject to the passing of Resolution 3 at the General Meeting, Shareholders will receive one New Ordinary Share in exchange for every 100 Existing Ordinary Shares held. The rights attached to the New Ordinary Shares will be the same as the rights attaching to the Existing Ordinary Shares and the new Ordinary Shares will trade on AIM in place of the Existing Ordinary Shares.

Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The Share Consolidation will result in an issued ordinary share capital of 231,750,344 New Ordinary Shares. The Deferred Shares will not be affected by the Share Consolidation.

In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company may issue Existing Ordinary Shares to the Registrar. The number of Existing Ordinary Shares to be issued will be 43 which will result in the total number of Existing Ordinary Shares being exactly divisible in accordance with the consolidation ratio.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a "Fractional Shareholder"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares ("Fractional Entitlement Shares"). These Fractional Entitlement Shares shall be sold on behalf of the relevant Fractional Shareholders in accordance with article 49 of the Articles. The net proceeds of the sale shall be retained for the benefit of the Company.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, Shareholders with only a fractional entitlement to a New Ordinary Share (i.e., those Shareholders holding a total of fewer than 100 Existing Ordinary Shares at the Record Date) will cease to be a Shareholder of the Company. Accordingly, Shareholders currently holding fewer than 100 Existing Ordinary Shares who wish to remain a Shareholder of the Company following the Share Consolidation would need to increase their shareholding to at least 100 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Change of Name and the Share Consolidation. Following the issue of new share certificates,

share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive new share certificates.

11. ADMISSION TO AIM AND DEALINGS IN NEW ORDINARY SHARES

If all of the Resolutions are passed at the General Meeting, application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on 16 May 2016. No application has been or will be made for any Warrants to be admitted to trading on AIM.

If any of the Resolutions, save for Resolution 8, are not passed at the General Meeting, the Acquisition will not proceed and the Directors will consider alternative options for the Company.

SPARK Advisory Partners and Peterhouse have been retained as the Company's nominated adviser and broker respectively in relation to Admission. Further details of SPARK Advisory Partners' and Peterhouse's engagements are set out at paragraphs 15.10, 15.11 and 15.4 respectively of Part VII of the Circular.

12. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

The Locked-in Persons have undertaken to the Company and SPARK Advisory Partners that they will not dispose of any interest they hold in New Ordinary Shares for a period of 12 months following Admission. The Locked-in Persons have undertaken that, for a further period of 12 months thereafter, they shall only dispose of an interest in New Ordinary Shares having first notified SPARK Advisory Partners. For this further period, all the Locked-In Persons will only dispose of any interest on an orderly market basis through the Company's then broker.

Further details of the lock-in and orderly market arrangements are set out in paragraph 15.3 of Part VII of the Circular.

13. WARRANTS

At the date of this document, the Company has Existing Warrants in issue in respect of 5,046,351,364 Existing Ordinary Shares. Following the Share Consolidation the holders of such Warrants will be entitled to subscribe for 50,463,513 New Ordinary Shares.

Subject to Admission, the Board proposes to issue New Warrants to subscribe for up to 52,594,234 New Ordinary Shares at an exercise price of £0.011 per share to Existing Directors, Proposed Directors, members of the Advisory Board and certain key employees and consultants.

This issue includes the following awards of New Warrants to Existing Directors and Proposed Directors:

Mr Peter Read	4,615,090
Mr Sean Nicolson	4,615,090
Mr Anthony Matchett	11,537,725
Mr Steven Hancock	11,537,725
Mr Simon Cole	4,615,090

In addition, the Company has agreed to issue New Warrants to subscribe for 7,183,622 New Ordinary Shares at £0.011 to SPARK Advisory Partners on Admission.

These New Warrants are exercisable at any time up to the third anniversary of Admission, at which time they will lapse.

Further details of the Existing Warrants and the New Warrants are set out in paragraphs 10.1, 11.1, paragraphs 15.6 to 15.8 and paragraph 15.13 of Part VII of the Circular.

Resolution 8 at the General Meeting will seek Shareholders' approval of the issue of New Warrants to the Existing Directors: Peter Read and myself. The Existing Directors will not vote their Existing Ordinary Shares on this Resolution.

14. OPTIONS

At the date of this document, the Company has no options outstanding.

It is proposed that following Admission the Company will establish the New Share Option Scheme to incentivise the directors and employees and to align their interests with the interests of Shareholders. The total number of options which may be granted under the scheme is capped at 10 per cent. of the Company's issued share capital from time to time.

Further details of the New Share Option Scheme are set out in paragraph 11.4 of Part VII of the Circular.

15. DIVIDEND POLICY

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

16. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors and Proposed Directors recognise the importance of sound corporate governance and the Enlarged Group will comply with QCA Code, as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Enlarged Group's size, stage of development and resources.

The Enlarged Group will hold board meetings periodically as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing the policies of the Enlarged Group. It will be the Board's responsibility to oversee the financial position of the Enlarged Group and monitor the business and affairs of the Enlarged Group on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Enlarged Group at all times. The Board will also address issues relating to internal control and the Enlarged Group's approach to risk management.

The Enlarged Group has also established a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise Simon Cole as Chairman, Sean Nicolson and Peter Read, will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Audit Committee, which will comprise Peter Read as Chairman and Simon Cole will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The Enlarged Group has adopted and will operate a share dealing code governing the share dealings of the directors of the Company and applicable employees with a view to ensuring compliance with the AIM Rules.

17. TAXATION

General information regarding UK taxation is set out in paragraph 21 of Part VII of the Circular. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser immediately.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

18. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The New Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

19. BRIBERY ACT 2010

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has conducted a risk review into its operational procedures to consider the impact of the Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

20. RISK FACTORS

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Shareholders attention is drawn to the risk factors set out in Part II of the Circular.

21. FURTHER INFORMATION

Shareholders should read the whole of the Circular, which provides additional information on the Company, MelodyVR and the Proposals, and should not rely on summaries of, or individual parts only of, this announcement. Your attention is drawn, in particular, to Parts II to VII of the Circular.

22. GENERAL MEETING

You will find set out at the end of this document a notice convening the General Meeting of the Company to be held at 11.00 a.m. on 13 May 2016 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, at which the following Resolutions will be proposed:

- Resolution 1: to approve the Whitewash Resolution;
- Resolution 2: to approve the Acquisition;
- Resolution 3: to approve the Share Consolidation;
- Resolution 4: to appoint Anthony Matchett as a director of the Company;
- Resolution 5: to appoint Steven Hancock as a director of the Company;
- Resolution 6: to appoint Simon Cole as a director of the Company;
- Resolution 7: to authorise the Directors to allot New Ordinary Shares;
- Resolution 8: to approve the issue of New Warrants to Peter Read and Sean Nicolson;
- Resolution 9: to dis-apply statutory pre-emption provisions to enable the Directors in certain circumstances to allot New Ordinary Shares for cash other than on a pre-emptive basis; and
- Resolution 10: to approve the Change of Name.

23. ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete, sign and return the Proxy Form by post or by hand to the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA, as soon as possible but in any event so as to arrive no later than 48 hours before the General Meeting. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she wish to do so.

24. RECOMMENDATION

The Board is of the opinion that the Resolutions numbered 2 to 7 and 9 to 10 (inclusive) are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Existing Directors unanimously recommend that Shareholders vote in favour of each of these Resolutions, as the Existing Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 737,187,499 Existing Ordinary Shares, representing approximately 3.18 per cent. of the Existing Ordinary Share Capital.

None of the Existing Directors are able to give any recommendation in respect of the Whitewash Resolution (Resolution 1), given that they will receive New Warrants as set out in paragraph 13 above following

Admission. SPARK Advisory Partners, as Rule 3 Adviser under the Code, believe that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders.

Accordingly, SPARK Advisory Partners recommends that Independent Shareholders vote in favour of Resolution 1. The Existing Directors are unable to vote their Shares on Resolution 1, nor are members of the Concert Party.

In respect of Resolution 8, which proposes the issue of New Warrants to the Existing Directors, the Existing Directors will not vote their shares on this Resolution, and do not make any recommendation on this Resolution to Shareholders.

EXPECTED TIMETABLE

	2016
Publication of this document	27 April
Latest time and date for receipt of CREST voting intentions	11.00 a.m. on 11 May
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 11 May
Time and date for the General Meeting	11.00 a.m. on 13 May
Last day of dealings in the Existing Ordinary Shares	13 May
Record time and date for the Share Consolidation	5.00 p.m. on 13 May
Change of Name effective	16 May
Completion of the Proposals and commencement of dealings of the Enlarged Ordinary Share Capital on AIM	8.00 a.m. on 16 May
CREST accounts expected to be credited with the New Ordinary Shares	As soon as practicable after 8.00 a.m. on 16 May
Despatch of definitive share certificates in respect of the New Ordinary Shares by	23 May

Note: All references to times in this timetable are to London times. The times and dates may be subject to change.

DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of MelodyVR, pursuant to the terms of the Acquisition Agreement;
“Acquisition Agreement”	the conditional acquisition agreement dated 26 April 2016 between the Company and the Vendors in relation to the sale and purchase of the entire issued share capital of MelodyVR, further details of which are set out in paragraph 15.1 of Part VII of the Circular;
“Act”	the Companies Act 2006, as amended;
“acting in concert”	has the meaning given to it in the Takeover Code;
“Admission”	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies;

“Admission Agreement”	the conditional agreement dated 26 April 2016 between the Company, the Existing Directors, the Proposed Directors, SPARK Advisory Partners and Peterhouse relating to Admission, details of which are set out at paragraph 15.2 of Part VII of the Circular;
“Adviser Shares”	20,909,091 New Ordinary Shares to be issued to SRG in satisfaction of fees due to them in connection with services provided by SRG to MelodyVR, details of which are set out at paragraph 15.17 of Part VII of the Circular;
“Advisory Board”	the Company’s advisory board, details of which are set in paragraph 5.4 of Part I of this announcement;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time; the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time;
“Articles”	the articles of association of the Company from time to time;
“Board”	the directors of the Company from time to time;
“Business Day”	a day (other than Saturday, Sunday or a public holiday), on which banks in the City of London are open for business generally; a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
“Chairman”	Sean Nicolson, The non-Executive Chairman of the Company;
“Change of Name”	the proposed change of name of the Company to EVR Holdings plc, further details of which are set out in paragraph 9 of Part I of this announcement;
“Company”	Armstrong Ventures plc, a company registered in England and Wales with registered number 05628362;
“Concert Party”	Anthony Matchett, Steven Hancock, the other Vendors, together with SRG, Chris Akers, Russell Backhouse and Rodger Sargent (as connected advisers under the Code) as more fully described in paragraph 1 of Part VI of the Circular;
“Consideration Shares”	the 465,702,743 New Ordinary Shares (following the Share Consolidation) to be issued to the Vendors at the Issue Price in consideration for the transfer of the entire issued share capital of MelodyVR as set out in the Acquisition Agreement;
“Corporate Governance Code”	the Corporate Governance Code published by the Financial Reporting Council, as amended;

“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“Deferred Shares”	the Initial Deferred Shares and the Subsequent Deferred Shares;
“Directors”	the Existing Directors and/or the Proposed Directors, as the context requires;
“DTRs” or “Disclosure and Transparency Rules”	the rules and regulations made by the FCA in its capacity as the UKLA under Part VII of FSMA, and contained in the UKLA publication of the same name, as amended;
“EMI Options”	Enterprise Management Incentive options granted to employees pursuant to the Income Tax (Earnings and Pensions) Act 2003;
“Enlarged Group”	the Company, MelodyVR and its subsidiary undertaking, Immersive, upon completion of the Acquisition;
“Enlarged Ordinary Share Capital”	the share capital of the Company upon Admission, comprising the Existing Ordinary Share Capital (following the Share Consolidation), the Consideration Shares and the Adviser Shares;
“Existing Directors”	Sean Nicolson and Peter Read;
“Existing Ordinary Shares”	ordinary shares of £0.0001 each in issue as at the date of this announcement;
“Existing Ordinary Share Capital”	the ordinary share capital of the Company as at the date of this announcement, comprising 23,175,034,357 Existing Ordinary Shares;
“Existing Warrants”	the warrants in existence as at the date of this announcement to subscribe for a total of 5,046,351,364 Existing Ordinary Shares;
“Form of Proxy” or “Proxy Form”	the form of proxy enclosed with this document for use by Shareholders in connection with the GM;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting” or “GM”	the general meeting of the Company, convened for 11.00 a.m. on 13 May 2016, and any adjournment thereof, notice of which is set out at the end of the Circular; the Company’s historical financial information for the three years ended 31 December 2013, 31 December 2014 and 31 December 2015; MelodyVR’s historical financial information for the period from incorporation on 22 April 2015 to 31 December 2015;
“HMRC”	Her Majesty’s Revenue & Customs;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Immersive”	Immersive Construction Limited, a company registered in England and Wales with registered number 09726159, a subsidiary undertaking of MelodyVR;

“Independent Shareholders”	shareholders entitled to vote on the Whitewash Resolution, being all Shareholders except for members of the Concert Party;
“Initial Deferred Shares”	the deferred shares of £0.0095 each in the capital of the Company;
“IPR”	intellectual property rights;
“Issue Price”	£0.011 being the price at which the Consideration Shares and the Adviser Shares are to be issued;
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003;
“Lock-in Agreements”	the lock-in agreements entered into by the Locked-in Persons, described in paragraph 12 of Part I and paragraph 15.3 of Part VII of the Circular;
“Locked-in Persons”	the Directors and the Proposed Directors;
“London Stock Exchange”	the London Stock Exchange plc;
“MelodyVR”	MelodyVR Ltd, a company registered in England and Wales with registered number 09555357;
“MelodyVR Group”	MelodyVR and its subsidiary undertaking, Immersive;
“New Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company following the Share Consolidation;
“New Share Option Scheme”	the proposed new share option scheme of the Company to be adopted following Admission, further details of which are set out in paragraph 11.4 of Part VII of the Circular;
“New Warrants”	the warrants to subscribe for New Ordinary Shares in the Company granted to (i) the Existing Directors, Proposed Directors, members of the Advisory Board, consultants to the Company, and (ii) SPARK Advisory Partners, in each case on the terms set out in paragraphs 15.6 and 15.13 of Part VII of this document;
“Notice”	the notice of the General Meeting set out at the end of the Circular;
“Official List”	the definitive record of whether a company’s securities are officially listed in the United Kingdom maintained by the FCA pursuant to Part VI of FSMA;
“Ordinary Shares”	ordinary shares in the issued share capital of the Company from time to time;
“Panel”	the Panel on Takeovers and Mergers;
“Peterhouse”	Peterhouse Corporate Finance Limited, the Company’s broker at the date of this announcement;
“Proposals”	the Acquisition, the Change of Name, the Rule 9 Waiver, the Share Consolidation, the renewal of share authorities, the General Meeting and Admission;

“Proposed Directors”	the persons to be appointed directors pursuant to the GM, whose names are set out in paragraph 5.2 of this announcement;
“QCA Code”	the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance;
“Record Date”	13 May 2016;
“Registrar”	Neville Registrars Limited;
“Relationship Agreement”	the agreement dated 26 April 2016 between the Company, the Proposed Directors and SPARK Advisory Partners, details of which are set out in paragraph 15.5 of Part VII of the Circular;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
“Rule 9 Waiver”	the waiver of the obligations of the Concert Party to make a general offer for the Enlarged Group under Rule 9 of the Takeover Code which may otherwise arise as a consequence of the issue of the Consideration Shares to the Concert Party, granted by the Panel conditional upon approval of the Independent Shareholders voting on a poll, further details of which are set out in paragraph 8 of Part I of this announcement;
“Share Consolidation”	the proposed consolidation of every 100 Existing Ordinary Shares into 1 New Ordinary Share;
“Shareholders”	the persons who are registered as holders of the Ordinary Shares from time to time;
“Share Options”	options to subscribe for Ordinary Shares to be granted under the New Share Option Scheme;
“SPARK Advisory Partners”	SPARK Advisory Partners Limited, the Company’s nominated adviser at the date of this announcement;
“SRG”	Sports Resource Group Limited, 2nd Floor, 18 Buckingham Gate, London, SW1E 6LB, a company registered in England and Wales with registered number 04046907;
“Sterling” or “£” or “p” or “pence”	the legal currency of the UK;
“Subsequent Deferred Shares”	the deferred shares of £0.0024 each in the capital of the Company;
“Takeover Code” or “Code”	the City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UKLA”	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VII of FSMA; a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Unapproved Options”	options granted to employees which do not qualify as EMI Options;

“US” or “United States”	the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US\$”	the legal currency of the United States;
“VAT”	value added tax;
“Vendors”	the shareholders of MelodyVR, being Anthony Matchett, Steven Hancock, Mark Newton, Stefan Glaenzer and Alex Pearce, further details of whom are set out in paragraph 1 of Part VI of the Circular;
“Warrants”	the Existing Warrants and the New Warrants; and
“Whitewash Resolution”	the Resolution numbered 1 in the Notice.