

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus (the "**Prospectus**") for the purposes of Article 6 of the European Union Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") relating to the Ordinary Shares in Iconic Labs plc ("**Company**"), prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority ("**FCA**") made under section 73A of FSMA (the "**Prospectus Regulation Rules**"), and for which the Prospectus has been approved by the FCA as competent authority under the Prospectus Regulation and in accordance with section 87A of FSMA, has been filed with the FCA and made available to the public in accordance with Rule 3.2.1 of the Prospectus Regulation Rules. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered an endorsement of the Company nor the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

You should read the whole of this document. In particular, your attention is drawn to the factors described in the "Risk Factors" on pages 11 to 21 of this document and the letter from your Interim Chairman which is set out in Part I (*Letter from the Interim Chairman of Iconic Labs plc*) of this document.

If you have sold or otherwise transferred all your shares in the Company, please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker or other agent who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The Existing Ordinary Admitted Shares are admitted to the standard listing segment of the Official List of the FCA ("**Official List**") and to trading on the London Stock Exchange plc's ("**London Stock Exchange**") main market for listed securities ("**Main Market**"). Applications will be made to the FCA and the London Stock Exchange respectively for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to trading on the Main Market. It is expected that Admissions will become effective and that unconditional dealings in the New Ordinary Shares will commence on the Main Market between 25 March 2020 and 24 March 2021.

The Company and each of the Directors, whose names appear on page 31 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should be aware that an investment in the Company involves a significant degree of risk and that, if certain of the risks described in this document occur, investors may find their investment is materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

ICONIC LABS PLC

(incorporated and registered in England and Wales with registered number 10197256)

Prospectus relating to the issuance of up to 31,223,750,000 New Ordinary Shares pursuant to the Previous Financing Agreement, Deed of Issuance and the Financing Agreement

And

Admission of the New Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.

No person has been authorised to give any information or make any representations other than those contained in this document and any such information or representations must not be relied upon as having been so authorised by the Company, the Directors, or any other person. The Company will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful, and, in particular, this document is not for distribution in or into the United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa. 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 restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa, and subject to certain exceptions, may not be offered, sold or re-sold, renounced, taken up or delivered, directly or indirectly, into or from the United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any national of Australia, Canada, Japan, New Zealand or the Republic of South Africa. This document should not be distributed, published, reproduced or otherwise made available in whole or part, or disclosed by recipients to any other person in, and in particular, should not be distributed to persons with addresses in, the

United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa. No action has been taken by the Company that would permit an offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdiction.

APPLICATION WILL BE MADE FOR THE NEW ORDINARY SHARES TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

NOTICE TO US INVESTORS

Subject to certain exceptions, this document does not constitute an offer of the New Ordinary Shares to any person with a registered address in, or who is resident in, the United States. The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("**US Securities Act**"), the securities or "blue sky" laws of any state or other jurisdiction of the United States, or with any regulatory authority or under the applicable securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may only be offered or sold outside the United States in reliance upon Regulation S under the Securities Act ("**Regulation S**") and, accordingly, may not be offered, sold, pledged, or otherwise transferred directly or indirectly into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state or local securities law. This document does not constitute an offer of New Ordinary Shares or an offer to sell or a solicitation of an offer to buy New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this prospectus. Any representation to the contrary is a criminal offence in the United States. Certain restrictions on the transfers of the New Ordinary Shares are described in "Selling and Transfer Restrictions".

This Prospectus is dated 25 March 2020

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SUMMARY

1. INTRODUCTION AND WARNINGS

This summary provides the key information that you as a prospective investor need in order to understand the nature and risks of Iconic Labs plc (the “**Company**”) and the securities of the Company referred to in this prospectus (the “**Prospectus**”). You should read this summary as an introduction to this Prospectus. You should read this summary together with the other parts of this Prospectus to aid you when considering an investment in the securities referred to in this Prospectus. You should base any decision to invest in the securities on a consideration of the whole of this Prospectus.

The Company is proposing to issue securities under this Prospectus to European High Growth Opportunities Securitization Fund (the “**Investor**”) pursuant to: (i) a deed of issuance and subscription dated 5 August 2019 in respect of monies lent by the Investor to the Company (“**Deed of Issuance**”), for which warrants are to be issued following the publication of this document; and (ii) a financing agreement dated 7 February 2020 for the lending of monies to the Company by the Investor (“**Financing Agreement**”) for which convertible notes and warrants are to be issued following the publication of this document. The securities which the Company intends to issue under both the Deed of Issuance and the Financing Agreement will when converted and exercised by the Investor at its sole discretion result in the issue of new ordinary shares of £0.00001 each in the capital of the Company (“**Ordinary Shares**”). The Company has previously issued 1,223,750,000 Ordinary Shares to the Investor (“**Previously Issued Investor Ordinary Shares**”) pursuant to a deed of issuance and subscription dated 26 September 2018 (“**Previous Financing Agreement**”). Following the publication of this Prospectus these securities are to be admitted to the standard segment of the Official List maintained by the Financial Conduct Authority and to trading on the London Stock Exchange plc’s main market for listed securities (“**Admitted**”).

The ISIN of the Ordinary Shares is GB00BD060S65 and SEDOL number is BD060S6. The issuer of the securities is Iconic Labs plc of 27-28 Eastcastle Street, London, W1W 8DH and its legal entity identifier (“**LEI**”) is 213800YCXZV6RSHGGT04.

This Prospectus has been approved by the United Kingdom Financial Conduct Authority of 12 Endeavour Square, London E20 1JN on 25 March 2020.

If you invest in any of the securities referred to in this Prospectus, you could lose all or part of the capital that you invest.

Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated (if the claim is heard in a court where a prospectus in English is not accepted).

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

If you choose to invest in the securities referred to in this Prospectus, you are about to purchase a product that is not simple and may be difficult to understand.

2. KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer is Iconic Labs plc of 27-28 Eastcastle Street, London, W1W 8DH United Kingdom and its LEI is 213800YCXZV6RSHGGT04. It is a public company limited by shares, incorporated and registered in England and Wales under company number 10197256 and governed by the laws of England and Wales. It is domiciled in England and Wales.

What are the Company’s principal activities?

The Company is focussed on providing online marketing, content and technology driven products.

The management team of John Quinlan and Liam Harrington have the knowledge and expertise of content and technology gained from their time at UNILAD, one of the world’s largest social first publishers.

The Company is developing an agency and consulting business that signs fee based service contracts with companies and advises them on how to better engage with their consumers and stakeholders by using social media and marketing. Simultaneously, the Company is looking to acquire and develop a range of digital brands that will generate advertising revenue in the short term and build capital brand value in the long term.

Who are the Company's major shareholders and direct and indirect owners and controllers?

As at 24 March 2020, and so far as is known to the Company by virtue of the notifications made to the Company pursuant to the Companies Act 2006, the Market Abuse Regulation and/or the Disclosure Guidance and Transparency Rules, the following will be directly or indirectly interested in 3 per cent. or more of the Company's issued share capital:

Shareholder	Percentage of Existing Shares
Hargreaves Lansdown Nominees Ltd	22.03
Interactive Investor Services Nominees Ltd	12.57
HSDL Nominees Ltd	11.46
Vidacos Nominees Limited	8.22
Barclays Direct Investing Nominees Limited	6.52
The Bank of New York Nominees Limited	5.49
JIM Nominees Limited	4.46
Lynchwood Nominees Limited*	4.36
Winterflood Securities Limited	3.83
Lawshare Nominees Limited	3.75
Lynchwood Nominees Limited	3.05

*Beneficial owner is European High Growth Opportunities Securitization Fund

Who are the Company's key managing directors?

The Company's executive directors are John Quinlan (Chief Executive Officer and Interim Chairman), Liam Harrington (Chief Business Officer) and Sam Asante (Chief Operating Officer). The Company is in the process of looking to appoint new non-executive directors.

Who are the Company's statutory auditors?

Crowe UK LLP are the Company's current auditors.

What is the key financial information regarding the issuer?

(A) Selected historical key financial information

The tables below set out selected key financial information for the Company for the periods indicated as extracted from the Company's website at www.iconiclabs.co.uk. Prospective investors should review the following selected historical financial information together with the whole of this document and should not rely on the selected information itself.

STATEMENTS OF COMPREHENSIVE INCOME

A summary of the audited statements of comprehensive income of the Company for the year ended 31 December 2016, the year ended 31 December 2017 and the eighteen-month period ended 30 June 2019 is stated below:

	Audited 18 months ended 30 June 2019 £'000	Audited Year ended 31 December 2017 £'000	Audited Year ended 31 December 2016 £'000
Continuing operations			
Revenue	–	–	–
Operating loss	(328)	–	–
Loss after taxation from continuing operations	(2,147)	–	–
Loss after taxation from discontinued operations	(4,114)	(2,809)	(1,275)
Total comprehensive loss for the period	(6,260)	(2,842)	(1,275)
<i>Loss per Ordinary Share</i>			
Basic and diluted (continuing operations)	£(0.01)	£(0.00)	£(0.00)
Basic and diluted (discontinued operations)	£(0.01)	£(0.05)	£(0.03)

STATEMENT OF FINANCIAL POSITION

A summary of the audited statements of financial position of the Company as at 31 December 2016, 31 December 2017 and 30 June 2019 is stated below:

	Audited As at 30 June 2019 £'000	Audited As at 31 December 2017 £'000	Audited Year ended 31 December 2016 £'000
Total assets	39	1,432	1,630
Total equity	(1,817)	(569)	824

STATEMENTS OF CASH FLOWS

A summary of the audited statements of cash flows of the Company for the year ended 31 December 2016, the year ended 31 December 2017 and the eighteen-month period ended 30 June 2019 is stated below:

	Audited 18 months ended 30 June 2019 £'000	Audited Year ended 31 December 2017 £'000	Audited Year ended 31 December 2016 £'000
Continuing operations			
Net cash used in operating activities	(237)	–	–
Net cash used in investing activities	(8)	–	–
Net cash from financing activities	(3,838)	–	–
Discontinued operations			
Net cash used in operating activities	(3,242)	(2,141)	(747)
Net cash used in investing activities	(24)	(324)	(181)
Net cash from financing activities	(429)	1,466	2,043
Total			
Net cash used in operating activities	(3,479)	(2,141)	(747)
Net cash used in investing activities	(31)	(324)	(181)
Net cash from financing activities	3,408	1,466	2,043
Net cash flow for the period	(102)	(999)	1,116

Subsequent events

On 5 August 2019, the Company entered into the Deed of Settlement and the Deed of Issuance.

On 16 August 2019, the Company issued 237,827,207 Ordinary Shares in connection with the Deed of Settlement to the Investor.

On 5 September 2019, the Iconic Labs Group acquired 24 per cent. of the issued share capital of Student Media Ventures Limited ("**Student Media Ventures**"). Student Media Ventures was subsequently dissolved on 14 January 2020, with no cost to Iconic Labs Group or Iconic Labs Group having incurred any losses.

On 9 September 2019, the Iconic Labs Group acquired 100 per cent. of the issued share capital of Nuuco Media Limited ("**Nuuco Media**").

On the 12 September 2019, the Company took a 24 per cent. interest in Medium Channel Media Limited ("**MCM**"), a media-focussed investment company, in return for the provision of management and consultancy services under a management services agreement and the provision of a loan for £150,000 to be used solely for working capital purposes. At the same time, MCM entered into a conditional agreement to acquire Tab Media Limited, which agreement has now expired.

On 14 January 2020, the Company acquired 50 per cent. of the issued share capital of Coalition Media Limited ("**Coalition Media**") which is a 50/50 joint venture marketing services company created with Bacchus Creative Entertainment. Coalition Media was incorporated on 10 January 2020 with 100 ordinary shares of £1 each issued and fully paid. Coalition Media has yet to commence trading.

Other than the above, there has been no significant change in the financial condition and operating results of the Company during the two years ended 31 December 2017 and the eighteen-month period ended 30 June 2019, or subsequent to 30 June 2019.

Selected key pro forma financial information

The unaudited pro forma financial information (the “**Pro Forma Financial Information**”) has been prepared for illustrative purposes only and because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the group’s actual financial position or results. The Pro Forma Financial Information has been prepared to illustrate the effects of:

- the acquisition of 100 per cent. of the issued share capital of Nuuco Media;
- the acquisition of 24 per cent. of the issued share capital of MCM;
- the acquisition of 50 per cent. of the issued share capital of Coalition Media;
- the receipt of borrowings in relation to both the Deed of Issuance and the Financing Agreement, together with the issue of the associated Issuance Warrants and the Financing Warrants; and
- the associated costs of the transaction,

on the assets, equity and liabilities of the Company as at 30 June 2019 and on the continuing earnings of the Company for the eighteen-month period then ended.

Summary unaudited pro forma statement of financial position

	Company as at 30 June 2019 Note 1 £'000	Adjustment Deed of Issuance Note 2 £'000	Adjustment Deed of Settlement Note 3 £'000	Adjustment Financing Agreement Note 4 £'000	Adjustment Acquisitions Note 5 £'000	Adjustment Payment of Costs Note 6 £'000	Unaudited pro forma statement of financial position of the Company £'000
Total assets	39	1,275	–	2,000	–	(290)	3,024
Total equity	(1,817)	–	805	–	–	(290)	(1,302)

Summary unaudited pro forma statement of comprehensive income

	Company results 18 months ended 30 June 2019 Note 1 £'000	Adjustment Deed of Issuance Note 2 £'000	Adjustment Deed of Settlement Note 3 £'000	Adjustment Financing Agreement Note 4 £'000	Adjustment Acquisitions Note 5 £'000	Adjustment Payment of Costs Note 6 £'000	Unaudited pro forma results for 18 months ended 30 June 2019 £'000
Revenue	–	–	–	–	–	–	–
Loss from operating activities	(328)	–	–	–	–	(290)	(618)
Loss before taxation	(2,147)	(103)	–	(109)	–	(290)	(2,649)
Loss for the period from continuing operations	(2,147)	(103)	–	(109)	–	(290)	(2,649)
Loss from discontinued operations	(4,114)	–	–	–	–	–	(4,114)
Total loss for the period	(6,261)	(103)	–	(109)	–	(290)	(6,763)

(B) Audit report qualifications

Iconic Labs Group’s auditors included a qualified opinion in their audit report for the period ended 30 June 2019. The opinion is summarised as follows:

“Basis for qualified opinion

As noted by the Directors, during the period between November 2018 and March 2019 a number of staff and directors left Iconic Labs Group and by March 2019 none of the original Board or key management remained in the Group. Compounding the loss of knowledge through these departures, the new Board have been unable to locate certain accounting records in both the UK and its overseas subsidiaries. The Board engaged a professional outsourced service provider to reconstruct

to the maximum extent possible the accounting records. As a result of undertaking these procedures, the Board have identified that of the total expenditure charged to the Statement of Comprehensive Income, excluding impairments and loan note conversion costs, there is approximately £1.7m of expenditure for which underlying documentation cannot be located. Of the £1.7m approximately £1.5m relates to administrative expenditure and £0.2m staff costs. The Board have also concluded that they are satisfied that the risk of there being an unrecorded actual or contingent liability arising from the former business of the group's discontinued activities is very low. During the period under review one of the group's undertakings promoted an insurance product and it is unclear on what basis that product was, if at all, distributed and, as a consequence, whether the group or its relevant undertaking required authorisation from the relevant regulatory authority. The new Board have from their own enquiries concluded that very few insurance related products were distributed by the group and to the extent that they were, an appropriate intermediary was used. As a consequence of the absence of accounting records and management who would be able to resolve queries, we have been unable to obtain the information and explanation necessary for our audit in respect of;

- expenditure and the completeness of actual and contingent liabilities arising solely from the former business of the group's discontinued activities; and,
- liabilities which may arise from the possibility that one of the group's subsidiaries may have conducted insurance business and, as a consequence, may not have complied with local laws and regulations in relation to what may be a regulated activity.

The lack of evidence also impacts on our ability to conclude on the completeness of related party transactions which arose during the period up to instatement of the current board and new management team. There were no alternative audit procedures we could undertake in respect of this expenditure and therefore our audit opinion is qualified due the limitation on the scope of our audit."

What are the key risks that are specific to the issuer?

Any investment in the Company should not be regarded as short term in nature and involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this Prospectus and the risks attaching to an investment in the Company, including, in particular, the risks described below:

- The implementation of the Company's near-term and long-term growth strategy may not be as successful as planned, and consequently, the group may not be able to generate new business and grow its revenues and achieve profitability. The market the group operates in is competitive and there is no guarantee that the group's growth strategies will prove successful.
- The operations of the group is dependent on the experience, skills and knowledge of its executive officers and management team. Whilst such employees are subject to employment agreements, these agreements do not preclude them from terminating their employment, subject to their notice periods. Where they are subject to certain post-termination restrictions these may not be fully enforceable by law or may only apply for a limited period of time. The future success of the group is also dependent on its ability to attract, develop and retain key personnel of the right calibre, which it may not be able to do in a competitive market.
- If the Investor chooses to convert the convertible notes issued to it under the Financing Agreement and/or exercise the warrants issued to it under the Deed of Issuance and the Financing Agreement, the Investor will have a substantial holding of Ordinary Shares. Whilst both the Financing Agreement and Deed of Issuance contain restrictions on the Investor acquiring more than 29.9 per cent. of the Ordinary Shares of the Company at any point in time, it is possible that the Investor holds an interest that enables it to influence certain matters that would require shareholder approval.
- In order to fully implement the Company's long-term growth strategy the group may require additional funds. The Company may need to engage in equity or debt financings which could result in significant dilution to shareholders if such funding is undertaken by way of the issue of further equity or convertible debt securities. Any debt financing secured by the Company could involve restrictive covenants relating to its capital raising activities and other financial and operational matters making it more difficult for the Company to obtain additional capital and to pursue business opportunities. The Company may not be able to obtain additional financing on terms favourable to it, if at all.

- For the financial period ended 30 June 2019, and in relation to the previous stem cell business, the auditors included a qualified opinion in their audit report as a consequence of the absence of accounting records and management who would be able to resolve queries. As such the auditors were unable to obtain information relating to any liabilities arising from the possibility that a subsidiary of the Company may have conducted insurance business and in doing so not complying with local laws and regulations in relation to what may be a regulated activity. Whilst the directors believe no such insurance related products were ever sold, there is still a risk as a result of the lack of documentary evidence.
- The directors of the Company may not be able to identify suitable acquisition targets that will help the Company to implement its near-term and long-term growth strategies. Where the directors do identify suitable acquisition targets, the Company may not successfully complete those acquisitions or fully integrate those businesses into the group. There is also no guarantee that such acquisitions will prove value enhancing.
- The Company is dealing with a number of threatened legal disputes in relation to the previous stem cell business, all of which are being contested by the Company. It is possible that some of these may result in legal proceedings being issued and which the Company may not be successful in defending, resulting in the Company having to make further payments and which will also require the management to devote their time and attention to dealing with such matters.

3. KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities which the Company intends to issue pursuant to the Deed of Issuance and Financing Agreement are capable of being converted or exercised into Ordinary Shares whose ISIN is GB00BD060S65, SEDOL number is BD060S6 and ticker symbol ICON.

The Company intends to issue: (i) up to 6,900,000,000 Ordinary Shares as a result of the exercise of all of the warrants to be issued under the Deed of Issuance; and (ii) up to 23,100,000,000 Ordinary Shares as a result of the conversion of all of the notes and exercise of all of the warrants to be issued under the Financing Agreement. As at the date of this Prospectus, the Company has in issue 1,637,129,905 Ordinary Shares which are all fully paid, of which 151,352,698 are Admitted.

Subject to the provisions of the Companies Act 2006, and to any special terms as to voting on which any Ordinary Shares may have been issued or may from time to time be held and any suspension or abrogation of voting rights pursuant to the articles of association of the Company ("**Articles**"), at a general meeting of the Company every member who is present in person shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Subject to the provisions of the Companies Act 2006 and the Articles: (i) the Company may by ordinary resolution declare dividends (but no dividend shall exceed the amount recommended by the directors); (ii) the directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that such dividends are justified by the profits of the Company available for distribution; (iii) all dividends shall be declared and paid according to the amounts paid up on the Ordinary Shares on which the dividend is paid. If any Ordinary Share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the Ordinary Shares during any portion(s) of the period in respect of which the dividend is paid. The directors consider that it is in the best interests of shareholders for the Company to focus on capital growth at the current time. The directors therefore intend, during the Company's current phase of development, to retain distributable profits from the business to the extent that they are generated. The directors do not intend to declare or pay a dividend in the immediately foreseeable future, but subject to, inter alia, the availability of sufficient distributable profits, intend to commence the payment of dividends when it becomes commercially prudent to do so and intends to adopt a progressive dividend policy thereafter.

On a winding up or a return of capital, in the event that the directors resolve to make a distribution to shareholders, all Ordinary Shares are entitled to a distribution of capital in the same proportions as

capital is attributable to them. There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws and provisions in the Articles entitling the directors to decline to register certain transfers in a limited number of circumstances.

Where will the securities be traded?

Immediately following publication of this Prospectus an application will be made to the Financial Conduct Authority and to the London Stock Exchange for the Previously Issued Investor Ordinary Shares to be Admitted. Upon the exercise of the warrants to be issued under the Deed of Issuance and the conversion of the notes and exercise of the warrants to be issued under the Financing Agreement, applications will be made to the Financial Conduct Authority and to the London Stock Exchange for new Ordinary Shares to be Admitted. All such shares will be allotted conditionally upon the relevant admission occurring.

What are the key risks that are specific to the securities?

- A Standard Listing affords shareholders a lower level of regulatory protection than a Premium Listing.
- Any further issues of Ordinary Shares (including on exercise of options) may dilute investors' shareholdings. In particular, the Company may issue additional Ordinary Shares to raise additional equity capital. Pre-emption rights may have been waived.
- Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which are beyond the group's control, including: (i) changes in financial estimates by securities analysts; (ii) changes in market valuation of similar companies; (iii) announcements by the Company of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments; (iv) additions or departures of key personnel; (v) any shortfall in revenues or net income or any increase in losses or decrease in profits from levels expected by securities analysts; (vi) future issues or sales of Ordinary Shares; and (vii) stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Ordinary Shares.
- There is no assurance that the Company will make dividend payments.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Why is this prospectus being produced?

In order for the Company to be able to issue and Admit the securities under the Previous Financing Agreement, Deed of Issuance and the Financing Agreement the Company needs to produce this Prospectus as it is not able to use the 20 per cent. Exemption or qualify for any other exemptions.

RISK FACTORS

Investing in the Company is speculative and involves a high degree of risk. Investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section “*Summary*” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, Investors should also carefully consider the risks and uncertainties associated with any investment in the Ordinary Shares, the Iconic Labs Group’s business and the industry in which it operates, together with the entire contents of this document, including, but not limited to, the risk factors described below, before they decide to invest in the Company. The Iconic Labs Group’s business, financial condition, results of operations and prospects could be materially and adversely affected by any or a combination of the risks described below. Furthermore, Ordinary Shares may not be a suitable investment for all recipients of this document. If any investor is in any doubt about the Ordinary Shares and their suitability for them as an investment, they should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

As at the date of this document, the Board considers the following risks to be the material risks of which they are aware and the most significant risks for Shareholders and potential investors. However, additional risks and uncertainties not currently known to the Board, or that the Board currently deems immaterial, may also have an adverse effect on the Iconic Labs Group’s financial condition, business, prospects and/or results of operations.

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 Iconic Labs Group’s financial condition, business, prospects and/or results of operations.

If any of the events described in the following risks actually occur, the Iconic Labs Group’s business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The Iconic Labs Group’s performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates as well as overall global financial conditions. The information set out below does not purport to be an exhaustive summary of the risks affecting the Iconic Labs Group.

1. RISKS RELATING TO THE ICONIC LABS GROUP AND ITS BUSINESS

1.1 Implementation of the Company’s near-term and long-term growth strategies

The Board recognises that executing the Iconic Labs Group’s near-term and long-term growth strategies as set out in paragraph 5 of Part II of this document may be difficult to implement/achieve and may not be as successful as planned. Its future viability will depend on its ability to generate new business, grow its revenue and achieve profitability. The market the Iconic Labs Group operates in is competitive and there is no guarantee that the Iconic Labs Group’s near-term and long-term growth strategies will prove successful. Pressure on management, limitations on operational and financial resources, the potential insufficiency of demand for the Iconic Labs Group’s services could lead to failure to successfully implement its strategies and so adversely affect the Iconic Labs Group’s reputation, prospects, results of operations, and its financial condition.

1.2 Ability to become profitable in the future

Historically, the Iconic Labs Group has incurred net losses in respect of the previous stem cell business. The Board expects these losses and the accumulated deficit are likely to remain until the growth strategies takes effect. The market for the Iconic Labs Group’s services is evolving at pace and it is difficult to predict the Iconic Labs Group’s future results of operations in its new business sphere. The Iconic Labs Group may not achieve sufficient revenue to attain and maintain profitability. The Board expects the Iconic Labs Group’s operating expenses to exceed profits in the short term. Any failure to sustain or increase profitability on a consistent basis could cause the Iconic Labs Group to remain loss-making in the future and may require additional funding.

1.3 **Dependence on key officers, managers and technical personnel**

The Iconic Labs Group's operations are dependent on the experience, skills and knowledge of its executive officers and management team, who provide expertise and experience in the implementation of the Iconic Labs Group's near-term and long-term growth strategies and its ability to attract and retain business. The Iconic Labs Group's continued success depends on its ability to attract and retain talented employees. While employees of the Iconic Labs Group are subject to employment agreements, these agreements do not preclude these employees from terminating their employment at any time, subject to notice periods. Furthermore, where such employees are subject to certain post-termination restrictions such as competing with the Iconic Labs Group and/or soliciting employees and/or customers, these may not be fully enforceable by law or may only apply for a limited time.

There can be no assurances that in the future the Iconic Labs Group will be able to attract, develop or retain executives of the right calibre. The ability of the Iconic Labs Group to meet its operational requirements and the future growth and profitability of the Iconic Labs Group may be affected by any inability to attract, develop or retain such executives.

1.4 **Significant shareholders**

On Admission, following the Investor converting any of the Financing Notes or exercising any of the Financing Warrants or Issuance Warrants, the Investor will have a substantial holding of Ordinary Shares. The terms of the Deed of Issuance and Financing Agreement provide that the Investor will not hold more than 29.9 per cent. at any point following the serving of notice on the Company that the Investor wishes to convert any of the Financing Notes or exercise any of the Financing Warrants and/or Issuance Warrants. However, the Investor may still possess sufficient voting power to be able to influence certain matters requiring Shareholder approval, including the election of Directors and the approval of certain business decisions. There could also be a conflict between the interests of such parties and the interests of the Company's other Shareholders. Accordingly, the Investor may be able to exert influence on the management of the Company and may be able to influence the outcome of shareholder votes, including votes concerning the election of Directors, the adoption or amendment of provisions in the Company's Articles, the approval of significant acquisitions or dispositions, decisions affecting the Iconic Labs Group's capital structure, other significant corporate transactions, (including share buy-backs or other purchases of Ordinary Shares that could give the Company's shareholders the opportunity to realise a premium over the then prevailing market price for the Ordinary Shares) in each case, so long as the Iconic Labs Group's relevant financial arrangements permit. The share ownership of the Investor may also have the effect of deterring a takeover of the Company, delaying or preventing changes in control or changes in management or limiting the ability of other holders of Ordinary Shares to approve transactions that they may deem to be in their best interests. The market price of the Ordinary Shares could also be adversely affected if potential new investors are disinclined to invest in the Iconic Labs Group because they perceive disadvantages to a large shareholding being concentrated in the hands of a small number of significant shareholders.

1.5 **Access to further capital**

The Company's near-term growth strategy is to identify and acquire similar businesses that are of a smaller scale and which are well-priced. In the longer-term, the Company is intending to grow the business organically and continue to identify and acquire similar businesses, albeit the Company anticipates such future acquisitions to be of a larger scale than those the Company is looking to make in the near-term. The Company's longer-term growth strategy may require additional funds in order to respond to business challenges, enhance existing services and complete any future acquisitions.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may

not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

1.6 **Qualified Auditors' Opinion and Insurance Related Products**

For the period ended 30 June 2019, Iconic Labs Group's auditors included a qualified opinion in their audit report as a consequence of the absence of accounting records from the period before the current management team were appointed, and lack of access to or assistance from the former management team who would be able to resolve queries. As such, they were unable to obtain the information and explanation necessary for their audit in respect of:

- expenditure and the completeness of actual and contingent liabilities arising solely from the discontinued stem cells business; and
- liabilities which may arise from the possibility that one of Iconic Labs Group's subsidiaries may have conducted insurance business and, as a consequence, may not have complied with local laws and regulations in relation to what may be a regulated activity.

The Board has identified that of the total expenditure charged to the Statement of Comprehensive Income, there is approximately £1.7m of expenditure during the period between November 2018 and March 2019 for which underlying documentation could not be located. The Board have also concluded that they are satisfied that the risk of there being an unrecorded actual or contingent liability arising from the stem cells business' discontinued activities is very low.

Also, during the above period, one of Iconic Labs Group's undertakings promoted an insurance product and it is unclear on what basis that product was, if at all, distributed and, as a consequence, whether the Iconic Labs Group or its relevant undertaking required authorisation from the relevant regulatory authority. The Directors have undertaken further investigations in respect of the £21,000 revenue earned during this period from its discontinued operations. From these investigations, the Directors established that £16,000 was received in respect of a research contract in four tranches of £4,000 each and the balance consisted of storage contracts amounting to £3,663 and a number of other small items of income listed as items including an email license and subscription revenue associated with a content platform. The Board has therefore concluded from these enquiries that no member of the Iconic Labs Group distributed an insurance related product. However, given the lack of documentary evidence relating to the stem cells business there is a risk that the conclusion reached by the Board may not be the correct conclusion.

1.7 **Management of existing stem cell business**

As discussed in paragraph 3.6 of Part II of this document, the Iconic Labs Group is in the process of winding up the previous stem cell business as part of its strategy. Whilst the winding up process has begun, it may take some time to fully implement before the previous stem cell business is fully wound up. The winding up process will impact on management's ability to devote their full time and attention to the social media and advertising business and may also result in claims being made by third party creditors against the Iconic Labs Group in respect of the previous stem cell business, all of which may adversely affect the Iconic Labs Group's prospects, results and financial condition.

1.8 **Performance and Policies of Third Party Platforms**

The Company operates its business using large international technology platforms that it does not own and which are subject to external factors beyond its control. Facebook often changes their algorithm, for example in February 2018 to promote more "shareable" content. Such things happen from time to time in the sectors in which the Iconic Labs Group operates and could therefore impact indirectly upon the Iconic Labs Group. An example of this includes the announcement from Google in March 2017 that it acknowledged advertising was appearing alongside YouTube content linked to terrorism and extremist views. As such, advertising revenues and internet traffic to the Company are vulnerable to such industry risks. In order to

mitigate these risks, the Iconic Labs Group's strategy is to grow revenues beyond these platforms such as owned dotcoms and fee-based services.

1.9 Regulation of the internet and e-commerce is rapidly evolving and changes could adversely affect the Iconic Labs Group's business

Regulation of the internet and e-commerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, copyright protection and quality of products and services. The adoption of new laws and regulations could have a material adverse effect on the Iconic Labs Group's business, results of operations and financial condition. In particular, digital advertising is subject to complex regulation. The regulations vary by jurisdiction of operation, and are subject to continuous change, and compliance with such regulations and other legal requirements may be burdensome and costly. Changes to existing regulations could lead to increased costs or otherwise affect the Iconic Labs Group's ability to generate revenues in a jurisdiction, for example, if a distribution channel ceases operations due to a change in existing regulation. In addition, the Iconic Labs Group may face increased compliance costs and regulatory scrutiny each time it expands its operations into a new jurisdiction. In addition, any enquiries made, or proceedings initiated, by individuals or any regulator may lead to negative publicity and potential liability for the Iconic Labs Group, which could have a material adverse effect on the Iconic Labs Group's business, results of operations and financial condition.

1.10 The Iconic Labs Group may face competition in a rapidly evolving market

The Iconic Labs Group may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. The entry into the market of strong, well-funded competitors, could have a negative impact on sales volumes or profit margins achieved by the Company in the future.

1.11 The Iconic Labs Group will be dependent on the strength of its brand and its reputation and on developing these further and would suffer if this were not possible for any reason

A strong brand and reputation is vital to the Iconic Labs Group's growth strategies. Brand strength and awareness is important to generate new and subsequently retain custom. The management team are in the process of developing the Iconic Labs Group's brand and reputation but there can be no assurances that this will be successful. The actions of competitors, negative publicity involving the Iconic Labs Group its management or any of its employees, a lack of sufficient funds or other factors may all adversely impact the Iconic Labs Group's brand or reputation. These in turn may have a materially adverse effect on the Iconic Labs Group's business, prospects for growth and/or financial position.

1.12 The Iconic Labs Group is dependent upon the advertising agencies to implement its growth strategy

The Iconic Labs Group seeks to access a number of advertising agencies to implement its growth strategies. In the event that these do not wish to engage with the Iconic Labs Group this could significantly impact the Iconic Labs Group's ability to implement its growth strategies and/or could adversely impact the Iconic Labs Group's profits.

1.13 The Iconic Labs Group will be dependent on its ability to identify acquisition targets and implement the acquisitions

Part of the Iconic Labs Group's near-term and long-term growth strategies is to successfully identify potential acquisition targets and successfully complete those acquisitions and fully integrate those businesses into the Iconic Labs Group. Such transactions will involve a significant amount of time of the management team to implement and then fully integrate which may have an adverse effect on the remainder of the Iconic Labs Group's business. Furthermore, there is no guarantee that such acquisitions will prove value enhancing for the Iconic Labs Group and the management distraction and operational disruption may have a material adverse impact on the Iconic Labs Group's business, prospects for growth and/or financial position.

1.14 **The Company's investment in Medium Channel Media Limited**

The Company has a 24 per cent. interest in Medium Channel Media Limited, a media focussed investment company which was established by Starnavesse Ltd, a company controlled by Richard Thompson, who was a non-executive Director at the time, and which was created for the purpose of investing in media and technology companies. Medium Channel Media Limited previously entered into a conditional agreement to acquire Tab Media Limited. The long stop date contained within the conditional agreement has now expired and whilst the parties are still in discussions, there is no certainty that any acquisition of Tab Media Limited will take place or, if a transaction does complete, that it will prove successful. Also, there is no guarantee that the Company's investment in Medium Channel Media Limited will be successful or prove value enhancing for the Iconic Labs Group.

1.15 **The Company's investment in Coalition Media Limited**

The Company has a 50 per cent. interest in Coalition Media, a joint venture marketing services company created with Bacchus Creative Entertainment. Coalition Media was incorporated on 10 January 2020 with 100 ordinary shares of £1 each issued and fully paid. Coalition Media has yet to commence trading. The company has been established to utilise the expertise of the Iconic Labs Group in understanding social media, digital content production and access to media platforms like GSN in order to assist the clients of Bacchus Creative Entertainment. Iconic Labs Group will also utilise the expertise and contacts of the Bacchus Creative Entertainment team in creating music, managing events and producing celebrity talent for potential clients of the Iconic Labs Group. There is no certainty that this joint venture will prove successful or be value enhancing for the Iconic Labs Group.

1.16 **Inability to contract with customers on the most favourable terms to the Iconic Labs Group**

The Iconic Labs Group enters into contracts with a wide variety of companies, many of whom possess greater negotiating leverage than is currently available to the Iconic Labs Group. The Iconic Labs Group may be required to tolerate terms which are less favourable than might be anticipated, and which may also be governed by the laws of other jurisdictions, and this could intensify if the number of competitors increases, thereby potentially giving existing or prospective customers more options. Furthermore, if the Iconic Labs Group enters into more onerous terms than it would ideally enter into, it may risk not being able to satisfy those terms. Breaching onerous terms or failing to secure the best commercial terms possible could have a material impact on the Iconic Labs Group's business revenue, financial condition and profitability.

1.17 **Litigation risks**

All industries are subject to legal claims, with and without merit. As discussed in paragraph 12 of Part VII of this document, the Iconic Labs Group is currently involved in a number of threatened legal disputes in relation to the previous stem cell business and it is possible there may be further claims made. Defence and settlement costs in such matters can be substantial, even with respect of claims that have no merit, and litigation can result in the diversion of technical and management personnel to the detriment of the Iconic Labs Group's business. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have an adverse effect on the Iconic Labs Group's business, revenue, financial condition, profitability, prospects and results of operations.

1.18 **The Iconic Labs Group may be unable to protect its intellectual property effectively from ownership challenge or misappropriation by others, including current or potential competitors**

1.18.1 The Iconic Labs Group's success and ability to compete depend, in part, upon its proprietary technology and other intellectual property, including the "Iconic" brand. The business, its logo, brand name, website domain names, content and proprietary technology underpinning the Iconic Labs Group's website rely, *inter alia*, on the protection of registered domain names, copyright and trade secret laws. However, not all of the Iconic Labs Group's intellectual property has been or can be protected by registration or protected by a patent, registered designs or trademarks.

- 1.18.2 If third parties independently discover the Iconic Labs Group's trade secrets or access proprietary information or systems, the Iconic Labs Group may not be able to rely on any intellectual property rights to prevent the use of such trade secrets, information or systems by such parties and this could have a material adverse effect on the Iconic Labs Group's business, results of operations and financial condition.
- 1.18.3 In addition, effective trademark, copyright, patent and trade secret protection may not be available in every jurisdiction in which the Iconic Labs Group operates. Policing unauthorised use of the Iconic Labs Group's proprietary information is difficult and expensive. As the Iconic Labs Group expands into new jurisdictions, some of which may have less robust protections for intellectual property, the cost of protecting, and the risk of third-party infringement of, its intellectual property will likely increase.
- 1.18.4 The Iconic Labs Group regards its copyrights, proprietary technology, domain names, customer databases and similar intellectual property as important to its business. The Iconic Labs Group relies on copyright protection as well as written assignment of any intellectual property rights in order to protect its rights.
- 1.18.5 If the Iconic Labs Group fails to register, renew or enforce the Iconic Labs Group's intellectual property rights, or there is any unauthorised use or significant impairment of the Iconic Labs Group's intellectual property rights, the value of its services could be diminished, the Iconic Labs Group's competitive position could be adversely affected and its business may suffer.
- 1.18.6 The Iconic Labs Group may be the subject of claims of infringement of the rights of others or party to claims to determine the scope and validity of the intellectual property rights of others. Such claims, whether or not valid, could require the Iconic Labs Group to spend significant sums in litigation, pay damages, re-brand or re-engineer services, acquire licences to third party intellectual property and distract management attention from the business.

1.19 **Security breaches of the Iconic Labs Group's or customer's systems**

The Iconic Labs Group is often required and authorised by its customers to work with confidential information in the deployment of the Iconic Labs Group's services. Although the Iconic Labs Group employs security and testing measures for the software it deploys, these may not protect against all possible security breaches that could harm the Iconic Labs Group's business or that of its customers. Actual or perceived vulnerabilities may lead to claims against the Iconic Labs Group. Any compromise of the Iconic Labs Group's security could harm its reputation or financial condition and, therefore, its business. The Iconic Labs Group endeavours to enter into customer contracts that limit the Iconic Labs Group's liability; however, the Company may need to enforce these provisions to enjoy the benefit of them, with the associated risk and expense.

1.20 **GDPR**

The GDPR came into effect on 25 May 2018 and the Iconic Labs Group is required to ensure that it takes steps to ensure the implementation and compliance with the GDPR and the new data protection regime which it introduced. The Iconic Labs Group does not hold personal data of its customers, as these are businesses. However, it is under an obligation to protect the private and personal data that it does hold, which would include that of its employees. Any personal information that the Iconic Labs Group does hold (such as in respect of its employees) would be subject to the GDPR. The Iconic Labs Group has confirmed that it is taking steps to ensure it has adequate procedures in place to ensure compliance with the GDPR and that this is an ongoing process. However, there is a risk that, before new procedures are implemented, data may be processed in a way which is not compliant with the GDPR. There is also a risk that the Iconic Labs Group will not be able to ensure compliance with the GDPR in all aspects of its business, and there is an inherent risk that personal data could be processed in a way which is in direct breach of the regime put in place by the GDPR. There is potentially a risk that the Directors may not interpret its provisions correctly, particularly because the GDPR has only recently come into effect, which could also lead to a breach of the GDPR. There are potentially significant fines under the GDPR for non-compliance, and there is also the risk of reputational damage to the Iconic Labs Group. Ensuring compliance

with the GDPR and the associated changes to the Iconic Labs Group's procedures and policies may be costly. There could also be the possibility of litigation as a result of a perceived or actual breach of the GDPR. The above could have an impact on the Iconic Labs Group's financial performance and prospects.

1.21 **The Iconic Labs Group may be at risk from cyber-attacks**

The Iconic Labs Group relies on information technology systems to conduct its operations. Because of this, the Iconic Labs Group is at risk from cyber-attacks. If the Iconic Labs Group suffers from a cyber-attack, it may incur significant costs and suffer other negative consequences, such as remediation costs associated with repairing any damage caused, reputational damage and loss of investor confidence. Whilst the Iconic Labs Group has never previously suffered a cyber-attack, it cannot be guaranteed that it will not suffer such an attack in the future or that procedures which the Iconic Labs Group has put in place to protect against such an attack will be sufficient. If the Iconic Labs Group suffers a cyber-attack, this could expose the Group to potential financial and reputational harm.

1.22 **Key systems failure, disruption or interruption**

The Iconic Labs Group's dependency upon technology exposes the Iconic Labs Group to significant risk in the event that such technology or the Iconic Labs Group's systems experience any form of damage, interruption or failure. Any malfunctioning of the Iconic Labs Group's technology and systems, or those of key third parties, even for a short period of time, could result in a lack of confidence in the Iconic Labs Group's services, with a consequential material adverse effect on the Iconic Labs Group's business, revenue, financial condition, profitability, prospects and results of operations.

The Iconic Labs Group's systems are vulnerable to damage or interruption from events including, but not limited to:

- Natural disasters
- Power loss
- Telecommunication failures
- Software failures
- Computer hacking activities
- Acts of war or terrorism

1.23 **Insurance risk**

The Iconic Labs Group has insurance policies in place; however there can be no guarantee that the Iconic Labs Group's insurance cover is adequate to protect against every eventuality. The occurrence of an event for which the Iconic Labs Group does not have adequate insurance cover could materially adversely affect the Iconic Labs Group's business, revenue, financial condition, prospects and results of operations.

1.24 **Counterparty risk**

There is a risk that parties with whom the Iconic Labs Group trades or has other business relationships may become insolvent. This may be as a result of general economic conditions or of specific factors relevant to that particular party. In the event that a party with whom the Iconic Labs Group trades becomes insolvent, this could have an adverse impact on the Iconic Labs Group's business, revenue, financial condition, profitability, prospects and results of operations.

1.25 **Legal and regulatory change**

This document has been prepared on the basis of current legislation, rules and practice and the Board's interpretation of the same. However, legislation, rules and practice may be subject to change at any time and any such legal and/or regulatory change may affect the Iconic Labs Group's business, revenue, financial condition, profitability, prospects and results of operations. There is also a risk that the Board's interpretation of legislation, rules and practice may not be correct, which could also affect the Iconic Labs Group's ability to comply with its legislative and regulatory obligations and could have a negative effect on the Iconic Labs

Group's reputation and its business, revenue, financial condition, prospects and results of operations.

1.26 **Brexit**

The Iconic Labs Group is based in, and operates from, the United Kingdom but it interacts with customers and suppliers both inside and outside of the United Kingdom. The United Kingdom has exited the European Union, however there remain uncertainties in relation to the fiscal, monetary and regulatory landscape in the United Kingdom, including the United Kingdom's tax system, the conduct of cross border business, and export and import tariffs following the exit from the European Union. Any of these risks taken singularly or together could have a material adverse impact on the Iconic Labs Group's business, revenue, financial condition, prospects and/or results of operations.

1.27 **Anti-bribery and corruption**

The Iconic Labs Group has an anti-bribery and corruption policy in place; however, if the regulator were to have a suspicion an offence had taken place, and it was found that it had, the Iconic Labs Group could be liable under section 7 of the Bribery Act 2010 for failing to have adequate procedures in place to prevent bribery. This may in turn have a negative impact on the Iconic Labs Group's reputation, business, financial condition and prospects.

2. RISKS RELATING TO THE INDUSTRY IN WHICH THE ICONIC LABS GROUP OPERATES

2.1 **The Iconic Labs Group may face competition in a rapidly evolving market**

The Iconic Labs Group may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. The entry into the market of strong, well-funded competitors, could have a negative impact on sales volumes or profit margins achieved by the Company in the future.

3. FINANCIAL RISKS

3.1 **Financial controls and internal reporting**

The Iconic Labs Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail, the Iconic Labs Group may be unable to produce financial statements accurately or on a timely basis, or expose the Iconic Labs Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Iconic Labs Group has in place could adversely affect the Company's share price.

3.2 **Estimates in financial statements**

Preparation of consolidated financial statements requires the Iconic Labs Group to use estimates and assumptions. Accounting for estimates requires management to use its judgement to determine the amount to be recorded on its financial statements in accordance with these estimates. The Iconic Labs Group's accounting policies require management to make certain estimates and assumptions as to future events and circumstances. In addition, the carrying amounts of certain assets and liabilities are then determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Iconic Labs Group may have to write down the value of certain assets. On an ongoing basis, the Iconic Labs Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from these estimates and assumptions.

4. RISKS RELATING TO TAXATION

4.1 **Taxation of returns from assets located outside of the UK may reduce any net return to investors**

To the extent that the assets, company or business which the Company has or may acquire is or are established outside the United Kingdom, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

4.2 Future changes in tax legislation applicable to the Iconic Labs Group's entities may reduce net returns to Shareholders

The tax treatment of the Iconic Labs Group is subject to changes in tax legislation or practices in territories in which Iconic Labs Group entities are resident for tax purposes, or have a taxable presence. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) interest, royalties or dividends paid. Any changes to tax legislation or practices in which the Iconic Labs Group entities are resident for tax purposes may have a material adverse effect on the financial position of the Company, reducing net returns to Shareholders.

4.3 There can be no assurance that the Company will be able to make returns to Shareholders in a tax-efficient manner

It is intended that the Company will structure the Iconic Labs Group to maximise returns for investors in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

4.4 Any change in the Company's tax status or in taxation law could negatively affect the Company's ability to provide returns to Shareholders

Statements in this document concerning the taxation of the Iconic Labs Group or of Shareholders are based on current tax law and practice which is subject to change. The taxation of an investment in the Company also depends on the individual circumstances of the relevant Shareholder. It is recommended that all Shareholders seek professional tax advice in respect of their own tax position, if required.

4.5 Historical tax losses

Historically, the Iconic Labs Group has made tax losses which have been carried forward. These losses are only available to be carried forward and set off against profits generated from the same trade. Therefore the historical losses from the existing stem cell business will not be available to the Company to set off against any profits generated from the Iconic Labs Group business going forwards.

4.6 Transfer Pricing

The Iconic Labs Group is currently eligible for the transfer pricing exemption for small enterprises. Such exemption will cease once the Iconic Labs Group reaches a certain size, and so it should ensure that all transactions with its subsidiary companies are conducted on an arm's length basis in order to ensure this does not have a negative impact on the Iconic Labs Group.

4.7 Historical tax compliance

Historically, the Iconic Labs Group has not always been fully compliant in respect of its tax obligations, and whilst the Directors do not consider these to be material non-compliance matters, the Iconic Labs Group, under its new management team and Board, has made certain changes to ensure full compliance going forwards, although there is no guarantee that these changes will be successful.

5. RISKS RELATING TO THE ORDINARY SHARES

5.1 Suitability

Investment in the Ordinary Shares may not be suitable for all investors. Investors are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

5.2 **Investment in Main Market-traded securities**

5.2.1 The Admission of the New Ordinary Shares will result in the New Ordinary Shares being listed on the Official List alongside the Existing Ordinary Admitted Shares.

5.2.2 A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the New Ordinary Shares.

5.2.3 The securities markets have from time to time experienced significant fluctuations in price and volume that are not related to the operating performance of particular companies, and such market fluctuations may materially adversely affect the market price of the Ordinary Shares.

5.3 **The Company may be unable or unwilling to transition to a Premium Listing in the future**

5.3.1 The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements to which it would be subject upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares.

5.3.2 Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards of corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

5.4 **Share price volatility and liquidity**

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares (including the New Ordinary Shares). The market price of the Ordinary Shares may be subject to fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside the Company's control.

5.5 **Future sale of Ordinary Shares**

Investments in Ordinary Shares (including the New Ordinary Shares) may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares at all, or within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Even if an active trading market develops, the market price for the Ordinary Shares may fall below their issue price.

5.6 **Dividends**

5.6.1 The Company is a holding company with substantially all of its operations conducted through its subsidiaries. As at the date of this document, the Iconic Labs Group has no distributable reserves. The ability of the Company to pay dividends in the future will depend on, among other things, the Iconic Labs Group's future profit, financial position, regulatory capital requirements, distributable reserves, working capital requirements,

general economic conditions and other factors that the Directors deem significant from time to time. The Company's ability to pay dividends is also subject to the requirements of the laws of England and Wales, which permits the distribution of dividends only out of distributable reserves. Furthermore, because the Company is a holding company, the Company's ability to pay dividends depends primarily upon receipt of sufficient funds from its subsidiaries. Additionally, the payment of dividends by the Company may, in certain instances, be subject to statutory restrictions, and regulatory restraints or other potential and economic factors. The inability on the part of any of its subsidiaries to pay dividends would negatively affect the amount of funds available to the Company to pay dividends. There can therefore be no assurance as to the level of future dividends (if any) that may be paid by the Company.

- 5.6.2 There can be no assurance as to the level of future dividends or whether a dividend will ever be paid. Subject to compliance with the Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Board, and will depend on, *inter alia*: (1) applicable law and regulations; (2) future projects and plans; (3) the results of the Iconic Labs Group's operations and having sufficient distributable reserves; (4) the Company's earnings, financial position, cash requirements, availability of profits and ability to access, and repatriate within the Iconic Labs Group, cash flow and profits generated outside of the UK; and (5) any other factors that the Board may deem relevant. Consequently, investors may not receive any return on their investment unless they can sell their Ordinary Shares for a price greater than that which they paid for them.
- 5.6.3 In forming their dividend policy the Directors have taken and will continue to take into account *inter alia* the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year, financial gearing, banking covenants and current capital requirements of the Iconic Labs Group. Any material change or combination of changes to these factors may require a revision of this policy.

6. GENERAL RISKS

- 6.1 An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.
- 6.2 Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.
- 6.3 The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any level of performance which has either been expressly or impliedly referred to in this document. This may adversely affect the Company's financial condition, prospects or the market price of the Ordinary Shares.
- 6.4 Changes in economic conditions including, for example, interest rates, currency exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

The risks noted above do not necessarily comprise all of the risks potentially faced by the Company and are not intended to be presented in any assumed order of priority. Although the Board will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

CONSEQUENCES OF A STANDARD LISTING

Applications will be made for the New Ordinary Shares to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

The Existing Ordinary Admitted Shares are, and any New Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will continue to comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA, and intends to continue to comply with the Premium Listing Principles as set out in Chapter 7 of the Listing Rules notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25 per cent. of the shares of the class must be distributed to the public in one or more EEA States. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 25 per cent. of the shares of any listed class in public hands at all times in one or more EEA State and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the National Storage Mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company is not required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information that are not applicable to the Company;

- Chapter 10 of the Listing Rules relating to significant transactions, meaning that any acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. It should therefore be noted that related party transactions will not require Shareholder consent;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY DOES NOT AND WILL NOT HAVE THE AUTHORITY TO MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED HEREIN THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER, THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

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 so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Regulation Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA as competent authority under Regulation (EU) 2017/1129. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered an endorsement of the Company nor the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any other member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances

that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

PRESENTATION OF FINANCIAL INFORMATION

The historical consolidated financial information relating to the Company included, by reference, in Part IV of this document has been prepared in accordance with IFRS. The significant accounting policies are set out in the Accountant's Report on Iconic Labs PLC dated 29 November 2019 included, by reference in Part IV of this document.

FORWARD-LOOKING STATEMENTS

Some of the statements under "*Summary*", "*Risk Factors*", "*Part II: Information in the Group*" and elsewhere in this document include forward-looking statements which reflect the Directors' current views, interpretations, beliefs or expectations with respect to the financial performance, business strategy and plans and objectives of management for future operations of the Group. These statements include forward-looking statements with respect to the Group and the sector and industry in which the business currently operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the actual results, prospects and performance of the Group to differ materially from those indicated in these statements. In addition, even if the actual results, prospects and performance of the Group are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to propose effective growth strategies for the Iconic Labs Group;
- the Company's ability to ascertain the merits or risks of the operations of the business, including licensing matters;
- changes in economic conditions generally and specifically in the Iconic Labs Group's markets;
- impairments in the value of the Company's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of any hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "*Risk Factors*", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the future business, results of operations, financial conditions and growth strategy of the Iconic Labs Group. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of *Part VII: Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Other than in accordance with their legal or regulatory obligations (including under the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules), neither the Company (nor any company within the Iconic Labs Group) nor the Directors undertake any obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company, the Directors or any other such persons, including persons acting on behalf of any of them are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

NOTICE TO US SHAREHOLDERS

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

The New Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The New Ordinary Shares may only be offered or sold outside the United States in reliance upon Regulation S under the Securities Act and, accordingly, may not be offered, sold, pledged, or otherwise transferred directly or indirectly into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state or local securities law. The Company does not currently plan to register the New Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of New Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

NOTICE TO EEA SHAREHOLDERS

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “relevant member state”) with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “relevant implementation date”), no New Ordinary Shares have been offered or will be offered to the public in that relevant member state prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of New Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such relevant member state; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of these provisions, the expression an “offer to the public” in relation to any New Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the New Ordinary and any New Ordinary Shares to be offered so as to enable an investor to decide to purchase any New Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive

in that relevant member state, and the expression “Prospectus Directive” includes any relevant implementing measure in each relevant member state.

In the case of any New Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Ordinary Shares acquired by it in the New Ordinary have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales. It may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder’s country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company’s website, www.iconiclabs.co.uk, from the date of this document until the date which is one month from the date of this document.

THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and 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.

DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in Part VIII: *Definitions*, starting on page 93 of this document.

CURRENCY

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “\$”, “US\$” or “US dollars” are to the lawful currency of the US; and all references to “€” or “euro” are to the lawful currency of the Euro zone countries.

NO INCORPORATION OF WEBSITE TERMS

Except to the extent expressly set out in this document, neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

GOVERNING LAW

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

US SELLING AND TRANSFER RESTRICTIONS

SELLING RESTRICTIONS

Each purchaser of New Ordinary Shares will be deemed to have made certain acknowledgements, representations and agreement as described under “—*Transfer Restrictions*”.

United States

As a result of the following restrictions, prospective investors should contact legal counsel prior to making any resale, pledge or transfer of the New Ordinary Shares.

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Outside the United States, the New Ordinary Shares are being offered and sold only in offshore transactions in compliance with Regulation S under the US Securities Act, and accordingly, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Terms used in this paragraph that are defined in Regulation S are used herein as so defined.

Regulation S

Each purchaser of New Ordinary Shares outside the United States, by accepting delivery of this prospectus and the New Ordinary Shares, will be deemed to have represented, agreed and acknowledged as follows:

1. It: (a) is aware that the sale of the New Ordinary Shares to it are being made pursuant to and in accordance with Rule 903 or 904 of Regulation S; (b) is, or at the time New Ordinary Shares are purchased will be, the beneficial owner of such New Ordinary Shares; and (c) it is located outside the United States (within the meaning of Regulation S) and is purchasing the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S.
2. It is not an affiliate of the Company or a person acting on behalf of such an affiliate.
3. It understands that such New Ordinary Shares have not been and will not be registered under the US Securities Act and may not be offered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S in accordance with any applicable securities laws of any state of the United States.
4. It acknowledges that the Company, the Directors and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	Time and/or Date ⁽¹⁾⁽²⁾⁽³⁾
Publication and posting of this document	25 March 2020
Issue of the Issuance Warrants	25 March 2020
Issue of the first tranche of Financing Notes and Financing Warrants	25 March 2020
Application for the Admission of the Previously Issued Ordinary Shares	30 March 2020
Receipt of the monies from the first Tranche under the Financing Agreement	30 March 2020

Notes:

⁽¹⁾ All times shown are London times unless otherwise stated.

⁽²⁾ Each of the above times and/or dates is based on the Company's current expectation but may be subject to change.

⁽³⁾ If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

ILLUSTRATIVE ISSUE STATISTICS

Number of Existing Ordinary Admitted Shares	151,352,698
Number of Ordinary Shares issued under the Previous Financing Agreement to be Admitted	1,223,750,000
Number of Ordinary Shares issued under the Deed of Settlement to be Admitted	237,827,207
Number of Ordinary Shares issued otherwise to be Admitted	24,200,000
Number of Existing Ordinary Shares	1,637,129,905
Issue Price of New Ordinary Shares to be issued if there is an exercise of the Issuance Warrants	Determined in accordance with the Deed of Issuance and notified by announcement released through a RIS prior to Admission
Issue Price of New Ordinary Shares to be issued if there is a conversion of the Financing Notes	Determined in accordance with the Financing Agreement and notified by announcement released through a RIS prior to Admission
Issue Price of New Ordinary Shares to be issued if there is an exercise of the Financing Warrants	Determined in accordance with the Financing Agreement and notified by announcement released through a RIS prior to Admission
Maximum Issuance of New Ordinary Shares on a conversion of the Financing Notes and exercise of the Issuance Warrants and Financing Warrants	30,000,000,000
Maximum number of New Ordinary Shares that can be issued on an exercise of the Issuance Warrants	6,900,000,000
Maximum number of New Ordinary Shares that can be issued on a conversion of the Financing Notes and exercise of the Financing Warrants	23,100,000,000
Gross proceeds of the Tranches	£5,000,000
Net Proceeds	£4,750,000

Notes:

The above assumes all Subsequent Tranches are drawn down.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	John Quinlan (<i>Chief Executive Officer and Interim Chairman</i>) Liam Harrington (<i>Chief Business Officer</i>) Sam Asante (<i>Chief Operating Officer</i>) <i>All of whose business address is at the Company's registered office.</i>
Company secretary	MSP Corporate Services Limited 27-28 Eastcastle Street London W1W 8DH
Registered office	27-28 Eastcastle Street London W1W 8DH
Broker	Shard Capital Partners LLP 23rd Floor 20 Fenchurch Street London EC3M 3BY
Legal advisers to the Company	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT
Reporting accountants	Crowe UK LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Registrar	SLC Registrars Limited Elder House St Georges Business Park Brookelands Road Weybridge KT13 0TS

PART I

LETTER FROM THE INTERIM CHAIRMAN OF ICONIC LABS PLC

(incorporated and registered in England and Wales with registered number 10197256)

Directors:
John Quinlan, *Chief Executive Officer and Interim Chairman*
Liam Harrington, *Chief Business Officer*
Sam Asante, *Chief Operating Officer*

Registered Office:
27-28 Eastcastle Street
London
W1W 8DH

25 March 2020

To the holders of Ordinary Shares

Dear Shareholders,

PROSPECTUS RELATING TO THE ISSUANCE OF UP TO 31,223,750,000 NEW ORDINARY SHARES PURSUANT TO THE PREVIOUS FINANCING AGREEMENT, DEED OF ISSUANCE AND THE FINANCING AGREEMENT

AND

ADMISSION OF THE NEW ORDINARY SHARES TO THE STANDARD LISTING SEGMENT OF THE OFFICIAL LIST AND TO TRADING ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES

1. INTRODUCTION AND BACKGROUND TO THE PROPOSALS

- 1.1 The purpose of this document is to provide the Shareholders with the details of the Proposals and explain why the Board considers the Proposals are in the best interests of the Company and its Shareholders as a whole. It should be noted that, as the Resolutions have already been passed at the General Meeting, no further resolutions are required to be passed by the Shareholders in order to implement the Proposals.
- 1.2 Pursuant to the Previous Financing Agreement, the Company issued 1,223,750,000 Ordinary Shares to the Investor along with a further 237,827,207 Ordinary Shares that were issued to the Investor under the Deed of Settlement. Furthermore, the Company also issued an additional 24,200,000 Ordinary Shares to other Shareholders other than the Investor. None of these Ordinary Shares that have been issued have been Admitted. Following the publication of this Prospectus, the Company will make an application for all of these securities to be Admitted.
- 1.3 On 6 August 2019, the Company announced that it had secured further financing from the Investor for a gross amount of up to £1.375 million which would provide the Company with capital to continue to resolve the outstanding legacy issues associated with the previous operating stem cell business, fund the cash consideration elements for the acquisition of Social Alchemist Limited and for general working capital purposes. This involved the Company entering into the Deed of Issuance with the Investor. Please note the Company has not yet concluded the acquisition of Social Alchemist Limited following the entering into of heads of terms, but is hopeful that this can be concluded in the next quarter.
- 1.4 Pursuant to the terms of the Deed of Issuance, the Investor agreed to provide finance to the Company, and to date, the Company has drawn down net monies amounting to £1,300,000 in aggregate under the Deed of Issuance. Each time the Company has drawn down a tranche it has issued the Investor with a number of Issuance Notes. These Issuance Notes attract interest at the rate of five per cent. per annum and each Issuance Note has a duration of 12 months from the date of its issue. The Issuance Notes can be freely transferred, will not be listed on any financial market and are not capable of being converted into Ordinary Shares. On entering into the Deed of Issuance, the Company agreed to certain covenants and undertakings which

it gave to the Investor. This included satisfying the Issuance Warrants Conditions, of which, at the General Meeting the Resolutions were passed, meaning that the remaining Issuance Warrant Condition to be satisfied was the approval from the FCA of this document and this document being made publicly available. Consequently, now that all of the Issuance Warrants Conditions have been satisfied the Issuance Warrants will automatically attach to the Issuance Notes that have been issued. The number of Issuance Warrants to be attached to the Issuance Notes is to be calculated as follows: for each Issuance Note the number of Issuance Warrants shall be 5,000 divided by 90 per cent. of the lowest closing VWAPs of the Ordinary Shares during the five trading days immediately preceding the date of issue of the Issuance Warrants. Further details of the Issuance Warrants, including when they can be exercised and the calculation of the exercise price once the Issuance Warrants are exercised is set out in paragraph 13 of Part VII of this document.

- 1.5 The Company also announced on 6 August 2019, that it had agreed to settle with the Investor the remaining amounts due that were outstanding under the Previous Financing Agreement entered into with the Investor. This involved the Company entering into the Deed of Settlement pursuant to which the Company issued a further 237,827,207 Ordinary Shares to the Investor on the sixth trading day following the entering into of the Deed of Settlement and with further Ordinary Shares to be issued in due course, although please see paragraph 1.8 below.
- 1.6 On 7 February 2020, the Company announced that it had secured additional financing from the Investor for a gross amount of £5,000,000 with a commitment by the Company to draw down on at least £2,000,000 of funding, with the decision as to whether to take more than £2,000,000 being in the sole discretion of the Company. This additional financing will provide the Company with sufficient capital to pursue its near-term growth strategy of organic expansion and by making opportune, well-priced smaller acquisitions. It will also be used for general working capital purposes. The Board intend to utilise the Tranches drawn-down for general working capital purposes. A small part of future draw-downs of Tranches may be used to pursue well-priced smaller acquisitions, although the Board has not as yet identified any specific acquisition targets, other than Social Alchemist Limited.
- 1.7 To draw-down in full the Tranches under the Financing Agreement, the Company needed to pass the Resolutions and approval from the FCA of this document and this document being made publicly available was needed. Following the passing of the Resolutions and the FCA giving its approval of this document and its publication, all of the conditions to drawing down the Tranches under the Financing Agreement have been met and the Board currently expects to draw down £250,000 under the Financing Agreement all of which will be made available for general working capital purposes. Further details of the terms of the Financing Agreement along with the Financing Notes and Financing Warrants to be issued pursuant to its terms are set out in paragraph 13 of Part VII of this document.
- 1.8 The Financing Agreement also dealt with the outstanding sums still due (including the issue of further Ordinary Shares) under the Deed of Settlement. This has been resolved by writing down the amount outstanding by 30 per cent. and the balance being settled by the issue of notes pursuant to the terms of the Financing Agreement rather than the issue of further Ordinary Shares.

2. REASONS WHY THE BOARD CONSIDERS THE PROPOSALS TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS AS A WHOLE

- 2.1 The Company, its Board and the Shareholders have all had to bear the consequences of the high level of debts and time spent on the cleaning up of the previous stem cell business and its legacy funding agreements with the Investor.
- 2.2 The operations of the new Iconic Labs Group business has also been adversely affected by these legacy issues, as a larger than expected amount of debt has had to be repaid, leading to funds allocated to the growth of the new business being spent on settling the historical debts relating to the previous stem cell business, which has also meant that the Board had to draw down on the funding made available by the Investor. Negotiating and resolving these issues has also taken up a considerable amount of management time which would have been better spent on developing the new Iconic Labs Group business.
- 2.3 The Board has therefore worked hard to negotiate and enter into a new financing agreement with the Investor which will lead to a clearer and cleaner Company balance sheet. Furthermore,

the Board is also looking to make some opportune and well-priced acquisitions in the short term in order to demonstrate a clear path forward for the Company to enable it to achieve its near-term growth strategy. The Board believes that the acquisition and subsequent successful relaunch of GSN is a clear indicator that the Board's strategy for near-term growth is viable and will create long term capital value in the future. The Board is also looking at an ambitious growth strategy in the medium to long term that will necessitate growing the existing business and also making further, larger acquisitions as and when the opportunity arises and the Company is in a position to take advantage of such opportunities.

- 2.4 In respect of the previous stem cell business, the Board has identified a number of final debts which amount to a total of approximately £200,000, and that the Board expects to have to pay and is in the process of settling these. The Board anticipates finalising these payments in the next three months. In parallel to this the Board anticipates seeing the start of revenue growth shortly. Organic revenues have started to be generated across the business and while the immediate cash effect is small, it is growing each month, the pipeline is strong and the Board believes there is a clear pathway to growth over the next 12 months.
- 2.5 The Directors are of the view that there is a bright future for the Iconic Labs Group, but acknowledge that it will require more capital in the future if it is to fully achieve the ambitious growth plans which the Board believes it is capable of doing. Furthermore, as traditional debt facilities are not likely to be available to the Iconic Labs Group at this moment and with the possible need for further capital to achieve the Board's ambitious growth plans, there are limited other realistic alternatives to fund the Company through this period and achieve its near term growth plans other than the Financing Agreement. It should be noted that the Board has been in consultation with its advisers and also certain institutional shareholders to canvass views on the best steps towards the stated capital aim while enabling the Company to continue to grow. While the institutional shareholders consulted indicated that they would consider participating in an equity offering once the balance sheet was more conventional, they held a consistent view that there was no appetite to successfully place equity before this has been achieved. This confirmed the view of the Board that the move towards a clean balance sheet is the correct aim, but that it cannot be achieved in one step. Specifically, a placing or open offer to enable the Company to settle all existing amounts owed to the Investor and provide growth and working capital to the business is not possible at this time. However, on the basis of the consultations with the institutional shareholders, the Board is confident that there will be interest in providing equity funding once the situation with the Investor has been resolved and has therefore negotiated the Financing Agreement with a view to enabling the Company to move towards a clean balance sheet.
- 2.6 In light of the above, the Directors, who have carefully considered the Proposals, believe that the Proposals, are in the best interests of all of its Shareholders.

3. DILUTION

The Proposals will result in the issue of up to a maximum number of 30,000,000,000 New Ordinary Shares and the admission of up to a maximum number of 31,223,750,000 New Ordinary Shares (representing, in aggregate, approximately 98 per cent. of the Enlarged Share Capital if the maximum number of New Ordinary Shares are issued and Admitted under the Previous Financing Agreement, Deed of Issuance and the Financing Agreement). The Proposals will also result in the admission of a further 262,027,207 Ordinary Shares (representing, in aggregate, approximately 1 per cent. of the Enlarged Share Capital). Such Ordinary Shares, when issued, Admitted and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Admitted Shares and will rank for all dividends or other distributions declared, made or paid after the date of the issue of such Ordinary Shares.

4. DIVIDEND POLICY

The Board considers that it is in the best interests of Shareholders for the Company to focus on capital growth at the current time. The Board therefore intends, during the Company's current phase of development, to retain future distributable profits from the business to the extent that they are generated. The Board does not intend to declare or pay a dividend in the immediately foreseeable future, but subject to, *inter alia*, the availability of sufficient distributable profits, intend to commence the payment of dividends when it becomes commercially prudent to do so and intends to adopt a progressive dividend policy thereafter.

5. ADDITIONAL INFORMATION

You are advised to read the whole of this document, including the Risk Factors set out on pages 11 to 21 and the additional information on the Iconic Labs Group on pages 69 to 92 of this document.

Yours faithfully

John Quinlan

Interim Chairman

PART II

INFORMATION ON THE ICONIC LABS GROUP

1. INTRODUCTION

- 1.1 The Company is incorporated in England and Wales, and is the holding company of the Iconic Labs Group, which operates in the media and technology sector and is focussed on providing online marketing, content and technology driven products. The Company plans to create complimentary divisions that will allow it to provide a broad based, all-encompassing offering allowing clients to build their online branding and awareness, generate significant revenues as well as building its own brand platforms and products that have long term capital value.

2. MARKET OVERVIEW

Change in Consumer Behaviour

- 2.1 The Directors believe that years of sustained technological innovation across the globe has fundamentally changed consumer buying habits; the way they interact with each other; and the way they consume content. This sets the scene for a fundamentally changed market, not only for content producers and publishers; commerce and advertisers; but for all.
- 2.2 This change has been driven by, and capitalised upon, by key technological companies, primarily focused on online advertising and other internet related services, software and hardware but have a much wider reaching impact on our everyday lives. Google, Facebook, Amazon, Apple, Microsoft, Samsung, Snapchat, Netflix & Tencent are the notable companies in the space, and will be for the foreseeable future, with entire business ecosystems reliant on their services and key influence and impact on policy and regulation at the highest level.
- 2.3 These changes have had a drastic impact on the publishing and content industry, with the traditional print publishing sector in continual decline. Since 2010 data from the Audit Bureau of Circulations shows total circulation of the UK's national papers being reduced by just under 50 per cent. Furthermore, there is increasing pressure on traditional linear TV from online streaming services such as Netflix, Apple and Amazon. The BARB trends in Television viewing shows a continual decline in linear TV viewing figures in the UK, in all age groups except 65+ which remains fairly steady¹. The trends show TV has a growing relevance issue, with 16-24-year olds roughly watching a third less broadcast TV than they were in 2010. The steep decline in the younger generations demonstrates the widening gap in the consumption habits of younger and older generations.

Digital Publishing

- 2.4 The demand for online content and entertainment services however has not declined with users spending more time online and consuming more content than ever before. Social media usage across the UK continues to increase, alongside overall internet use which has doubled in the last 10 years from 12 hours a week in 2007 to 24 hours a week in 2017². Despite a sizeable and staunch audiences it is clear traditional content creators have failed to adapt to the technological changes and effectively monetise on digital distribution channels and platforms. Social Media platforms such as Facebook & Twitter have completely transformed the way content, in particular news is discovered, disseminated, and digested. In this new era a key component in building an engaged audience and effectively monetising it, is understanding and navigating the ever changing social media landscape. It is widely reported the impact both Facebook, and Google's algorithms can have on website traffic for publishers.

(1) Source: <https://www.barb.co.uk/download/?file=/wp-content/uploads/2018/03/BARB-Trends-in-Television-Viewing-2017.pdf>

(2) Source: https://www.ofcom.org.uk/_data/assets/pdf_file/0022/117256/CMR-2018-narrative-report.pdf

Advertising

2.5 As audiences continue to shift online, so too does advertising revenue, as the WARC Expenditure report states, “at £13.4 billion in 2018, it now accounts for 57 per cent. of the UK’s total advertising expenditure of £23.6 billion.” Behind search, the largest slice of online advertising is display advertising, and an increasing amount is spent on social media, with spend on social platforms increasing more than three-fold from £861m in 2015 to £3 billion in 2018³.

3. ICONIC LABS GROUP CORPORATE HISTORY AND STRUCTURE

3.1 The Company was incorporated as a private company, Widecells Group Limited, under the laws of England and Wales on 24 May 2016. On 21 June 2016 the Company re-registered as a public limited company following admission and listing on the Main Market with the name Widecells Group plc. On 11 July 2019, the Company changed its name to Iconic Labs plc.

3.2 The Company is the Iconic Labs Group’s ultimate holding company and is incorporated in England and Wales. The Company has three wholly owned subsidiaries: (a) Iconic Labs UK Ltd; (b) Iconic Labs IP Ltd; and (c) WideCells International Ltd.

3.3 The Company has 7 indirect subsidiaries: (a) WideCells Ltd; (b) CellPlan Ltd; (c) Wideacademy Ltd; (d) WideCells Portugal Servicos de Saude S.A.; (e) WideCells Espana SL; (f) CellPlan International Lda; and (g) Nuuco Media Ltd.

3.4 The Company has a 24 per cent. shareholding in MCM.

3.5 The Company has a 50 per cent. shareholding in Coalition Media.

3.6 The Iconic Labs Group’s previous business operated in the stem cell and cord blood banking and services sector (“**Stem Cell Business**”), with operations in the UK, Spain and Portugal. The Stem Cell Business was separated into three divisions each of which was operated under a separate brand, being WideCells, CellPlan and Wideacademy. The Stem Cell Business is in the process of being wound up.

3.7 Since the Directors joined the Company in March 2019, the Company has focussed on establishing its offering and building out its presence within the new media marketing space, focussed on providing online marketing, content and technology driven products which will allow companies to increase consumer engagement and create iconic brands.

3.8 The management team of John Quinlan and Liam Harrington have the knowledge and expertise of content and technology gained from their time at UNILAD, one of the world’s largest social first publishers.

4. BUSINESS OVERVIEW

4.1 Consulting and fee based services

(a) The Company advises clients as to how they can best use social media and technology to best engage and communicate with consumers or other targeted business stakeholders. Sometimes, though not always, this involves the creation of digital and content and marketing assets which the Company produces and distributes for clients across multiple online platforms.

4.2 Publishing and advertising

(a) The Company owns and operates a number of digital media brands that create and publish content on a variety of web and social media platforms. The Company sells digital display advertising programmatically next to the content it creates for those clients looking to target the audiences the Company is able to reach.

(3) Source: <http://expenditurereport.warc.com/>

5. THE ICONIC LABS GROUP'S KEY STRENGTHS AND STRATEGY

Key strengths:

5.1 **Team:**

The Directors believe the biggest strength of the Company is their team. They have the relevant skills, experience and contacts, having established UNILAD in 2014 and developing it into one of the world's largest social media publishers. UNILAD showed year-on-year annual revenue growth and the Directors believe this same team can help Iconic Labs Group grow substantial revenues.

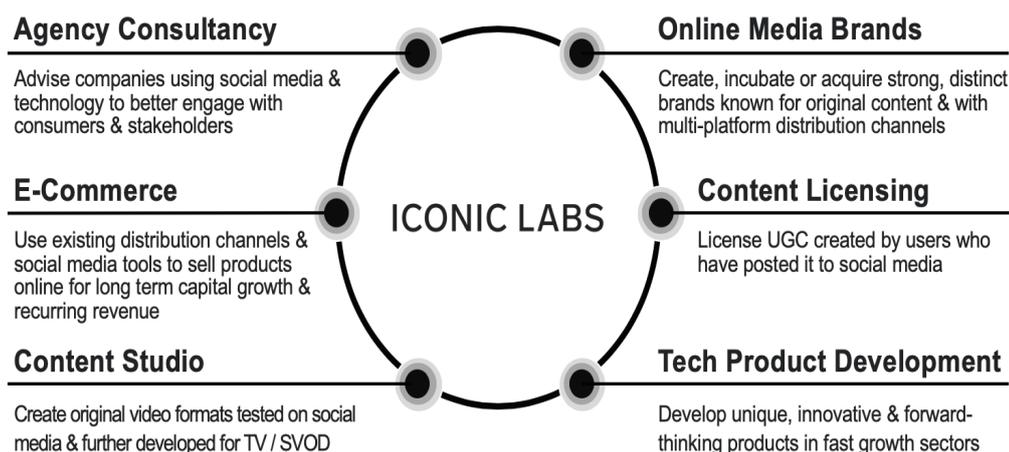
Strategy:

- 5.2 In order to compete effectively in a competitive advertising space, the Company needs to achieve some consolidation of similar businesses in order to give it scale.
- 5.3 This will allow the Company to be of a size and offer enough relevant services that it becomes a viable proposition in terms of its ability to deliver for larger brands with significant budgets.
- 5.4 There is also the opportunity for cross and up selling to the different business units with client portfolios and pipelines.
- 5.5 Likewise, there are cost synergies across all the businesses with an ability to centralise the finance and technology functions.
- 5.6 The increased efficiency and effectiveness with shared access to single technology, data and insights platform will assist in delivering the growth anticipated.

Current Business Strategy

5.7 **Overall business structure**

- (a) The Directors believe that there is a huge opportunity in the publishing and advertising market because of technological and structural changes. The Company plans to establish six divisions through a phased approach that will allow the Iconic Labs Group to scale up its operations in a fast but sustainable manner.
- (b) The Directors believe the planned structure of Iconic labs is an example of a new operating model that will be highly desirable to partners and clients, and critical to establishing a successful modern media company.



- (c) The Directors feel a staged roll-out of six complementary divisions that work together and as standalone propositions will allow the Iconic Labs Group to take advantage of a number of industry trends with the scale to service the biggest clients but also the flexibility to work with a variety of partners in the industry.
- (d) In the near-term, the Directors are looking to scale up the existing business by identifying and acquiring similar businesses that are of a smaller scale and which are well-priced.

- (e) In the longer-term, the Directors intend to grow the business organically and continue to identify and acquire similar businesses, albeit the Directors anticipate such future acquisitions to be of a larger scale than those the Company is looking to make in the near-term.

6. CURRENT BUSINESS

Online Media Brands and Complimentary Agency and Consultancy Services

6.1 *The Consultancy and Agency:*

- (a) The first phase of the Company's strategy has been launching the agency and consultancy offering. This will be formally launched in early 2020 but has already been soft launched to some clients and has achieved a very promising reception.
- (b) This is a product based on the teams expertise and experience that is in high demand in the industry that involves a consulting approach to advise clients on their businesses but also with the agency capabilities to actually deliver campaigns and creative services in line with a client's needs.
- (c) A typical example of working with a client will include the following:
 - (i) *Monthly Insights*
Data analysis enables the brand to have a better understanding of what was working on their own digital and social channels whilst also being prepared to react to their competitors' content.
 - (ii) *Content Creation & Distribution*
Work closely with insights to produce content that can be distributed across various social channels.
 - (iii) *Post Campaign Analysis*
Analysis to establish sentiment and content performance to ensure insightful, creative and efficient future campaigns.

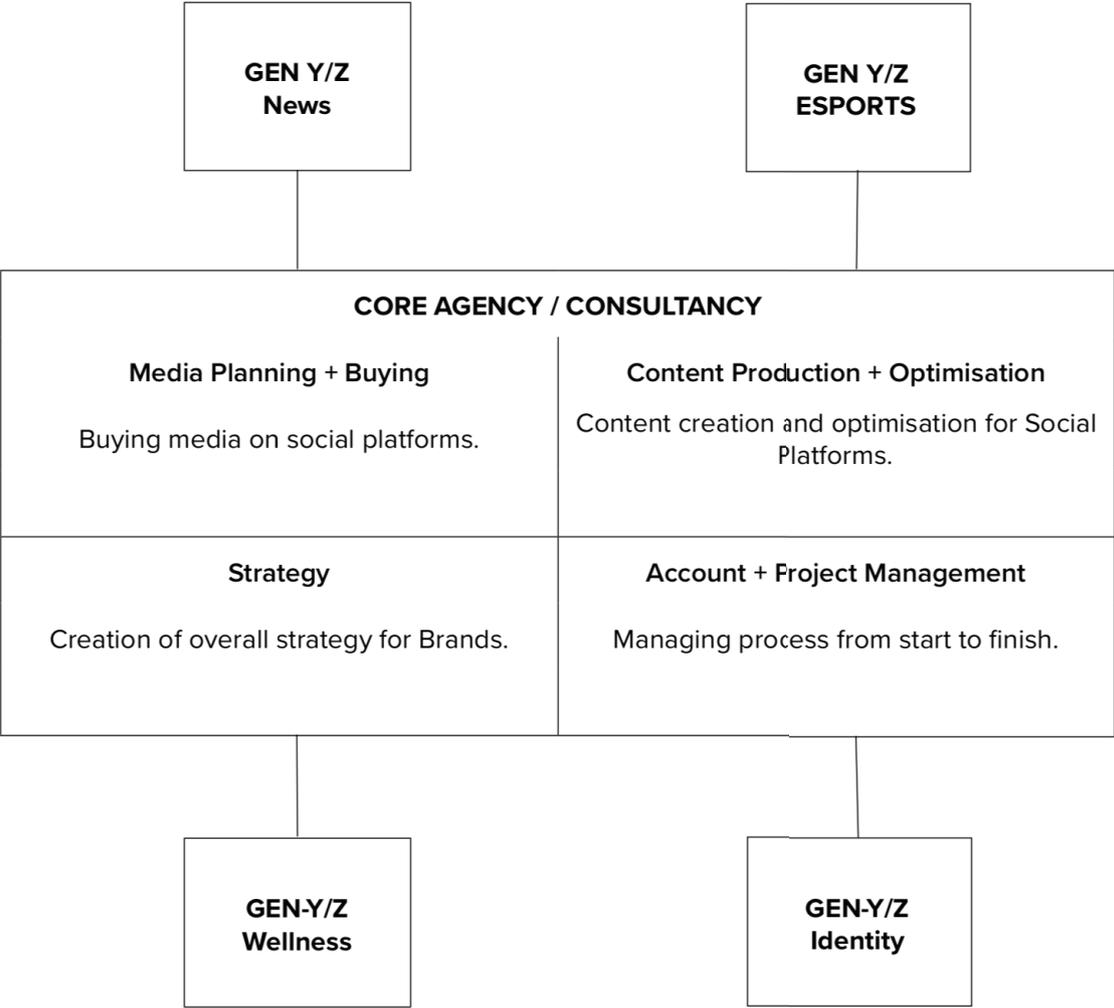
Combining with Online Media Brands

- 6.2 This consultancy and agency offering is a powerful one in its own right but the Directors believe that its effectiveness and demand is multiplied many times by being used in conjunction with the ownership and access to established online media brands and their access to consumer data, talent and audience.
- 6.3 The ability to offer potential clients and partners access to audience, data and insights with the backing and credibility of an established and trusted brand is a distinctive selling point to brands and the Board believes this will be the best way of establishing a strong client base and selling numerous products and services.

Future Growth and Potential Roll Up Opportunity

- 6.4 The Directors believe that a result of this model of pairing an online media brand with a consultancy offering will be that the Company will need to be selective in which brands and markets the Company looks to target and have a strict criteria for any growth in this area.
- 6.5 The Company is targeting established brands in high growth markets that complement the skills and experience of its team. While these involve the development of new brands in areas in line but will be predominantly based around a 'roll up' of available brands in the sector. The desire to own and operate established brands is a crucial part of the reasoning behind a 'roll up'.

6.6 An hypothetical example of how this works is shown in the model below with multiple publishing brands feeding into a centralised agency and consulting model:



Purchase of GSN

- 6.7 GSN (Gay Star News) is a Gen ‘Y/Z Identity’ online media brand and is the first example of the Iconic Labs Group model in action.
- 6.8 GSN (is a brand targeted at the LGBTI community and was acquired for £33,000 (after accounting period end date) through a liquidation process.
- 6.9 The GSN website was relaunched at the end of January 2020.
- 6.10 The Directors believe that the client reception to the business so far is highly promising and are confident that it will be a successful example of the model above that can be replicated in the future.

Additional Business Divisions

- 6.11 The Directors are confident in achieving success with the first parts of the business and then will look to add in additional business divisions and revenue streams over time:
 - (a) *E commerce* – Work in collaboration with online media brands division and utilise the feedback loops to inform production and sale of consumer products;
 - (b) *Content Studio* – Create original video formats that are piloted on social media and further developed for viewing on TV and platforms such as Netflix;
 - (c) *Content Licensing* – License User Generated Content (‘UGC’) created by users who have posted it to social media and resell brands, and production houses internationally;

- (d) *Tech Product Development* – Use insights gained from owned and operated media audiences to drive development of innovative and forward-thinking products.

7. PRINCIPAL MARKETS

- 7.1 The Company operates in the UK digital media and advertising sector and markets.

8. THE ICONIC LABS GROUP'S FINANCING AGREEMENT

- 8.1 Please see paragraph 13 of Part VII of this document for details of the Financing Agreement in place.

9. CORPORATE AND SOCIAL RESPONSIBILITY

- 9.1 The Company has adopted a formal equal opportunities policy which is contained in the Iconic Labs Group employee handbook. The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of race, sex, disability, sexual orientation, gender reassignment, marriage or civil partnership, pregnancy or maternity, religion or belief or age.
- 9.2 The Company has no other formal Corporate and Social Responsibilities at this time. However, as part of the Company's business activities include digital publishing content in and brands for under underrepresented audiences, the Company will likely develop and support projects or issues in a number of areas in the future.

PART III

OPERATING AND FINANCIAL REVIEW OF THE ICONIC LABS GROUP

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Iconic Labs Group's audited financial information for the two years ended 31 December 2017 and the eighteen-month period ended 30 June 2019.

The following discussion should be read in conjunction with the other information in this Prospectus. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 25 of this Document.

The key risks and uncertainties, include, but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 11 to 21 of this Document.

OVERVIEW

Discontinued operations

The origin of the Stem Cells Business was founded in 2012 with activities commencing in Portugal in January 2013. The Stem Cells Business intended to pursue an opportunity relating to stem cell storage and evolved into planning to promote an insurance product related to the stem cell activity.

The Company was incorporated in England and Wales on 24 May 2016 and it acquired the Stem Cells Business in the UK, Spain and Portugal on 16 June 2016.

On 27 July 2016, the Company was admitted to the London Stock Exchange's Main Market, raising £2,000,000 gross (£1,720,000 net of costs) by way of a placing of 18,181,819 new Ordinary Shares at a price of £0.11.

The Stem Cells Business never achieved any commercial traction, with total revenues for the 18-month period ended 30 June 2019 of just £21,000 (year ended 31 December 2017: £51,000, year ended 31 December 2016: £25,000). For the 18-month period ended 30 June 2019, revenue from the Stem Cell Business was set against administrative expenses for the discontinued business.

On 11 July 2019, the Company changed its name to Iconic Labs plc. The Stem Cell Business was separated into three divisions, each of which was operated under a separate brand, being WideCells, CellPlan and Wideacademy. On taking control, the Directors assessed whether the existing Stem Cell Business could become revenue generative but concluded that it was not viable. It was therefore decided to close the Stem Cell Business and focus entirely on the Iconic Labs Group's new media strategy.

Continuing operations

Since the Directors joined the Company in March 2019, the Iconic Labs Group has concentrated on establishing its offering and building out its presence within the new media marketing space.

The new Iconic Labs Group is a media and technology business focussing on providing online marketing, content and technology driven products. The Directors intend to create complimentary divisions that will allow the Iconic Labs Group to provide a broad-based, all-encompassing offering allowing clients to build their online branding and awareness, generate significant revenues as well as building its own brand platforms and products that will have long-term capital value.

Summary statements of financial position

Summarised below are the audited statements of financial position of the Iconic Labs Group as at 31 December 2016, 31 December 2017 and 30 June 2019:

	Audited As at 31 December 2016 £'000	Audited As at 31 December 2017 £'000	Audited As at 31 December 2019 £'000
Property, plant and equipment	395	467	7
Intangible assets	–	139	–
Non-current assets	395	606	7
Inventories	3	28	–
Trade and other receivables	23	10	–
VAT recoverable	59	173	16
Cash and cash equivalents	1,150	615	16
Current assets	1,235	826	32
TOTAL ASSETS	1,630	1,432	39
Share capital	135	162	3,498
Share premium	2,159	3,461	5,125
Merger reserve	(186)	(186)	–
Translation reserve	–	(33)	–
Share-based payment reserve	212	332	–
Retained deficit	(1,496)	(4,305)	(10,440)
Total Equity	824	(569)	(1,817)
Loans and borrowings	248	207	11
Non-current liabilities	248	207	11
Trade and other payables	392	936	1,737
Loans and borrowings	166	858	68
Provisions	–	–	40
Current liabilities	558	1,793	1,845
TOTAL EQUITY AND LIABILITIES	1,630	1,432	39

Source: Audited financial statements

Statements of comprehensive income

The audited statements of comprehensive income of the Iconic Labs Group for the year ended 31 December 2016, the year ended 31 December 2017 and the eighteen-month period ended 30 June 2019 are stated below:

	Audited As at 31 December 2016 £'000	Audited As at 31 December 2017 £'000	Audited 18 months ended 30 June 2019 £'000
Continuing operations			
Revenue	–	–	–
Administrative expenses	–	–	(328)
Impairment of non-current assets	–	–	–
	<hr/>	<hr/>	<hr/>
Loss from operating activities	–	–	(328)
Finance income	–	–	–
Finance costs	–	–	(1,819)
	<hr/>	<hr/>	<hr/>
Loss before taxation	–	–	(2,147)
Taxation	–	–	–
	<hr/>	<hr/>	<hr/>
Loss for period (continuing operations)	–	–	(2,147)
<i>Loss for period (discontinued operations)</i>	<i>(1,275)</i>	<i>(2,809)</i>	<i>(4,113)</i>
	<hr/>	<hr/>	<hr/>
Loss for the period	(1,275)	(2,809)	(6,260)
	<hr/>	<hr/>	<hr/>
<i>Other comprehensive expense:</i>			
Continuing operations	–	–	–
Discontinued operations	–	(33)	–
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	(1,275)	(2,842)	(6,260)
	<hr/>	<hr/>	<hr/>
<i>Loss per Ordinary Share (basic and diluted):</i>			
Continuing operations	£(0.00)	£(0.00)	£(0.01)
Discontinued operations	£(0.03)	£(0.05)	£(0.01)

Source: Audited financial statements

Statements of cash flows

The audited statements of cash flows of the Iconic Labs Group for the year ended 31 December 2016, the year ended 31 December 2017 and the eighteen-month period ended 30 June 2019 are as follows:

	Audited As at 31 December 2016 £'000	Audited As at 31 December 2017 £'000	Audited 18 months ended 30 June 2019 £'000
Total comprehensive loss for the period	(1,275)	(2,809)	(6,260)
Loss from discontinued operations	1,275	2,809	4,138
Depreciation and amortisation	–	–	–
Finance costs	–	–	1,819
Impairment of assets	–	–	–
Share-based payment charge	–	–	–
Cash used in operating activities	–	–	(303)
Increase in trade and other payables	–	–	66
Cash used in continuing operations	–	–	(237)
<i>Cash used in discontinued operations</i>	<i>(747)</i>	<i>(2,141)</i>	<i>(3,242)</i>
Net cash used in operating activities	(747)	(2,141)	(3,479)
Purchase of property, plant and equipment	–	–	(8)
Cash used in continuing operations	–	–	(8)
<i>Cash used in discontinued operations</i>	<i>(181)</i>	<i>(324)</i>	<i>(24)</i>
Net cash used in investing activities	(181)	(324)	(31)
Interest paid	–	–	(604)
Repayment of finance leases	–	–	(89)
Issue of share capital	–	–	2,061
Costs of issuing Ordinary Shares	–	–	(231)
Issue of convertible loan notes	–	–	2,700
Cash from continuing operations	–	–	3,838
<i>Cash from/(used in) discontinued operations</i>	<i>2,043</i>	<i>1,466</i>	<i>(429)</i>
Net cash inflow from financing activities	2,043	1,466	3,408
Net increase/(decrease) in cash	1,116	(999)	(102)
Cash and cash equivalents b/fwd	34	1,150	118
Effect of foreign exchange rate changes	–	(33)	–
Cash and cash equivalents c/fwd	1,150	118	16

Source: Audited financial statements

OPERATING AND FINANCIAL REVIEW

Qualified audit opinion

The Directors would like to draw your attention to the auditor's qualification restated in Part IV (A) "*Historical Financial Information of the Company*" in which it is stated that "during the period between November 2018 and March 2019 a number of staff and directors left Iconic Labs Group and by March 2019 none of the original Board or key management remained in Iconic Labs Group. Compounding the loss of knowledge through these departures, the new Board have been unable to locate certain accounting records in both the UK and its overseas subsidiaries. The Board engaged a professional outsourced service provider to reconstruct to the maximum extent possible the accounting records. As a result of undertaking these procedures, the Board have identified that of the total expenditure charged to the Statement of Comprehensive Income, excluding impairments and loan note conversion costs, there is approximately £1.7m of expenditure for which underlying documentation cannot be located. Of the £1.7m approximately £1.5m relates to administrative expenditure and £0.2m staff costs. The Board have also concluded that they are satisfied that the risk of there being an unrecorded actual or contingent liability arising from the former business of Iconic Labs Group's discontinued activities is very low."

Year ended 31 December 2016 (discontinued activities)

As at 1 January 2016, the Stem Cells Business had cash of £34,000, convertible loan notes of £543,000, bank borrowings of £145,000 and Directors' loans of £27,000. As such, the Stem Cells Business had net liquidity of £(681,000).

In January 2016, the minority shareholders in the Stem Cell Businesses in both Portugal and Spain agreed to exchange their shares for shares in the Company. At the same time, CellPlan Ltd and Wideacademy Ltd were incorporated to run the new health insurance business and separate online training business respectively. At this point, the Stem Cells Business was formed.

On 27 July 2016, the Company and the Stem Cells Business was admitted to the London Stock Exchange's Main Market, raising £2,000,000 gross and £1,720,000 net of costs by way of the placing of 18,181,819 Ordinary Shares at a price of £0.11. As part of the transaction, the £543,000 convertible loan notes were converted into 5,443,515 conversion shares. In addition to the net funds received from the above transaction, the Stem Cells Business entered into a new £200,000 bank loan during the year and issued £275,000 of convertible debt.

The net cash from the IPO in July 2016 and additional bank borrowings and issue of convertible debt allowed the Stem Cells Business to fit out its new offices in Manchester and Porto, Portugal, total costs of which were £181,000.

With regards to trade during the year ended 31 December 2016, activities were limited to research and development activities in relation to the planning phase of the Stem Cells Business' initial contract. From this contract, revenue of £25,000 was earned during the year. However, administrative expenditure of £1,261,000, comprising staff costs of £605,000, inclusive of share-based payments of £187,000, supplies and external services of £617,000, other expenses of £24,000 and depreciation and amortisation of £16,000 led to a loss from operations of £1,237,000 for the year. Additional finance costs of £31,000 and a taxation charge of £8,000 led to loss for the year of £1,275,000 for the year ended 31 December 2016. Of this loss for the year, £1,113,000 was recorded in the UK, £133,000 in Portugal and £29,000 in Spain.

Following the above activities, the Stem Cells Business had cash of £1,150,000, bank borrowings of £200,000, finance leases of £187,000 in relation to its new premises in Manchester and Porto and Directors' loans of £27,000 as at 31 December 2016, giving rise to net liquidity of £736,000 at this date.

Year ended 31 December 2017 (discontinued activities)

During the year ended 31 December 2017, the Stem Cells Business' activities built on those established during the prior year. The principal effects of which were to transition the Stem Cells Business from product development into a revenue-generative, international provider of stem cell services. As part of the business plan, the Stem Cells Business' headcount grew from 8 to 17 during the year as the initial £100,000 R&D contract moved from the planning phase to the development phase.

To fund the above plan, the Company undertook two private placings on 28 April 2017 and 18 August 2018 for aggregate proceeds of £1,400,000. The first placing raised £650,000 from the issue of

5,405,806 Ordinary Shares at 12p per share and the second placing raised £750,000 from the issue of 5,357,143 Ordinary Shares at 14p per share. In addition to the net funds received from the above placings, the Stem Cells Business entered into a new £150,000 bank loan during the year and issued a further £50,000 of convertible debt.

With regards to trade during the year ended 31 December 2017, revenues from the Stem Cells Business initial R&D contract were £51,000 (2016: £25,000). However, administrative expenditure increased to £2,840,000 (2016: £1,261,000), comprising staff costs of £1,205,000 (2016: £605,000), inclusive of share-based payments of £120,000 (2016: £187,000), supplies and external services of £1,569,000 (2016: £617,000), other expenses of £(47,000) (2016: £24,000) and depreciation and amortisation of £113,000 (2016: £16,000) led to a loss from operations of £2,789,000 (2016: £1,237,000) for the year. Additional finance costs of £17,000 (2016: £31,000), a taxation charge of £2,000 (2016: £8,000) led to a loss for the year of £2,809,000 (2016: £1,275,000) for the year ended 31 December 2017. Of this loss for the year, £2,437,000 was recorded in the UK (2016: £1,113,000), £360,000 in Portugal (2016: £133,000) and £12,000 in Spain (2016: £29,000).

Following the above activities, the Stem Cells Business net cash of £118,000 (2016: £1,150,000), comprising cash of £615,000 (2016: £1,150,000) and an overdraft of £497,000 (2016: £nil), bank borrowings of £139,000 (2016: £200,000), finance leases of £254,000 (2016: £187,000) in relation to premises in Manchester and Porto, Directors' loans of £100,000 (2016: £27,000), convertible loans of £50,000 (2016: £nil) and other loans of £25,000 (2016: £nil) as at 31 December 2017, giving rise to net liquidity of £(450,000) (2016: £736,000) at this date.

18-MONTH PERIOD ENDED 30 JUNE 2019

Discontinued operations

On 29 June 2018, the Company raised £2,061,000 from the issue of 68,698,355 Ordinary Shares at a price of 3p per Ordinary Share. Furthermore, on 27 September 2018, the Company entered into a financing agreement to issue up to £2,700,000 of convertible notes, and drew down on the first tranche of £635,000. On 22 October 2018 the Company converted £10,000 of convertible notes into 2,500,000 Ordinary Shares at a price of 0.4p per Ordinary Share and a further £10,000 of convertible notes into 3,333,333 Ordinary Shares at a price of 0.3p per Ordinary Share. On 31 October 2018 the Company converted a further £5,000 of convertible notes into 2,000,000 Ordinary Shares at a price of 0.25p per Ordinary Share. On 6 November 2018 the Company converted £25,000 of convertible notes into 10,000,000 Ordinary Shares at a price of 0.25p per Ordinary Share.

During the 18-month period ended 30 June 2019, the Stem Cells Business earned income of £21,000 but incurred administrative expenses of £3,473,000 and impairment of non-current assets of £630,000.

The Directors have undertaken further investigations in respect of the £21,000 revenue earned during the period. From these investigations, the £16,000 was received in respect of a research contract in four tranches of £4,000 each. The balance consisted of storage contracts amounting to £3,663 and a number of other small items of income listed as items including an email license and subscription revenue associated with a content platform. This would support the Directors' assumption that no actual insurance products have been sold. However, a suitable risk factor has been included in the "Risk Factors" section of this document on this matter.

With regard to the insurance element of the Stem Cells Business, the Directors note that previous management launched a website to both market the product and to allow potential customers to buy cover. As there are no reliable records relating to the Stem Cells Business, the Directors believe no insurance revenue was received during the period, and no insurance related products were sold. To the extent there may have been, it is understood a relationship was entered into with an intermediary platform. The website previously used to market this insurance product has been taken down and closed. Based on the underlying accounting documentation available, the Directors are confident that the Stem Cells Business has not underwritten any insurance products historically.

The Directors have taken the decision to write down the value of the non-current assets used in the Stem Cells Business as they held no value within the new business model adopted by Iconic Labs Group. This decision has led to an impairment charge of £630,000 included within the loss on discontinued operations.

In addition to the above provisions, previous management had committed to convert the convertible loan notes issued under the Previous Financing Agreement which was necessary for the long-term benefit of the Iconic Labs Group going forward. The impact of such conversion triggered a penalty of £1,815,000. Initially, the Company was penalised by providing the issuer with additional equity on the conversion of such loan notes in order to settle the penalty payment rather than paying the penalty in cash. However, the Directors renegotiated the penalty payment in the Previous Financing Agreement (by way of the Deed of Settlement) and agreed to settle the remainder of the convertible loan notes via cash or a lower amount of equity to be issued on conversion. Approximately £805,000 of the penalty remained due as at 30 June 2019 which is included within trade and other payables on the statement of financial position.

The overall impact of the Stem Cells Business on the results for the 18-month period ended 30 June 2019 is a loss on discontinued activities of £4,113,000 and an increased finance cost relating to conversion penalties of £1,815,000.

Continuing operations

On 18 March 2019, the Directors formed a new media and technology division of the business called Iconic Labs was formed and became the main division of the Iconic Labs Group.

Iconic Labs Group did not record any revenue during the 18-month period ended 30 June 2019. The administration expenses of Iconic Labs were £328,000 during the 18-month period ended 30 June 2019. These costs related to the Directors' time spent on restructuring the Stem Cells Business and the launching of the Iconic Group's new media and technology business.

The finance costs of £1,819,000 in the 18-month period ended 30 June 2019 primarily related to £1,815,000 penalties on the redemption of the £2,700,000 convertible loan notes brought forward from the Stem Cells Business.

As a result of the above activities, the loss for the 18-month period ended 30 June 2019 from continuing operations of the Iconic Labs Group was £2,147,000.

Following the above activities, the Iconic Labs Group had net cash of £16,000 (2017: £118,000), comprising cash of £16,000 (2017: £615,000) and an overdraft of £nil (2017: £497,000), finance leases of £79,000 (2017: £254,000), bank borrowings of £nil (2017: £139,000), Directors' loans of £nil (2017: £100,000), convertible loans of £nil (2017: £50,000) and other loans of £nil (2017: £25,000) as at 30 June 2019, giving rise to net liquidity of £(63,000) (2017: £(450,000) at this date.

MISSING DOCUMENTATION AND QUALIFIED AUDIT OPINION

As set out in Part IV "*Historical Financial Information of the Company*", the Iconic Labs Group's auditors included a qualified opinion in their audit report for the period ended 30 June 2019. Within that qualified report, it is stated that during the period between November 2018 and March 2019 a number of staff and directors left the Iconic Labs Group and by March 2019 none of the original Board or key management remained in the Iconic Labs Group. Compounding the loss of knowledge through these departures, the new Board have been unable to locate certain accounting records in both the UK and its overseas subsidiaries. The Board engaged a professional outsourced service provider to reconstruct to the maximum extent possible the accounting records. As a result of undertaking these procedures, the Board identified that of the total expenditure charged to the Statement of Comprehensive Income, excluding impairments and loan note conversion costs, there is approximately £1,700,000 of expenditure for which underlying documentation could not be located. Of the £1,700,000, approximately £1,500,000 related to administrative expenditure and £200,000 to staff costs. The Board have also concluded that they are satisfied that the risk of there being an unrecorded actual or contingent liability arising from the former business of the Iconic Labs Group's discontinued activities is very low.

EVENTS SUBSEQUENT TO 30 JUNE 2019

On 5 August 2019, the Company secured further financing from the Investors for a gross amount of up to £1,375,000 which would provide the Iconic Labs Group with capital to continue to resolve the outstanding legacy issues associated with the discontinued Stem Cells Business, fund the cash consideration elements for the proposed acquisitions and for general working capital purposes. This involved the Company entering into the Deed of Issuance with the Investor. The payments were to be made in six tranches, all of which have been drawn down by the Company amounting to a net cash inflow of £1,300,000.

The Company has not yet concluded the acquisition of Social Alchemist Limited following the entering into of heads of terms, but is hopeful that this can be concluded in the next quarter.

On 16 August 2019, the Company issued 237,827,207 Ordinary Shares in connection with the Deed of Settlement to the Investor.

On 5 September 2019, the Group acquired 24 per cent. of the issued share capital of Student Media Ventures. Following a strategy and business review by the shareholders of Student Media Ventures, Student Media Ventures was dissolved on 14 January 2020 with no cost to the Group or the Group having incurred any losses.

On 9 September 2019, the Group acquired 100 per cent. of the issued share capital of Nuuco Media Limited.

On the 12 September 2019, the Company took a 24 per cent. interest in MCM, a media-focussed investment company, in return for the provision of management and consultancy services under a management services agreement and the provision of a loan for £150,000 to be used solely for working capital purposes. At the same time, MCM entered into a conditional agreement to acquire Tab Media Limited, which agreement has now expired.

On 14 January 2020, the Company acquired 50 per cent. of the issued share capital of Coalition Media which is a 50/50 joint venture marketing services company created with Bacchus Creative Entertainment. Coalition Media was incorporated on 10 January 2020 with 100 ordinary shares of £1 each issued and fully paid. The company has not yet commenced trading.

Other than as stated above, there have been no material changes to the Iconic Labs Group's capitalisation since 30 June 2019.

PART IV

(A) FINANCIAL INFORMATION OF ICONIC LABS GROUP

Iconic Labs Group's audited financial information for the two years ended 31 December 2017 and the eighteen-month period ended 30 June 2019 can be viewed on the Company's website at www.iconiclabs.co.uk/investors. The information available from the Company's website includes:

- (a) the annual report and accounts for the eighteen-month period ended 30 June 2019, which includes the independent auditor's report (pages 27 to 31 and which has been replicated in full below), consolidated statement of comprehensive income (page 32), consolidated statement of financial position (page 33), consolidated statement of changes in equity (page 34), consolidated statement of cash flows (page 35) and associated notes to the consolidated financial information (pages 38 to 63). The annual report and accounts for the year ended 30 June 2019 can be viewed at www.iconiclabs.co.uk/investors;
- (b) the annual report and accounts for the year ended 31 December 2017, which includes the independent auditor's report (pages 38 to 41), consolidated statement of comprehensive income (page 42), consolidated statement of financial position (page 43), consolidated statement of cash flows (page 44), consolidated statement of changes in equity (pages 45 and 46) and associated notes to the consolidated financial information (pages 47 to 66). The annual report and accounts for the year ended 31 December 2017 can be viewed at www.iconiclabs.co.uk/additional-documents; and
- (c) the annual report and accounts for the year ended 31 December 2016, which includes the independent auditor's report (pages 36 to 37), consolidated statement of comprehensive income (page 38), consolidated statement of financial position (page 39), consolidated statement of cash flows (page 40), consolidated statement of changes in equity (page 41 and 42) and associated notes to the consolidated financial information (pages 43 to 63). The annual report and accounts for the year ended 31 December 2016 can be viewed at www.iconiclabs.co.uk/additional-documents.

The Iconic Labs Group's auditors included a qualified opinion in their audit report for the period ended 30 June 2019. The opinion is reproduced in full as follows:

"INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICONIC LABS PLC

Qualified opinion

We have audited the financial statements of Iconic Labs PLC (the 'Parent Company') and its subsidiaries (together the 'Group') for the period ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- *give a true and fair view of the state of affairs of the Group and of the Parent Company as at 30 June 2019 and of the Group's loss for the period then ended;*
- *have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;*
- *have been prepared in accordance with the requirements of the Companies Act 2006.*

Basis for qualified opinion

As noted by the Directors on page 11 of their Strategic Report, during the period between November 2018 a number of staff and directors left the Group and by March 2019 none of the original Board or key management are left in the Group. Compounding the inevitable loss of knowledge through these departures, the new Board have been unable to locate certain accounting records in both the UK and its overseas subsidiaries. The Board engaged a professional outsourced service provider to reconstruct to the maximum extent possible the accounting records. As a result of undertaking these procedures, the Board have identified that of the total expenditure charged to the Statement of Comprehensive Income, excluding impairments and loan note conversion costs, there is approximately £1.7m of expenditure for which underlying documentation cannot be located. Of the £1.7m approximately £1.5m relates to administrative expenditure and £0.2m staff costs. The Board have also concluded that they are satisfied that the risk of there being an unrecorded actual or contingent liability arising from the former business of the group's discontinued activities is very low.

During the period under review one of the group's undertakings promoted an insurance product and it is unclear on what basis that product was, if at all, distributed and, as a consequence, whether the group or its relevant undertaking required authorisation from the relevant regulatory authority. The new Board have from their own enquiries concluded that very few insurance related products were distributed by the group and to the extent that they were, an appropriate intermediary was used.

As a consequence of the absence of accounting records and management who would be able to resolve queries, we have been unable to obtain the information and explanation necessary for our audit in respect of;

- *expenditure and the completeness of actual and contingent liabilities arising solely from the former business of the group's discontinued activities; and,*
- *liabilities which may arise from the possibility that one of the group's subsidiaries may have conducted insurance business and, as a consequence, may not have complied with local laws and regulations in relation to what may be a regulated activity.*

The lack of evidence also impacts on our ability to conclude on the completeness of related party transactions which arose during the period up to instatement of the current board and new management team. There were no alternative audit procedures we could undertake in respect of this expenditure and therefore our audit opinion is qualified due the limitation on the scope of our audit.

The absence of a complete set of board minutes and board committee meetings has limited the scope of our work in relation to our review of the Strategic Report, Directors Report, directors Remuneration Report and Corporate Governance Report.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty in relation to going concern

We draw your attention to note 1 on page 38 in the financial statements concerning the Directors' assessment of the Group and the Parent Company's ability to continue as a going concern.

The directors have prepared cashflow forecasts for a period of at least 12 months from the date of approving these financial statements which indicate that the Group will require additional funding. At the time of issuing this report the Directors have agreed terms in principle on a key funding line which has been factored into their going concern assessment. However, the completion of the funding agreement is conditional on the successful issuance of a prospectus, an activity which is underway at the time of approving these financial statements. These conditions together with the other matters set out in note 1 to the financial statements indicate that a material uncertainty exists that may cast significant doubt about the Group and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the conditions and uncertainties noted above we considered going concern to be a "Key Audit Matter" and our audit response was as follows;

- We obtained the Board's assessment of going concern and the supporting financial projections. Based on that assessment we:
 - considered whether the directors had considered a period of at least twelve months from the date of approving the financial statements;
 - considered and challenged the appropriateness of the key assumptions used;
 - compared the forecast expenditure to that set out in the business forecast for the new business;
 - considered the steps taken by the Board to identify and provide for the costs of liquidating the subsidiaries relating to the legacy business and in meeting any actual or contingent liabilities arising from that process;
- We reviewed the terms of the funding offer completion of which is conditional on the successful admittance to a new class of the Group's shares on to the London Stock Exchange which is in progress at the time of issuing this opinion; and,
- We confirmed with management that they aren't aware of any other factors which might adversely impact on their assessment of the Group and Parent's Company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £180,000. Given the Group's circumstances and financial standing we considered the most appropriate benchmark was adjusted group loss before tax. Our materiality level there represents 5% of the benchmark.

Performance materiality is the application of materiality at the individual account or balance sheet level to reduce to an appropriately low level the probability that the aggregate of undetected misstatements exceeds materiality for the financial statements as a whole. We use a different level of

performance materiality to determine the extent of our testing and it is based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. On average the performance materiality applied was approximately 75% of financial statement materiality. The materiality for the audit of Iconic Labs PLC individual financial statements was set at £155,000. For 2019 we considered the most appropriate benchmark was adjusted parent company loss before tax. Our materiality level there represents 5% of the benchmark. In the prior year the previous auditors capped Parent Company materiality at 75% of Group materiality. Performance materiality was based on 75% of financial statement materiality namely, £116,250. We agreed with the Audit Committee that in respect of the Group financial statements we would report to it all identified misstatements in excess of £9,000. For the Parent Company, the level for reporting identified misstatements was set at £7,750. Misstatements below that threshold would also be reported to the Audit Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit engagement was limited to the audit of the Parent Company and its Group financial statements. As the new Board, who were appointed in February 2019, had made a decision to discontinue the group's legacy business activities and to take formal steps to liquidate its UK and overseas subsidiaries we were not appointed to audit those entities.

Our audit approach was developed by obtaining an understanding of the group's activities, the key functions undertaken on behalf of the Board by management and the overall control environment. Specifically, given the widely reported challenges the Group has faced during the period under review which gave rise to the appointment of the new Board, we discussed with the Board and their other advisers the activities of the Group, what enquiries they had made into those activities, the group's financial standing and its planned future activities. Based on this understanding we assessed those aspects of the Group and Parent Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing Rules, the principles of the UK Corporate Governance Code and IFRS adopted by the European Union.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Group's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- considering the effectiveness of control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we sought to address the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. As noted under the section Basis for qualified opinion, the scope of our work in relation to legacy business was limited due to the absence of accounting records and management who would be able to resolve queries, we have been unable to obtain the information and explanation necessary for our audit.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The two key audit matters we identified were in relation to the completeness of expenditure and the associated liability and, compliance with laws and regulations relating to the potential conduct of insurance related activities. The completion of our planned procedures in respect of these two key audit matters has given rise to a qualified audit opinion which is described in the Basis for Qualified Opinion section. We did not identify any other key audit matters which need to be communicated in our report.

This is not a complete list of all risks identified by our audit.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Except for the impact of the limitation of the scope of our work set out under "Basis for qualified Opinion", in our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the impact of the limitation of the scope of our work set out under "Basis for qualified Opinion", we have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns.

As explained under the Basis for qualified Opinion the new Board have not been able to locate accounting records and information for expenditure incurred by the legacy business totalling £1.7m. As a consequence:

- we were unable to determine whether adequate accounting records have been kept by the Parent Company;
- returns adequate for our audit have not been received from branches not visited by us;
- we have not received all the information and explanations we require for our audit; and
- we were unable to confirm whether certain disclosures of directors' remuneration specified by law were complete.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 12 and 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit committee on 8th October 2019 to audit the financial statements for the period ending 30 June 2019. Our total uninterrupted period of engagement is less than a year, covering the period ended 30 June 2019.

In addition to the statutory audit, Crowe U.K. LLP have been appointed as reporting accountant in relation to a prospectus being issued by the Group. The provision of both these services has been discussed with the Board who have been made aware of the independence safeguards which have been put in place. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an

auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rhodri Whitlock
(Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP
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(B) ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION



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25 March 2020

The Directors
Iconic Labs plc
27-28 Eastcastle Street
London W1W 8DH

INTRODUCTION

We report on the unaudited pro forma statement of financial position as at 30 June 2019 and on the unaudited pro forma statement of comprehensive income for the eighteen-month period then ended (together, the "*Pro Forma Financial Information*") set out in Part IV (C) "*Pro Forma Financial Information*" of Part IV "Financial Information" of Iconic Labs Plc (the "Company") prospectus dated 25 March 2020 (the "Document"), which has been prepared on the basis described, for illustrative purposes only, to provide information about how:

- the acquisition of 100 per cent. of the issued share capital of Nuuco Media Limited;
- the acquisition of 24 per cent. of the issued share capital of Medium Channel Media Limited;
- the acquisition of 50 per cent. of the issued share capital of Coalition Media Limited;
- the borrowings and issuance of notes and warrants in relation to the Deed of Issuance and the Financing Agreement; and
- the associated costs of the transaction,

might have affected the assets, liabilities, equity and earnings presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the eighteen-month period ended 30 June 2019. This report is required by Annex I, item 18.4 of the Prospectus Regulation Rules and is given for the purpose of complying with that requirement and for no other purpose.

RESPONSIBILITIES

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro-Forma Financial Information in accordance with Annex I, item 18.4 and Annex 20 of the Prospectus Regulation Rules.

It is our responsibility to form an opinion, in accordance with Annex I, item 18.4 of the Prospectus Regulation Rules, as to the proper compilation of the Pro-Forma Financial Information and to report that opinion to you in accordance with Annex 20, Section 3 of the Prospectus Regulation Rules.

BASIS OF OPINION

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro-Forma Financial

Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

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

OPINION

In our opinion:

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

DECLARATION

For the purposes of PR 5.3.2R(2)(f) of the Prospectus Regulation Rules, we are responsible for this report as part of the Document and declare that we have ensured that the information contained in this report is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Document in compliance with Article 11 of the Prospectus Regulation Rules.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

(C) PRO FORMA FINANCIAL INFORMATION

Set out below are the unaudited pro-forma statement of financial position of the Company as at 30 June 2019 and the statement of comprehensive income for the eighteen-month period then ended (the “**Pro Forma Financial Information**”). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of:

- the acquisition of 100 per cent. of the issued share capital of Nuuco Media;
- the acquisition of 24 per cent. of the issued share capital of MCM;
- the acquisition of 50 per cent. of the issued share capital of Coalition Media;
- the receipt of borrowings in relation to both the Deed of Issuance and the Financing Agreement, together with the issue of the associated Issuance Warrants and the Financing Notes and Financing Warrants; and
- the associated costs of the transaction,

on the assets, liabilities and equity of the Company as at 30 June 2019 and on the continuing earnings of the Company for the eighteen-month period then ended. The Pro Forma Financial Information has been prepared for illustrative purposes only. Due to its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or earnings. It is based on the schedules used in preparing the audited statement of financial position.

The audited balance sheet of the Company as at 30 June 2019 and the audited income statement for the eighteen-month period then ended, are incorporated by reference in Part IV(A) “*Historical Financial Information of the Company*” of Part IV “*Financial Information*” of this Document.

Users should read the whole of this Document and not rely solely on the Pro Forma Financial Information contained in this Part IV (C) “*Pro Forma Financial Information*” of Part IV “*Financial Information*” of this Document.

The report on the Pro Forma Financial Information is set out in Part IV (B) “*Accountant’s Report on the Unaudited Pro Forma Financial Information*” of Part IV “*Financial Information*” of this Document.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

	Company as at 30 June 2019 Note 1 £'000	Adjustment Deed of Issuance Note 2 £'000	Adjustment Deed of Settlement Note 3 £'000	Adjustment Financing Agreement Note 4 £'000	Adjustment Acquisitions Note 5 £'000	Adjustment Payment of Costs Note 6 £'000	Unaudited pro forma statement of financial position of the Company £'000
Property, plant and equipment	7	-	-	-	-	-	7
Intangible assets	-	-	-	-	33	-	33
Non-current assets	7	-	-	-	33	-	40
VAT recoverable	16	-	-	-	-	-	16
Loans receivable	-	-	-	-	150	-	150
Cash and cash equivalents	16	1,275	-	2,000	(183)	(290)	2,818
Current assets	32	1,275	-	2,000	(33)	(290)	2,984
TOTAL ASSETS	39	1,275	-	2,000	-	(290)	3,024
Share capital	3,498	-	594	-	-	-	4,092
Share premium	5,125	-	211	-	-	-	5,336
Warrant reserve	-	7	-	109	-	-	116
Retained deficit	(10,440)	(7)	-	(109)	-	(290)	(10,846)
Total Equity	(1,817)	-	805	-	-	(290)	(1,302)
Loans and borrowings	11	-	-	-	-	-	11
Non-current liabilities	11	-	-	-	-	-	11
Trade and other payables	1,737	-	(805)	-	-	-	932
Loans and borrowings	68	1,275	-	2,000	-	-	3,343
Provisions	40	-	-	-	-	-	40
Current liabilities	1,845	1,275	(805)	2,000	-	-	4,315
Total liabilities	1,856	1,275	(805)	2,000	-	-	4,326
TOTAL EQUITY AND LIABILITIES	39	1,275	-	2,000	-	(290)	3,024

UNAUDITED PRO FORMA INCOME STATEMENT

	Company results 18 months ended 30 June 2019 Note 1 £'000	Adjustment Deed of Issuance Note 2 £'000	Adjustment Deed of Settlement Note 3 £'000	Adjustment Financing Agreement Note 4 £'000	Adjustment Acquisitions Note 5 £'000	Adjustment Payment of Costs Note 6 £'000	Unaudited pro forma results for 18 months ended 30 June 2019 £'000
Administrative expenses	(328)	–	–	–	–	(290)	(618)
Loss from operating activities	(328)	–	–	–	–	(290)	(618)
Finance costs	(1,819)	(103)	–	(109)	–	–	(2,031)
Loss before taxation	(2,147)	(103)	–	(109)	–	(290)	(2,649)
Taxation	–	–	–	–	–	–	–
Loss for the period from continuing operations	(2,147)	(103)	–	(109)	–	(290)	(2,649)
Loss from discontinued operations	(4,114)	–	–	–	–	–	(4,114)
Total loss for the period	(6,261)	(103)	–	(109)	–	(290)	(6,763)

Notes:

- The financial information relating to the Company has been extracted without adjustment from the Company's financial information incorporated by reference in Part IV(A) "Historical Financial Information of the Company" of Part IV "Financial Information" of this Document.
- The adjustment of £1,275,000 to both "cash and cash equivalents" and "loans and borrowings" relates to the receipt of the six tranches of cash under the terms of the Deed of Issuance entered into on 5 August 2019.
The adjustment of £7,000 to both "warrant reserve" and "retained deficit" relates to the value ascribed to the Issuance Warrants issued under the terms of the Deed of Issuance entered into on 5 August 2019.
The adjustment of £103,000 to "financing costs" relates to the £96,000 interest charge on the £1,250,000 of borrowings at 5 per cent. per annum as applied to the 18-month period ended 30 June 2019 under the terms of the Deed of Issuance, plus the ascribed cost of £7,000 in relation to the Issuance Warrants issued under the terms of the Deed of Issuance entered into on 5 August 2019.
- The adjustment of £805,000 relates to the issue of 237,827,207 Ordinary Shares of 0.25p each at 0.34p each under the terms of the Deed of Settlement entered into on 5 August 2019. The issue of these Ordinary Shares results in an increase to "share capital" of £594,000 and an increase to "share premium" of £211,000. The issue of the Ordinary Shares was used to reduce "trade and other payables" to the amount of £805,000.
- The adjustment of £2,000,000 to each of "cash and cash equivalents" and "loans and borrowings" relates to the issuance of the minimum number of convertible loan notes under the terms of the Financing Agreement entered into on 7 February 2020.
The adjustment of £109,000 to "warrant reserve", "retained deficit" and "financing costs" relates to the value ascribed to the Financing Warrants issued under the terms of the Financing Agreement entered into on 7 February 2020.
- The adjustment of £33,000 to "intangible assets" relates to the acquisition of 100 per cent. of the issued share capital of Nuco Media for £100 on 9 September 2019. As part of the acquisition, the Iconic Labs Group acquired the intellectual property of Gay Star News by paying that company's administrator £33,000 in cash. At the date of the acquisition, Nuco Media had not commenced trading and its net assets were £100. The payment of £33,000 for the intellectual property of Gay Star News is reflected within "intangible assets".
The adjustment of £150,000 to "loans receivable" relates to the acquisition of 24 per cent. of the issued share capital of MCM for £24 on 10 September 2019. As part of the acquisition, the Company loaned MCM £150,000 for general working capital purposes.

The adjustment of £183,000 to “*cash and cash equivalents*” relates to the £33,000 cash payment for the intellectual property of Gay Star News and the £150,000 loan to MCM.

On 14 September 2020, Iconic Labs Group acquired 50 per cent. of the issued share capital of Coalition Media for £50, representing 50 per cent. of the net assets of that company at the date of acquisition. The acquisition of 50 per cent. of Coalition Media has no effect on the Pro Forma Financial Information on the basis that the adjustments are immaterial.

6. The adjustment of £290,000 to each of “*cash and cash equivalents*” and “*retained deficit*” on the pro forma statement of financial position and to “*administrative expenses*” within the pro forma income statement relates to the payment in cash of the costs of Admission.
7. Note 4 and Note 5 will have an ongoing effect on the results of the Iconic Labs Group. Note 2, Note 3 and Note 6 will have no ongoing effect on the results of the Iconic Labs Group.

The Pro Forma Financial Information does not reflect any changes in the trading position of Iconic Labs Group, additional acquisitions, or any other changes arising from other transactions since 30 June 2019.

PART V

DIRECTORS, SENIOR MANAGEMENT, CORPORATE GOVERNANCE AND EMPLOYEES

1. DIRECTORS OF THE COMPANY AND SENIOR MANAGERS OF THE GROUP

Name	Position
John Quinlan	<i>Chief Executive Officer and Interim Chairman</i>
Liam Harrington	<i>Chief Business Officer</i>
Sam Asante	<i>Chief Operating Officer</i>

The business address of each of the Directors is 27-28 Eastcastle Street, London W1W 8DH.

1.1 Profiles of the Directors of the Company

The names, business experience and principal business activities outside the Iconic Labs Group of the Directors are set out below:

John Quinlan, Chief Executive Officer, aged 32

In addition to any directorships of Iconic Labs Group companies, Mr Quinlan is or has been within the past five years, a member of the following supervisory or management boards and is or has been a member of the following companies/partnerships.

Company/Partnership	Position	Still held
Golden Goose Media Limited	Director	No
Fullist Limited	Director	No
Wildfire Social Limited	Director	No
Bentley Harrington Limited	Director	No
Social Surge Limited	Director	No
AMP Social Limited	Director	No
Lavo.tv	Non-executive Chairman	Yes

Liam Harrington, Chief Business Officer, aged 28

In addition to any directorships of Iconic Labs Group companies, Mr Harrington is or has been within the past five years, a member of the following supervisory or management boards and is or has been a member of the following companies/partnerships:

Company/Partnership	Position	Still held
Golden Goose Media Limited	Director	No
Will Thompson Art Limited	Director	No
Unilad Limited	Director	Yes
Bacon Media Limited	Director	Yes
Rough Diamond Recruitment Limited	Director	No
Fullist Limited	Director	No
Bentley Harrington Limited (trading as UNILAD)	Director	Yes
Solid Seven Limited	Director	No
Michael Francis Limited	Director	No

Sam Asante, Chief Operating Officer, aged 29

In addition to any directorships of Iconic Labs Group companies, Mr Asante is or has been within the past five years, a member of the following supervisory or management boards and is or has been a member of the following companies/partnerships:

Company/Partnership	Position	Still held
Hype Up Limited	Director	Yes
Student Media Ventures	Director	No

- 1.2 Liam Harrington is a director of Bentley Harrington Limited (trading as UNILAD) which went into administration on 4 October 2018.

- 1.3 Liam Harrington and John Quinlan were directors of Golden Goose Media Limited until it was dissolved on 5 March 2019.
- 1.4 Liam Harrington and John Quinlan were directors of Fullist Limited until it was dissolved on 10 November 2015.
- 1.5 John Quinlan was a director of Wildfire Social Limited until 3 October 2018 which went into administration on 7 September 2019.
- 1.6 John Quinlan was a director of Social Surge Limited until it was dissolved on 13 August 2019.
- 1.7 Sam Asante was a director of Student Media Ventures until it was dissolved on 14 January 2020.
- 1.8 John Quinlan was a director of Bentley Harrington Limited (trading as UNILAD) until 7 January 2014. Bentley Harrington Limited (trading as UNILAD) went into administration on 4 October 2018.
- 1.9 Save as disclosed above none of the Directors have:
- been convicted in relation to a fraudulent offence during the period of five years preceding the date of this document;
 - any unspent convictions in relation to indictable offences;
 - any bankruptcy order made against him or entered into any voluntary arrangements;
 - been associated with any bankruptcy, receivership, liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company during the period of five years preceding the date of this document;
 - been subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies);
 - been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer;
 - been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership; or
 - been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership.

1.10 **Conflict of interest**

Save as set out below, there are no actual or potential conflicts of interests between the duties any Director has to the Company and the private interests and/or other duties they may also have.

No Director has a material interest in any significant contract with the Company or any of its subsidiaries.

No Director was selected to be a Director of the Company pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Iconic Labs Group.

No restrictions have been agreed by any Director on the disposal within a certain period of time of his holding in the Company.

There are no family relationships between any of the Directors or the Senior Management.

The Company has a 24 per cent. shareholding in MCM, a media focussed investment company, to which the Company provides management and consultancy services and has also provided a loan for £150,000 (“**Loan**”), further details of which are set out in paragraph 8 of Part VII of this document. The Loan was used for working capital purposes in connection with MCM’s conditional proposed acquisition of The Tab Media Limited, with such agreement having now expired. MCM was established by Starnavesse Limited, a company controlled by Richard Thompson, who was a non-executive director at the time, for the purpose of investing in media and technology companies. Richard declared his interest to the Company at the time of the transaction and did not participate in any of the Board’s decisions to make a 24 per cent. investment into the company and provide the management and consultancy services as well as the Loan.

1.11 Profiles of the Senior Management of the Enlarged Group

Matthew Vincent, Financial Controller, aged 28

In addition to any directorships of Iconic Labs Group companies, Matthew Vincent is or has been within the past five years, a member of the following supervisory or management boards and is or has been a member of the following partnerships:

Company/Partnership	Position	Still held
Medium Channel Media Limited	Director	Yes
Student Media Ventures Ltd	Director	No

Matthew Vincent was a director of Student Media Ventures until it was dissolved on 14 January 2020.

2. CORPORATE GOVERNANCE

- 2.1 The Corporate Governance Code applies to companies on the Official List. The Board recognises the importance of sound corporate governance and intend that the Company will comply with all of the provisions of the Corporate Governance Code.
- 2.2 The Board is responsible for formulating, reviewing and approving the Company’s strategies, budgets and corporate actions. The Company intends to hold formal Board meetings at least eight times each financial year and at other times as and when required.
- 2.3 The Company has established an audit committee, a remuneration committee and a nomination committee of the Board with formally delegated duties and responsibilities.
- 2.4 The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company’s management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The audit committee will meet not less than two times in each financial year and will have unrestricted access to the Company’s auditors. The members of the audit committee are currently John Quinlan, who will act as chairman of the committee until such time as new non-executive directors are appointed, and Liam Harrington. Once the Company has appointed new non-executive directors it is anticipated that one or more of them will be appointed to the audit committee and will also be appointed as the chairman of the audit committee, and Liam Harrington will step down from the audit committee.
- 2.5 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 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. In exercising this role, the members of the remuneration committee shall have regard to the recommendations put forward in the Corporate Governance Code. The remuneration committee will meet not less than twice in each financial year. The members of the remuneration committee are currently John Quinlan, who will act as chairman of the committee until such time as new non-executive directors are appointed, and Liam Harrington. Once the Company has appointed new non-executive directors it is anticipated that one or more of them will be appointed to the remuneration committee and will also be appointed as the chairman of the remuneration committee, and Liam Harrington will step down from the remuneration committee.

2.6 The nomination committee will have responsibility for reviewing the balance of the Board, including its balance of skills and experience and the state of the business and its leadership needs, and give full consideration to succession planning. The committee will also make recommendations to the Board on new appointments to the Board. The nomination committee will meet not less than twice in each financial year. The members of the nomination committee are John Quinlan, who will act as chairman of the committee and Liam Harrington. Once the Company has appointed new non-executive directors it is anticipated that one of them will be appointed to the nomination committee.

3. SHARE DEALING POLICY

3.1 The Company has adopted a share dealing policy for dealings in securities of the Company by the Board and certain employees which is appropriate for a company whose shares are traded on the Main Market. This constitutes the Company’s share dealing policy for the purpose of compliance with UK legislation including the Market Abuse Regulation and the relevant part of the Listing Rules.

3.2 It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse under the Market Abuse Regulation, will apply to the Company and dealings in Ordinary Shares.

4. EMPLOYEES

4.1 The Iconic Labs Group

The total number of persons employed by the Iconic Labs Group as at the end of the three financial periods ended 31 December 2016, 31 December 2017, 30 June 2019 is set out below:

	Number of Employees		
	Period ended	Year ended	Year ended
	30 June 2019	31 December 2017	31 December 2016
Total number of employees	9	10	7

As at the Latest Practicable Date, the Iconic Labs Group employed approximately 12 persons (including the Directors).

PART VI

TAXATION

TAXATION IN THE UK

The following information is based on UK tax law and HMRC practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

1.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

1.2 Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

1.3 Disposals of Ordinary Shares

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent., and 20 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to taxable profits is currently 19 per cent. The rate was due to fall to 17 per cent. after 1 April 2020 but in the Budget on 11 March 2020 it was announced that the rate would remain at 19 per cent., after 1 April 2020.

1.4 **Further information for Shareholders subject to UK income tax and capital gains tax**

“Transactions in securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

1.5 **Stamp Duty and Stamp Duty Reserve Tax**

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares.

Most investors will purchase existing Ordinary Shares using the crest paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5 per cent. where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5 per cent. if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

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.

PART VII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and each of the Directors, whose names appear on page 31 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2. THE COMPANY

- 2.1 The Company's legal and commercial name is Iconic Labs plc.
- 2.2 The Company was incorporated and registered in England and Wales with registered number 10197256 on 24 May 2016 as a private company limited by shares under the name WideCells Group Limited. On 21 June 2016, the Company changed its name to WideCells Group plc, and was re registered as a public limited company. The Company changed its name to Iconic Labs plc on 11 July 2019.
- 2.3 The principal legislation under which the Company operates is the Act and regulations made under the Act. The liability of the Company's members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 2.4 The Company is domiciled in the United Kingdom. The registered office and principal place of business of the Company is at 27-28 Eastcastle Street, London, W1W 8DH (telephone number 0207 030 3633).

3. SUBSIDIARIES

The Company is the holding company of the Iconic Labs Group, which is a multi-divisional new media and technology business. The following table contains details of the Company's principal subsidiaries:

Direct subsidiaries of the Company

Company name	Principal activity	Country of incorporation	Percentage ownership
WideCells International Ltd	Holding company of the subsidiaries	UK	100
Iconic Labs UK Ltd	Trading company	UK	100
Iconic Labs IP Ltd	Trading company	UK	100

Indirect subsidiaries of the Company held by WideCells International

Company name	Principal activity	Country of incorporation	Percentage ownership
WideCells Ltd	Stem cell processing and storage	UK	100
Wideacademy Ltd	Research and development and training	UK	100
CellPlan Ltd	Stem cell health insurance	UK	100
WideCells Portugal Servicos de Saude S.A.	Stem cell processing and storage (non-trading)	Portugal	100
WideCells Espana SL	Stem cell processing and storage (non-trading)	Spain	100
CellPlan International Lda	Trading company/stem cell health insurance	Portugal	100

(4) All of the indirect subsidiaries are in the process of being wound up with the exception of Nuuco Media Ltd.

Indirect subsidiaries of the Company held by Iconic Labs UK Ltd

Company name	Principal activity	Country of incorporation	Percentage ownership
Nuuco Media Ltd	Trading company	UK	100

The Company also holds a 24 per cent. interest in MCM.

The Company also holds a 50 per cent. interest in Coalition Media.

4. SHARE CAPITAL

- 4.1 In accordance with the Act, the Company has no limit on its authorised share capital.
- 4.2 Details of the share capital history of the Company were included at paragraphs 3.2 to 3.6 of Part IX of the June 2018 Prospectus at page 107 and also at paragraphs 3.3 to 3.6 of Part VII of the February 2019 Prospectus at pages 77 to 79 all of which are incorporated by reference into this Prospectus.
- 4.3 Between the date of publication of the February 2019 Prospectus and the Latest Practicable Date the following Ordinary Shares were issued fully paid:
- 4.3.1 on 6 March 2019, the Company issued 60,000,00 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.2 on 8 March 2019, the Company issued 80,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.3 on 14 March 2019, the Company issued 115,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.4 on 19 March 2019, the Company issued 150,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.5 on 19 March 2019, the Company issued 19,200,000 Ordinary Shares to Align Research Ltd in settlement of fees due by the Company to Align Research Ltd pursuant to a contract for the provision of equity research services dated 25 February 2019;
- 4.3.6 on 21 March 2019, the Company issued 210,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.7 on 2 April 2019, the Company issued 5,000,000 Ordinary Shares to Align Research Ltd in settlement of fees due by the Company to Align Research Ltd;
- 4.3.8 on 29 April 2019, the Company issued 200,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.9 on 21 May 2019, the Company issued 100,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.10 on 29 May 2019, the Company issued 108,750,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor at a price of £0.0025 per Ordinary Share;
- 4.3.11 on 17 June 2019, the Company issued 200,000,000 Ordinary Shares in connection with the conversion of notes under the Previous Financing Agreement to the Investor;
- 4.3.12 on 16 August 2019, the Company issued 237,827,207 Ordinary Shares in connection with the Deed of Settlement to the Investor.
- 4.4 On 27 February 2020, each of the Company's 1,637,129,905 Ordinary Shares was divided into one Ordinary Share of £0.00001 each and one Deferred Share of £0.00249 each.
- 4.5 Set out below are details of the issued share capital of the Company as at the date of this document:

	Number	Nominal value (£)
Issued Ordinary Shares	1,637,129,905	0.00001
Issued Deferred Shares	1,637,129,905	0.00249

- 4.6 The following is a reconciliation of the number of issued Ordinary Shares at the beginning and end of the financial period of the Company ended 30 June 2019:

Date	Description	Issued Ordinary Shares
1 January 2018	Balance at start of year	151,352,698
to	Issue of shares	1,247,950,000
30 June 2019	Balance at end of year	1,399,302,698

- 4.7 The securities to be issued pursuant to the Deed of Issuance and the Financing Agreement shall be made in accordance with the following resolutions of the Company which were passed at the General Meeting:

4.7.1 generally and unconditionally authorise the Directors in accordance with section 551 of the Act to allot Ordinary Shares in the Company or grant rights to subscribe for or to convert any security into Ordinary Shares (such Ordinary Shares and rights being “**Relevant Securities**”) up to an aggregate nominal amount of £300,000, as required pursuant to or as contemplated by the Deed of Issuance and Financing Agreement, such authority to expire on 26 February 2025, save that the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted or granted after the authority expires and the Directors may allot or grant Relevant Securities pursuant to any such offer or agreement as if the authority had not expired;

4.7.2 empower the Directors pursuant to section 570 of the Act to allot Relevant Securities for cash pursuant to the authority referred to in paragraph 4.7.1 above up to an aggregate nominal amount of £300,000 as if section 561 of the Act did not apply, such authority to expire on 26 February 2025, save that the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted or granted after the authority expires and the Directors may allot or grant Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

- 4.8 The provisions of section 561 of the Act confer on shareholders rights of pre-emption in respect of the allotment of securities which are, or are to be, paid up in cash (other than by way of allotments to employees under any employee share scheme as defined in section 1166 of the Act). Subject to certain limited exceptions, unless the approval of shareholders is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders on a *pro rata* basis.

- 4.9 The Ordinary Shares in issue on the date of this document will be in both registered form and uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear UK & Ireland Limited and the Company’s Registrar, (details of whom are set out on page 31).

- 4.10 The International Security Identification Number (“**ISIN**”) of the Ordinary Shares is GB00BD060S65, the Stock Exchange Daily Official List (“**SEDOL**”) number is BD060S6 and the legal entity identifier is 213800YCXZV6RSHGGT04.

- 4.11 The legislation under which the New Ordinary Shares will be issued is the Act and regulations made under the Act.

- 4.12 The Ordinary Shares are denominated in sterling.

- 4.13 The Ordinary Shares are, and the Previously Issued Ordinary Shares and those New Ordinary Shares to be allotted pursuant to the terms of the Deed of Issuance and the Financing Agreement will be, listed on the Official List and traded on the Main Market. The Ordinary Shares are not listed or traded, and no application has been or is being or will be made for the admission of the New Ordinary Shares to listing or trading, on any other stock exchange or securities market.

- 4.14 Each New Ordinary Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary

Share and will have the same rights (including voting and dividend rights and rights on a return of capital).

- 4.15 Following Admission of the Previously Issued Ordinary Shares and the issue and Admission of those New Ordinary Shares to be allotted pursuant to the terms of the Deed of Issuance and the Financing Agreement assuming the Maximum Issuance, the Existing Ordinary Admitted Shares will represent 0.5 per cent. of the Enlarged Share Capital.
- 4.16 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly or separately, exercises or could exercise control over the Company.
- 4.17 The registrars of the Company are SLC Registrars. They will be responsible for maintaining the register of members of the Company.
- 4.18 Details of the share options granted to certain previous directors, senior managers and an adviser to the Iconic Labs Group were included at paragraphs 3.4 and 8.2 of Part VII of the February 2019 Prospectus at pages 78, 81 and 82.
- 4.19 Save as disclosed in this paragraph 4, as at the date of this document:
 - 4.19.1 the Company did not hold any treasury shares and no Ordinary Shares were held by, or on behalf of, any member of the Group;
 - 4.19.2 no shares have been issued otherwise than as fully paid;
 - 4.19.3 the Company had no outstanding convertible securities, exchangeable securities or securities with warrants;
 - 4.19.4 the Company has given no undertaking to increase its share capital; and
 - 4.19.5 no capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

5. ARTICLES OF ASSOCIATION

Articles of association

The Articles include provisions to the following effect:

5.1 *Objects*

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in the articles. There are no such restrictions in the Articles and the objects of the Company are therefore unrestricted.

5.2 *Deferred Shares*

The rights attaching to the Deferred Shares are, subject to the provisions of any applicable legislation, as follows:

- 5.2.1 the holders of the Deferred Shares shall not be entitled to receive any dividends made or paid;
- 5.2.2 on a distribution of capital, the holders of the Deferred Shares shall be entitled to receive the amount paid up on their Deferred Shares after the holders of the Ordinary Shares have received the sum of £10,000 in respect of each Ordinary Share held by them;
- 5.2.3 the Deferred Shares shall not entitle the holder to receive notice or attend any general meeting or vote on any resolution;
- 5.2.4 the rights attaching to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares;
- 5.2.5 the Company has the power and authority to repurchase the Deferred Shares;
- 5.2.6 the Company may irrevocably appoint any person to execute on behalf of the holders of the Deferred Shares an instrument of transfer/cancellation for nil consideration;

- 5.2.7 the Company may cancel the Deferred Shares by way of reduction of capital for aggregate consideration of £1 for all of the Deferred Shares;
- 5.2.8 the Company shall not be required to issue any share certificates in respect of the Deferred Shares unless specifically required by the provision of any applicable legislation.

Ordinary Shares

5.3 Voting rights

- 5.3.1 Subject to any rights or restrictions attached to any shares, on a show of hands:
- 5.3.1.1 every shareholder who is present in person has one vote;
 - 5.3.1.2 every proxy present who has been duly appointed by one or more shareholders entitled to vote on the resolution(s) has one vote; and
 - 5.3.1.3 a proxy has one vote for and one vote against the resolution(s) if he has been duly appointed by more than one shareholder and either (i) is instructed by one or more of those shareholders to vote for the resolution and by one or more others to vote against it; or (ii) is instructed by one or more of those shareholders to vote in one way and is given a discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way).
- 5.3.2 Subject to any rights or restrictions attached to any shares, on a poll every shareholder present in person or by proxy shall have one vote for every share of which he is the holder.
- 5.3.3 Where there are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders. Seniority is determined by the order in which the names of the holders stand in the register.
- 5.3.4 Unless the Board otherwise determines, a shareholder shall not be entitled to vote unless all calls or other sums due from him in respect of shares in the Company have been paid.

5.4 Dividends

- 5.4.1 Subject to the Act and the Articles, the Company may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. Subject to the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution.
- 5.4.2 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up or credited as paid up (other than amounts paid in advance of calls) on the shares in respect of which the dividend is paid and shall be apportioned and paid proportionately to the amounts paid up on such shares during any portion or portions of the period in respect of which the dividend is paid.
- 5.4.3 Dividends may be declared or paid in whatever currency the Board decide. Unless otherwise provided by the rights attached to the shares, dividends shall not carry a right to receive interest.
- 5.4.4 All dividends unclaimed for a period of 12 years after having been declared or becoming due for payment shall be forfeited and cease to remain owing by the Company.
- 5.4.5 The Board may, with the authority of an ordinary resolution of the Company:
- 5.4.5.1 offer holders of Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of any dividend or dividends specified by the ordinary resolution;

5.4.5.2 direct that payment of all or part of any dividend declared may be satisfied by the distribution of specific assets.

5.4.6 There are no fixed or specified dates on which entitlements to dividends payable by the Company arise.

5.5 **Pre-emption rights**

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

5.6 **Distribution of assets on a winding-up**

On a winding-up, the liquidator may, with the authority of a special resolution of the Company and any other sanction required by law, divide among the shareholders in kind the whole or any part of the assets of the Company and may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, transfer any part of the assets of the Company to trustees on such trusts for the benefit of shareholders as he may determine. The liquidator shall not, however (except with the consent of the shareholder concerned) distribute to a shareholder any asset to which there is attached a liability or potential liability for the owner.

5.7 **Transfer of shares**

5.7.1 Every transfer of shares which are in certificated form must be in writing in any usual form or in any form approved by the Board and shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee.

5.7.2 Every transfer of shares which are in uncertificated form must be made by means of a relevant system (such as CREST).

5.7.3 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of certificated shares if: (a) it is in respect of a share which is not fully paid up (provided that the refusal does not prevent dealings in the Company's shares from taking place on an open and proper basis); (b) it is in respect of more than one class of share; (c) it is not duly stamped (if so required); or (d) it is not delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person (as defined in the Articles) where a certificate has not been issued) by the relevant share certificate and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

5.7.4 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of shares which is in favour of: (a) a child, bankrupt or person of unsound mind; or (b) more than four joint transferees.

5.8 **Suspension of rights**

If a shareholder or any person appearing to be interested in shares held by such a shareholder has been duly served with a notice under section 793 of the Act and has failed in relation to any shares ("**default shares**") to give the Company the information thereby required within 14 days from the date of the notice, then, unless the Board otherwise determines, the shareholder shall not be entitled to vote or exercise any right conferred by membership in relation to meetings of the Company in respect of such default shares. Where the holding represents more than 0.25 per cent of the issued shares of that class (excluding any shares of that class held as treasury shares), the payment of dividends may be withheld and such shareholder shall not be entitled to transfer such shares other than by arm's length sale or unless the shareholder himself is not in default and the shareholder proves to the satisfaction of the Board that no person in default is interested in the shares the subject of the transfer.

5.9 **Untraced shareholders**

The Company is entitled to sell any share of a shareholder who is untraceable, provided that:

- 5.9.1 for a period of not less than 12 years (during which at least three cash dividends have been payable on the share), no cheque, warrant or money order sent to the shareholder has been cashed or all funds sent electronically have been returned;
- 5.9.2 at the end of such 12 year period, the Company has advertised in a national and local (ie the area in which the shareholder's registered address is situated) newspaper its intention to sell such share; and
- 5.9.3 the Company has not, during such 12 year period or in the three month period following the last of such advertisements, received any communication in respect of such share from the shareholder.

The Company shall be indebted to the former shareholder for an amount equal to the net proceeds of any such sale.

5.10 **Variation of class rights**

5.10.1 Subject to the Act, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of such holders of shares of that class, but not otherwise. The quorum at any such meeting (other than an adjourned meeting) is two persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class in question.

5.10.2 The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of any of its own shares.

5.11 **Share capital, changes in capital and purchase of own shares**

5.11.1 Subject to the Act and to the Articles, the power of the Company to allot and issue shares shall be exercised by the Board at such times and on such terms and conditions as the Board may determine.

5.11.2 Subject to the Articles and to any rights attached to any existing shares any share may be issued with such rights or restrictions as the Company may from time to time determine by ordinary resolution.

5.11.3 The Company may issue redeemable shares and the Board may determine the terms, conditions and manner of redemption of such shares, provided it does so before the shares are allotted.

5.12 **General meetings**

5.12.1 The Board may convene a general meeting whenever it thinks fit. Shareholders have a statutory right to requisition a general meeting in certain circumstances.

5.12.2 Pursuant to the Act, a general meeting shall be called on not less than 21 clear days' notice. All other general meetings shall be called by not less than 14 clear days' notice.

5.12.3 The quorum for a general meeting is two shareholders present in person or by proxy and entitled to vote.

5.12.4 The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction which it or he considers appropriate to ensure the security or orderly conduct of the meeting. This may include requirements for evidence of identity to be produced by those attending, the searching of their personal property and the restriction of items which may be taken into the meeting place.

5.13 **Appointment of directors**

- 5.13.1 Unless otherwise determined by ordinary resolution, there shall be no maximum number of directors, but the number of directors shall not be less than two.
- 5.13.2 Subject to the Act and the Articles, the Company may by ordinary resolution appoint any person who is willing to act as a director either as an additional director or to fill a vacancy. The Board may also appoint any person who is willing to act as a director, subject to the Act and the Articles. Any person appointed by the Board as a director will hold office only until conclusion of the next general meeting of the Company, unless he is re-elected during such meeting.
- 5.13.3 The Board may appoint any director to hold any employment or executive office in the Company and may also revoke or terminate any such appointment (without prejudice to any claim for damages for breach of any service contract between the director and the Company).

5.14 **Remuneration of directors**

- 5.14.1 The total of the fees paid to the non-executive directors for their services must not exceed £500,000 a year, unless otherwise determined by ordinary resolution. This amount shall be automatically increased each year by the same amount as the increase in the General Index of Retail Prices. The Board may decide to pay additional remuneration to a non-executive director for services which the Board determines are outside the scope of the ordinary duties of a director, whether by way of additional fees, salary, percentage of profits or otherwise.
- 5.14.2 The salary or remuneration of executive directors shall be determined by the Board and may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board.
- 5.14.3 Each director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director.

5.15 **Retirement and removal of directors**

- 5.15.1 At each general meeting of the Company, one-third of the directors (or the number nearest to but not exceeding one-third if the number of directors is not a multiple of three) shall retire from office. In addition, any director who has been a director at each of the preceding two general meetings shall also retire. Each such director may, if eligible, offer himself for re-election. If the Company, at the meeting at which a director retires, does not fill the vacancy the retiring director shall, if willing, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
- 5.15.2 Without prejudice to the provisions of the Act, the Company may by ordinary resolution remove any director before the expiration of his period of office and may appoint by ordinary resolution appoint another director in his place.

5.16 **Directors' interests**

- 5.16.1 Subject to the Act and provided that he has disclosed to the directors the nature and extent of any interest, a director is able to enter into contracts or other arrangements with the Company, hold any other office (except auditor) with the Company or be a director, employee or otherwise interested in any company in which the Company is interested. Such a director shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement or proposal.
- 5.16.2 Save as otherwise provided by the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he (together with any person connected with him) is to his knowledge materially interested, directly or indirectly. Interests of which the director is not aware, interests which cannot reasonably be regarded as likely to give rise to a conflict of interest and interests arising purely as a result of an interest in the Company's shares,

debentures or other securities are disregarded. However, a director can vote and be counted in the quorum where the resolution relates to any of the following:

- 5.16.2.1 the giving of any guarantee, security or indemnity 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 obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - 5.16.2.2 the participation of the director, in an offer of securities of the Company or any of its subsidiary undertakings, including participation in the underwriting or sub-underwriting of the offer;
 - 5.16.2.3 a proposal involving another company in which he and any persons connected with him has a direct or indirect interest of any kind, unless he and any persons connected with him hold an interest in shares representing one per cent or more of either any class of equity share capital, or the voting rights, in such company;
 - 5.16.2.4 any arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - 5.16.2.5 any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit; and
 - 5.16.2.6 any proposal concerning indemnities in favour of directors or the funding of expenditure by one or more directors on defending proceedings against such director(s).
- 5.16.3 A director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.
- 5.16.4 The Board may authorise any matter that would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest, provided that the interested director(s) do not vote or count in the quorum in relation to any resolution authorising the matter. The Board may authorise the relevant matter on such terms as it may determine including:
- 5.16.4.1 whether the interested director(s) may vote or be counted in the quorum in relation to any resolution relating to the relevant matter;
 - 5.16.4.2 the exclusion of the interested director(s) from all information and discussion by the Company of the relevant matter; and
 - 5.16.4.3 the imposition of confidentiality obligations on the interested director(s).
- An interested director must act in accordance with any terms determined by the Board. An authorisation of a relevant matter may also provide that where the interested director obtains information that is confidential to a third party (other than through his position as director) he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs, if to do so would amount to a breach of that confidence.

5.17 **Powers of the directors**

- 5.17.1 The business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not.
- 5.17.2 Subject to the provisions of the Act, the Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other

securities and to give security, either 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, insofar as it is able, of its subsidiary undertakings, so as to procure that the aggregate principal amount outstanding in respect of borrowings by the Group shall not, without an ordinary resolution of the Company, exceed a sum equal to £5,000,000.

5.17.3 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, by insurance or otherwise, for any person who is, or has at any time been, a director of or employed by or in the service of the Company or of any company which is a subsidiary company of the Company, or is allied to or associated with the Company or any such subsidiary, or any predecessor in business of the Company or any such subsidiary, and for any member of his family (including a spouse or former spouse) or any person who is, or was, dependent on him.

5.18 **Directors' indemnity and insurance**

5.18.1 Subject to the Act, each director of the Company and of any associated company may be indemnified against any liability.

5.18.2 Subject to the Act, the Board may purchase and maintain insurance against any liability for any director of the Company or of any associated company.

6. **DIRECTORS' AND OTHER INTERESTS**

6.1 None of the Directors has any interest in the share capital of the Company or of any of its subsidiaries nor does any member of his or her family have any such interest, whether beneficial or non-beneficial.

6.2 As at the Latest Practicable Date, and so far as the Directors are aware, the only persons who are or will be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company are as follows:

Shareholder	Number of Ordinary Shares	Percentage of Existing Shares
Hargreaves Lansdown Nominees Limited	360,603,433	22.03
Interactive Investor Services Nominees Limited	205,847,883	12.57
HSDL Nominees Limited	187,574,327	11.46
Vidacos Nominees Limited	134,561,848	8.22
Barclays Direct Investing Nominees Limited	106,818,428	6.52
The Bank of New York Nominees Limited	89,935,677	5.49
JIM Nominees Limited	73,023,043	4.46
Lynchwood Nominees Limited*	71,378,957	4.36
Winterflood Securities Limited	62,780,495	3.83
Lawshare Nominees Limited	61,390,951	3.75
Lynchwood Nominees Limited	50,000,000	3.05

**Beneficial owner is European High Growth Opportunities Securitization Fund*

6.3 Save as disclosed in paragraph 6.2 above, the Company and the Directors are not aware of: (i) any persons who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company; nor (ii) any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

6.4 The voting rights of the persons listed in paragraph 6.2 above do not differ from the voting rights of any other holder of Ordinary Shares.

6.5 There are no outstanding loans granted by any member of the Iconic Labs Group to any Director nor are there any guarantees provided by any member of the Iconic Labs Group for the benefit of any Director.

7. **DIRECTORS' SERVICE AGREEMENTS**

Save as disclosed below, there are no service contracts in force between any Director and the Company or any of its Subsidiaries and no such contract has been entered into or amended during the six months preceding the date of this document.

7.1 Executive Directors

Director	Date of agreement	Current salary (per annum)
John Quinlan	18 March 2019	£200,000
Liam Harrington	18 March 2019	£200,000
Sam Asante	29 November 2019	£200,000

Each Director is appointed on a permanent basis and is required to give and receive 12 months' notice of termination (except where the Company is entitled to terminate without notice). Benefits under the service agreements for all of the Directors include a discretionary bonus. The service agreements also currently contain the ability for the Company to place the Directors on garden leave during their notice period or to make a payment in lieu of notice. There are also provisions contained in each Director's service agreement which, in the event of termination, would restrict the Director from soliciting or dealing with the Iconic Labs Group's customers, from poaching key employees, and from being involved in any capacity with any business which competes with the Iconic Labs Group. Each of these restrictions apply for a period of 12 months following the termination of their employment. The service agreements also contain provisions which, *inter alia*, restrict the disclosure of confidential information and protect the Iconic Labs Group's intellectual property rights.

7.2 Non-executive Directors

Richard Thompson was appointed as a non-executive Director of the Company by letter of appointment entered into with Starnevesse Limited (which is to provide the Company with the services of Richard Thompson) dated 24 February 2019. The appointment was for an initial period of one year commencing on 24 February 2019 (subject to re-election at the next general meeting) unless terminated earlier by either party giving to the other six months prior written notice. The fee payable for his services as a non-executive Director was £60,000 per annum and was subject to annual review. Richard Thompson resigned as a non-executive Director of the Company on 29 November 2019.

Will Muirhead was appointed as a non-executive Director of the Company by letter of appointment dated 18 March 2019. The appointment was for an initial period of one year commencing on 18 March 2019 (subject to re-election at the next general meeting) unless terminated earlier by either party giving to the other six months prior written notice. The fee payable for his services as a non-executive Director was £60,000 per annum and was subject to annual review. Will Muirhead resigned as a non-executive Director of the Company on 29 November 2019.

- 7.3 Save as disclosed in paragraphs 7.1 and 7.2, there are no existing or proposed service agreements or consultancy agreements between any of the Directors and the Company which cannot be terminated by the Company without payment of compensation within 12 months.
- 7.4 The aggregate of the remuneration paid and benefits in kind (including bonus payments) granted to the Directors by any member of the Iconic Labs Group in respect of the financial period ended 30 June 2019 was approximately £720,000.
- 7.5 There are no arrangements under which any Director has waived or agreed to waive future emoluments nor have there been any such waivers of emoluments during the financial year immediately preceding the date of this document.

8. RELATED PARTY TRANSACTIONS

- 8.1 On the 12 September 2019, the Company took a 24 per cent. interest in MCM a media focussed investment company, in return for the provision of management and consultancy services under a management services agreement ("**MSA**") and the provision of a loan for £150,000 to be used solely for working capital purposes ("**Loan**"). At the same time, MCM entered into a conditional agreement to acquire Tab Media Limited, which agreement has now expired and whilst the parties are still in discussions, no new agreement has been entered into. MCM was established by Starnavesse Ltd, a company controlled by Richard Thompson, who was a non-executive Director at the time, and was created for the purpose of investing in media and technology companies. Richard declared his interest to the Company and did not participate in the Board's decisions to make this investment, provide the services of certain senior management under the MSA or provide the Loan. The MSA is to continue until such time

as either party serves notice on the other to terminate and provides a minimum retainer revenue of no less than £25,000 a month. The Loan is repayable on demand by the Company and attracts interest at the rate of five per cent. per annum.

- 8.2 As a result of the lack of evidence and completeness of records in respect of related party transactions relating to the previous stem cell business undertaken by the Iconic Labs Group, the Directors are unable to establish whether the Iconic Labs Group entered into any such related party transactions. With effect from the appointment of the Directors and save as disclosed in paragraph 8.1 above, no Director has any interest, direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, any member of the Iconic Labs Group or which are proposed to be acquired by, disposed of by, or leased to, any member of the Iconic Labs Group.

9. CAPITALISATION AND INDEBTEDNESS

Capitalisation

The unaudited capitalisation of the Company as at 30 September 2019 is summarised in the table below, as extracted from the Iconic Labs Group's unaudited management information as at the Latest Practicable Date:

	Unaudited 30 September 2019 £'000
Current Debt	
Guaranteed	–
Secured	50
Unguaranteed/Unsecured	60
Non-Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total debt	110
Shareholders' Equity	
Share capital	4,093
Share premium	5,481
Exchange reserve	–
Accumulated profits	(10,407)
Total capitalisation	(833)

Since 30 September 2019, there have been no other changes to the capitalisation of the Company.

Indebtedness

The following table shows the consolidated Iconic Labs Group unaudited indebtedness as at 30 September 2019, as extracted from the Iconic Labs Group's unaudited management information as at the Latest Practicable Date:

	Unaudited 30 September 2019 £'000
A. Cash	3
B. Cash equivalent	–
C. Trading securities	–
D. Liquidity (A) + (B) + (C)	3
E. Current financial receivable	–
F. Current bank debt	–
G. Current portion of non-current debt	65
H. Other current financial debt	110
I. Current Financial Debt (F) + (G) + (H)	175
J. Net Current Financial Indebtedness (D) + (E) – (I)	(172)
K. Non-current Bank loans	–
L. Bonds issued	–
M. Other non-current loans	(2)
N. Non-current Financial Indebtedness (K) + (L) + (M)	(2)
O. Net Financial Indebtedness (J) + (N)	(174)

Since 30 September 2019, there have been no other changes to the indebtedness of the Company.

10. WORKING CAPITAL

In the opinion of the Company, taking into account the proceeds available under the Deed of Issuance and the Financing Agreement the working capital available to the Iconic Labs Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

11. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Iconic Labs Group since 30 June 2019, the date to which the Iconic Labs Group's last audited financial statements were published.

12. LITIGATION

- 12.1 Save as disclosed in paragraphs 12.2 to 12.9 of this Part VII, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), in the period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company and/or Iconic Labs Group's financial position or profitability.
- 12.2 Vaioni Group Limited ("**Vaioni**") threatened to issue proceedings in respect of a claim for breach of contract relating to invoices in the sum of £46,320.81 plus interest and costs. Vaioni was seeking payment for telecoms services allegedly provided in the period of October 2018 to June 2019. Whilst the Board disputes the claim made on various grounds, the parties resolved the matter on 17 January 2020 and entered into a confidential settlement agreement.
- 12.3 The Company has received correspondence from David Bridgland and Jeremy Lea demanding repayment of the sum of £192,521.71 plus interest and costs, which is the amount they claim they paid in relation to their obligations under personal guarantees they gave to a third party. They allege that the Company effectively indemnified them in relation to their personal liability under the guarantees they both gave. The parties have engaged in pre-action correspondence, which is continuing. The Company is disputing the claims on various grounds, including that the Company did not indemnify them in respect of their personal guarantees. The Board intends to fully and vigorously contest the claims, and has reserved all of its own rights to make its own counter claims.

- 12.4 Incisive Edge (Solutions) Limited (“**Incisive Edge**”) has threatened a claim in the amount of £47,080 in relation to services it allegedly provided to CellPlan International Lda. Incisive is requesting the Company settle the full payment on the basis it is the ultimate parent company of CellPlan International Lda. The Board disputes the claim and intends to fully and vigorously contest any claim. No legal proceedings have been issued as at the Latest Practicable Date.
- 12.5 The Company is in the pre-action stage in respect of a claim made by Make Us Proud Limited (“**MUP**”). MUP is claiming a sum of £173,500 for services they provided to WideAcademy Limited. The Board intends to fully and vigorously contest the claim. No legal proceedings have been issued as at the Latest Practicable Date.
- 12.6 Ricardo Pires has contacted the Company in respect of a claim for approximately £53,000 in relation to unpaid salary payments, expenses and notice pay allegedly arising from a service agreement between himself and WideCells International Limited. Mr Pires is claiming that the Company, as the ultimate holding company of WideCells International Limited, is responsible for this claim which has been disputed by the Board and which intends to contest any claim. No legal proceedings have been issued as at the Latest Practicable Date.
- 12.7 The Company has received correspondence from Surely Services Limited in respect of a claim for an amount of £21,000 which they are claiming is owed by CellPlan International Lda for services rendered. The Board disputes the claim and intends to contest any claim made. No legal proceedings have been issued as at the Latest Practicable Date.
- 12.8 Manchester Metropolitan University has contacted the Company in respect of an amount they allege they are owed of £14,153.84 for some research undertaken relating to the previous stem cell business. The Company disputes the work undertaken and will contest any claim that may be made.
- 12.9 The Company is currently negotiating with Biosafe in respect of an amount owed to Biosafe for £20,000 concerning equipment delivered which related to the previous stem cell business. The Company is requesting that Biosafe takes the equipment back in lieu of any monies owed.

13. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into in the two years preceding the date of this document by a member of the Iconic Labs Group and are, or may be, material to the Iconic Labs Group or have been entered into by a member of the Iconic Labs Group and contain provisions under which any member of the Iconic Labs Group has an obligation or entitlement which is material to the Iconic Labs Group at the date of this document:

13.1 Previous Financing Agreement and the attached warrants

- 13.1.1 On 26 September 2018, the Company entered into the Previous Financing Agreement with the Investor which was subsequently varied on 4 April 2019 and again on 1 May 2019. The Previous Financing Agreement was an agreement pursuant to which the Investor subscribed for unlisted unsecured debt (in the form of convertible loan notes) which were capable of being converted into Ordinary Shares. The Previous Financing Agreement provided that each time the Investor subscribed for such unsecured debt the Investor would also be issued with warrants. Accordingly, upon the conversion of such unsecured debt and/or the exercise of the warrants issued this would result in the issuance of Ordinary Shares.
- 13.1.2 The Company has now fully drawn down all of the tranches available under the Previous Financing Agreement.
- 13.1.3 The Investor has also converted into Ordinary Shares all of the convertible loan notes issued to it when the Investor subscribed for the unlisted unsecured debt.
- 13.1.4 The warrants issued under the Previous Financing Agreement remain outstanding.
- 13.1.5 The Company agreed to settle with the Investor the remaining outstanding balance due to the Investor under the terms of the Previous Financing Agreement. This is dealt with in accordance with the terms of the Deed of Settlement and then further resolved in the Financing Agreement, further details of which are set out below in paragraphs 13.3 and 13.4 of this Part VII.

13.2 Deed of Issuance

- 13.2.1 On 5 August 2019, the Company entered into the Deed of Issuance with the Investor. The Deed of Issuance is an agreement pursuant to which the Investor agreed to provide finance for a gross amount of up to £1.375 million to the Company over a six month period, which commenced in August 2019 and involved the draw-down of six monthly tranches. In return for the draw-down of each of these amounts, the Company issued to the Investor, on each draw-down date, the Issuance Notes which have the following features: they attract interest at the rate of five per cent. per annum, each has a duration of 12 months from its date of issue, they can be freely transferred, they will not be listed on any financial market, they are not capable of being converted into Ordinary Shares and following the satisfaction of the Issuance Warrants Conditions (further details of which are set out in paragraph 13.2.6 of this Part VII) the warrants ("**Issuance Warrants**") will be automatically attached.
- 13.2.2 As at the date of this Prospectus, the Company has drawn down net monies amounting to £1,300,000 in aggregate.
- 13.2.3 The Company has given certain covenants, representations and warranties to the Investor under the Deed of Issuance which are standard for agreements of this nature and which continue through the date on which any of the amounts borrowed under the Deed of Issuance remain unpaid or Ordinary Shares are issued instead in satisfaction of the amounts borrowed.
- 13.2.4 The Deed of Issuance sets out certain events of default ("**Events of Default**"), on the occurrence of which the Investor, in its sole discretion, is entitled to terminate the Deed of Issuance. These include:
- 13.2.4.1 material breach by the Company of the Deed of Issuance which is not cured within 30 days;
 - 13.2.4.2 the cancellation of the listing of the Ordinary Shares;
 - 13.2.4.3 the suspension from trading of the Ordinary Shares on the Market;
 - 13.2.4.4 non-compliance by the Company with the Listing Rules resulting in a Material Adverse Effect;
 - 13.2.4.5 any refusal to certify the financial statements by the Auditors which is not cured within the timeframe allowed by law;
 - 13.2.4.6 the occurrence of a Material Adverse Effect;
 - 13.2.4.7 a change of control of the Company;
 - 13.2.4.8 indebtedness (being indebtedness for or in respect of monies borrowed pursuant to a credit facility agreement or raised pursuant to the issue of bonds, notes, debentures or loan stock or any similar instrument, or the amount of any liability or indemnity in respect thereof) over £200,000 not being paid when due or within any applicable grace period;
 - 13.2.4.9 insolvency events being the voluntary suspension or discontinuance of substantially all of its business; the liquidation of substantially all of the Company's assets except for fair consideration or on arm's length terms; or bankruptcy, moratorium, administration, receivership, insolvency or similar proceedings being instituted by or against the Company which are not discharged within six months; and
 - 13.2.4.10 a successful claim over £200,000 against the Company.
- 13.2.5 A Material Adverse Effect is defined as: any effect on the business or operations of the Company that is material and adverse to the financial position of the Company and its Subsidiaries that would prohibit the Company from performing its payment obligations under the Deed of Issuance or would have a material adverse effect on the validity or enforceability of the Deed of Issuance.
- 13.2.6 The Company also agreed to certain conditions being met in order to enable the Issuance Warrants to be attached to the Issuance Notes, which were: (i) the Company

having obtained approval from the FCA of this document and this document being made publicly available; and (ii) the Resolutions being passed at the General Meeting (the “**Issuance Warrants Conditions**”).

- 13.2.7 The Deed of Issuance provides that for each of the Issuance Notes issued, Issuance Warrants are to be automatically attached upon the Issuance Warrants Conditions having been satisfied. As the Issuance Warrants Conditions have now been satisfied the Issuance Warrants will automatically attach to the Issuance Notes. The number of Issuance Warrants to be attached is calculated as follows: for each Issuance Note the number of Issuance Warrants shall be 5,000 divided by 90 per cent. of the lowest closing VWAPs of the Ordinary Shares during the five trading days immediately preceding the date of the issue of such Issuance Warrants.
- 13.2.8 The Issuance Warrants that automatically attach to the Issuance Notes grant the Investor the right to subscribe for Ordinary Shares. The exercise price of these Issuance Warrants will be equal to the higher of the value price (calculated as 90 per cent. of the lowest closing VWAPs of Ordinary Shares during the five trading days immediately preceding the exercise of the Issuance Warrants) and the nominal value of the Ordinary Shares on the date of exercise of the Issuance Warrants. Should the value price be lower than the nominal value of the Ordinary Shares, the Company shall pay a fee to the Investor based on the difference between the two and which can be settled by the issue of further Ordinary Shares.
- 13.2.9 The Issuance Warrants can be exercised by notice to the Company and payment of the aggregate exercise price, and can be exercised at any time within the period of 60 months from their respective issue dates. The Company is then obliged to apply for the Admission of the Ordinary Shares issued. The Deed of Issuance limits the number of Ordinary Shares that can be issued upon exercise of the Issuance Warrants such that the holder of the Issuance Warrants (together with persons “acting in concert” with them within the meaning of the City Code) cannot exercise such number of the Issuance Warrants that would entitle them to more than 29.9 per cent. of the votes exercisable at a general meeting of the Company.

13.3 **Deed of Settlement**

On 5 August 2019, the Company entered into the Deed of Settlement with the Investor. The Deed of Settlement was an agreement pursuant to which the Investor and the Company agreed to settle the outstanding amount of £805,000 due to the Investor under the Previous Financing Agreement. The Company agreed to settle the outstanding amounts by the issue of Ordinary Shares on the following basis: (i) 237,827,207 Ordinary Shares were issued to the Investor on the sixth trading day following the date of entering into the Deed of Settlement; and (ii) additional Ordinary Shares were to be issued to the Investor upon the Issuance Warrants Conditions being satisfied. Subsequently, the Company and the Investor have agreed to settle all outstanding amounts owed to the Investor pursuant to the terms of the Deed of Settlement in the Financing Agreement, as detailed in paragraph 13.4.19 of this Part VII.

13.4 **Financing Agreement and the Financing Warrants**

- 13.4.1 On 7 February 2020, the Company entered into the Financing Agreement with the Investor, which was conditional on the Resolutions being passed at the General Meeting and the approval from the FCA of this document and this document being made publicly available (the “**Financing Conditions**”). The Financing Agreement is an agreement pursuant to which the Investor will now, following the satisfaction of the Financing Conditions, subscribe for unlisted unsecured debt (in the form of convertible loan notes) which are capable of being converted into Ordinary Shares. The Financing Agreement provides that each time the Investor subscribes for such unsecured debt the Investor will also be issued with Financing Warrants. Accordingly, upon the conversion of such unsecured debt and/or the exercise of the Financing Warrants that are to be issued will result in the issuance of Ordinary Shares.
- 13.4.2 Upon the satisfaction of the Financing Conditions, the Company has agreed to issue to the Investor (or its affiliates) the Financing Notes (being convertible notes in £10,000 denominations) with the Financing Warrants attached for a principal amount of up to

£5,000,000 (“**Total Commitment**”). The Financing Notes will convert into Ordinary Shares, and the Financing Warrants entitle the Investor to subscribe for Ordinary Shares at a pre-determined price.

- 13.4.3 Under the Financing Agreement, the Company (subject to meeting the conditions set out below at the time of issue and subscription) is entitled to issue and require the Investor to subscribe for the Financing Notes in up to twenty (20) sequential tranches (“**Tranches**”) and for a minimum of eight (8) Tranches, each of an aggregate nominal value of £250,000, which amount may be either decreased or increased depending on the level of liquidity in the Company’s Ordinary Shares at the time of a draw down. The first Tranche is capable of being subscribed for on the day the Financing Condition is met. The subsequent Tranches (“**Subsequent Tranches**”) are available to be drawn down over a thirty (30) month period commencing on the date the Company entered into the Financing Agreement (the “**Commitment Period**”).
- 13.4.4 Under the Financing Agreement, the Company gives certain covenants to the Investor which are standard for agreements of this nature, which covenants continue through the later of: (i) the expiry of the Commitment Period; and (ii) the date on which any Financing Notes issued during the Commitment Period shall have been fully converted and which includes, but is not limited to, a covenant that any New Ordinary Shares required to be issued by the Company on the conversion of any Financing Notes or exercise of any Financing Warrants are issued and admitted to trading on the Main Market no later than the fifth (5th) trading day following the date on which the conversion of the Financing Notes or exercise of the Financing Warrants was to take place.
- 13.4.5 As at the date of the Financing Agreement and subsequently on each drawdown and conversion the Company gives certain representations and warranties to the Investor.
- 13.4.6 The Financing Agreement sets out certain events of default (“**Financing Events of Default**”), on the occurrence of which the Investor, in its sole discretion, is entitled to terminate the Financing Agreement. These include:
- 13.4.6.1 a material breach by the Company of its obligations under the Financing Agreement (which includes, but is not limited to, a breach of the covenants given under the Financing Agreement) which is not cured within 20 days;
 - 13.4.6.2 the cancellation of the listing of the Ordinary Shares;
 - 13.4.6.3 the suspension from trading of the Ordinary Shares on the Market;
 - 13.4.6.4 non-compliance by the Company with the Listing Rules resulting in a Financing Material Adverse Effect;
 - 13.4.6.5 any refusal to certify the financial statements by the Auditors which is not cured within the timeframe allowed by law;
 - 13.4.6.6 the occurrence of a Financing Material Adverse Effect;
 - 13.4.6.7 a change of control of the Company;
 - 13.4.6.8 indebtedness (being indebtedness for or in respect of monies borrowed pursuant to a credit facility agreement or raised pursuant to the issue of bonds, notes, debentures or loan stock or any similar instrument, or the amount of any liability or indemnity in respect thereof) over £200,000 not being paid when due or within any applicable grace period;
 - 13.4.6.9 failure by the Company to issue any New Ordinary Shares which are to be issued to the Investor following the conversion of any Financing Notes or exercise of any Financing Warrants within five (5) trading days of the date for such conversion or exercise;
 - 13.4.6.10 failure to pay any fees due under the Financing Agreement on time or within five (5) business days of a written demand;
 - 13.4.6.11 insolvency events being the voluntary suspension or discontinuance of substantially all of its business; the liquidation of substantially all of the Company’s assets except for fair consideration or on arm’s length terms; or

bankruptcy, moratorium, administration, receivership, insolvency or similar proceedings being instituted by or against the Company which are not discharged within six months; and

13.4.6.12 a successful claim over £200,000 against the Company.

If there is a Financing Event of Default and the Investor exercises its discretion to terminate the Financing Agreement which is then terminated, then the parties shall be under no further liability to each other under the Financing Agreement and all Financing Notes and Financing Warrants then in issue shall remain unaffected and the parties shall be obliged to fulfil their respective obligations in respect thereof i.e. the Financing Notes will become repayable in accordance with their terms, as set out below.

13.4.7 A Financing Material Adverse Effect is defined as: any effect on the business or operations of the Company that is material and adverse to the financial position of the Company and its Subsidiaries that would prohibit the Company from performing its payment obligations under the Financing Agreement or would have a material adverse effect on the validity or enforceability of the Financing Agreement.

13.4.8 The drawdown of each Subsequent Tranche is conditional on certain standard conditions, including:

13.4.8.1 material compliance by the Company of its covenants and material obligations set out in the Financing Agreement;

13.4.8.2 there being no material breach of warranty;

13.4.8.3 there being no occurrence of a Financing Material Adverse Effect;

13.4.8.4 there being no default of the Deed of Issuance;

13.4.8.5 there being no change of control of the Company;

13.4.8.6 there being no regulatory objection to the issue of the convertible notes or the warrants or their respective conversion or exercise;

13.4.8.7 there being no Financing Event of Default;

13.4.8.8 the Commitment Period not having elapsed;

13.4.8.9 the Company not having delisted; and

13.4.8.10 the Directors having sufficient authority to issue the convertible notes and warrants.

13.4.9 The Financing Notes have a maturity date of 12 months from the date of issue of the relevant Tranche ("**Conversion Period**") and, except to the extent that the Financing Notes have been converted into Ordinary Shares prior to the expiry of the Conversion Period, the Financing Notes shall automatically convert (subject to the limit on conversion of the Financing Notes set out in paragraph 13.4.13 below) into Ordinary Shares. If the Company fails to issue the Ordinary Shares on conversion, or a Financing Event of Default is continuing, the Company shall, on the maturity of the Financing Notes, repay the Financing Notes in cash.

13.4.10 The Financing Notes are freely transferable.

13.4.11 Subject to the restrictions set out in paragraph 13.4.13 below, the Investor is entitled, by notice to the Company ("**Conversion Notice**"), to convert at any time one or more Financing Notes into Ordinary Shares during the relevant Conversion Period ("**Voluntary Conversion**") at a price per share calculated as set out below ("**Conversion Price**"). The Company is then obliged to apply for Admission of the New Ordinary Shares that are to be issued. To the extent not previously converted during the relevant Conversion Period, the outstanding Financing Notes comprising a Tranche will be mandatorily converted at the expiry of the Conversion Period at the then prevailing Conversion Price ("**Mandatory Conversion**"). The Company is then obliged to apply for Admission of the New Ordinary Shares that are to be issued.

- 13.4.12 The Conversion Price for the Financing Notes on a Voluntary Conversion or Mandatory Conversion alike will be 90 per cent. of the lowest closing VWAP of the Ordinary Shares in the 15 trading days prior to conversion, provided that the Conversion Price will not be less than the nominal value of the Ordinary Shares.
- 13.4.13 The holding of Financing Notes by holders is deemed to be a covenant by such holders not to hold or acquire directly or indirectly (together with persons “acting in concert” with it within the meaning of the City Code) at any time an interest in Ordinary Shares (within the meaning of the City Code) that carry more than 29.9 per cent. of the votes exercisable at a general meeting of the Company. The Financing Agreement states that when calculating this percentage, only Ordinary Shares already issued shall be taken into account, and potential Ordinary Shares resulting from the conversion of Financing Notes or from the exercise of the Financing Warrants or any other instrument capable of conversion or exercise that would result in the issue of Ordinary Shares shall be excluded. If there is an automatic conversion of outstanding Financing Notes on their maturity date or the service of a Conversion Notice which would result in a breach of the 29.9 per cent. limit, the relevant Financing Note holder shall only be deemed to have served a subscription notice in respect of such number of Financing Notes as will, on conversion, not result in such breach, and the balance of such Financing Notes will not convert until such conversion can occur without such breach occurring (at which time the relevant Financing Note holder shall, unless such Financing Notes have previously been redeemed, be deemed to have served a Conversion Notice in respect of such Financing Notes and they shall convert into Ordinary Shares under the terms of the Financing Agreement).
- 13.4.14 Under the Financing Agreement, on the issue of each Tranche the Company will be required to issue the Financing Warrants (which are unlisted) and are issuable to the Investor contemporaneously with the issue and subscription of the Tranches.
- 13.4.15 The Financing Warrants are freely transferable to and between the Investor and any of its affiliates only.
- 13.4.16 The Financing Warrants will be issued on the drawdown of each Tranche. The number of Financing Warrants that will be attached to the Financing Notes issued under each Tranche drawn down shall be equal to 30 per cent. of the aggregate principal amount of the Financing Notes issued for each Tranche drawn down divided by the financing warrant exercise price, being determined as follows:
- 13.4.16.1 with respect to the Financing Warrants pertaining to the first Tranche, an amount equal to the higher of: (i) 120 per cent. of the lower of (a) £0.0007 and (b) the lowest closing daily VWAP in the 15 trading days period immediately preceding the date of the request to issue the first Tranche; and (ii) the nominal value of the Ordinary Shares; and
- 13.4.16.2 with respect to the Financing Warrants pertaining to all other Tranches an amount equal to the higher of: (i) an amount equal to 120 per cent. of the lowest closing daily VWAP in the 15 trading days period immediately preceding the date of the request to issue the relevant Tranche; and (ii) the nominal value of the Ordinary Shares,
- (the “**Financing Warrant Exercise Price**”).
- 13.4.17 Subject to the restrictions below, a holder of the Financing Warrants is entitled, by notice to the Company and payment of the relevant Financing Warrant Exercise Price, to exercise at any time one or more of the Financing Warrants during the relevant period, being a period of 60 months from the respective issue date of the relevant Financing Warrants. The relevant Financing Warrant Exercise Price may not be less than the nominal value of the Ordinary Shares. The Company is then obliged to apply for Admission of the New Ordinary Shares that are to be issued.
- 13.4.18 The holding of Financing Warrants is deemed to be a covenant by such holders not to hold or acquire directly or indirectly (together with persons “acting in concert” with it within the meaning of the City Code) at any time an interest in Ordinary Shares (within the meaning of the City Code) that carry more than 29.9 per cent. of the votes

exercisable at a general meeting of the Company. The Financing Agreement states that when calculating this percentage, only Ordinary Shares already issued shall be taken into account, and potential Ordinary Shares resulting from the conversion of Financing Notes or from the exercise of the Financing Warrants or any other instrument capable of conversion or exercise that would result in the issue of Ordinary Shares shall be excluded. In the event that the exercise of Financing Warrants would result in a breach of the 29.9 per cent. limit, the relevant Financing Warrant holder shall only be deemed to have exercised such number of Financing Warrants as will, on exercise, not result in such breach, and the balance of such Financing Warrants will not be exercisable until such exercise can occur without such breach occurring (at which time the relevant holder shall, unless such Financing Warrants have previously been exercised, be deemed to have served a warrant exercise notice in respect of such Financing Warrants and they shall convert into New Ordinary Shares under the terms of the Financing Agreement)

13.4.19 The Financing Agreement also provides for the settlement of all amounts (including the issue of further Ordinary Shares) due under the Deed of Settlement, by writing down the amount outstanding by 30 per cent. and the balance being settled by the issue of notes pursuant to the terms of the Financing Agreement as detailed above.

13.5 **MSA and Loan**

Please refer to paragraph 8.1 of this Part VII for details of the MSA and Loan entered into by the Company.

13.6 **Acquisition of the intellectual property of Gay Star News Ltd**

On 9 September 2019, the Company acquired the intellectual property of Gay Star News Ltd including www.gaystarnews.com, a website focussed on events related to and concerning the global LGBTI community. The acquisition was made through the Company acquiring the entire issued share capital of Nuuco Media Ltd which had acquired the intellectual property following Gay Star News Ltd going into a creditors voluntary liquidation. The consideration payable for the acquisition was £33,000.

13.7 **Registrar services agreement**

13.7.1 A registrar services agreement dated 21 June 2016 was made between the Registrar and the Company, pursuant to which the Registrar was appointed as registrar to the Company. The fees of the Registrar are based on the services performed with certain minimum payments agreed by the Company. The registrar services agreement contains certain undertakings and warranties given by the Company to the Registrar and an indemnity from the Company in favour of the Registrar and its affiliates for any liabilities arising from the Company's breach of the registrar services agreement. The Registrar's liability to the Company is limited save in certain circumstances.

13.7.2 The agreement was for an initial term of 12 months and is thereafter terminable annually on not less than three months' prior written notice by either party. The agreement may be terminated by either party with immediate effect at any time upon sending written notice to the other party if the other party commits a material breach of its obligations which such party fails to remedy within 60 days of receipt of notice to do so, or if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings, or a party ceases, or threatens to cease to carry on the whole or any substantial part of its business. The Registrar may terminate the agreement with immediate effect by notice in writing if the Company is materially or persistently in default of its payment obligations under the agreement.

13.7.3 The registrar services agreement is governed by English law and both parties submit to the exclusive jurisdiction of the English courts.

13.8 **Company secretarial services agreement**

- 13.8.1 A company secretarial services agreement dated 17 May 2019 was made between MSP Secretaries Limited and the Company, pursuant to which MSP Secretaries Limited agreed to provide certain exclusive company secretarial services to the Company.
- 13.8.2 Pursuant to the company secretarial services agreement, the Company agreed to pay an annual fee of £3,000 in consideration of the ongoing company secretarial services. The company secretarial services agreement contains customary undertakings given by the Company. MSP Secretaries Limited's liability to the Company is limited save in certain circumstances. The agreement commenced on 20 May 2019 and shall continue unless and until it is terminated in accordance with the provisions of the agreement.
- 13.8.3 The agreement may be terminated by either party by service of at least six months' written notice. Either party may terminate the agreement with immediate effect at any time upon sending written notice to the other party if the other party commits a material breach of its obligations which such party fails to remedy within 14 days of receipt of notice to do so from the non-defaulting party or if a resolution is passed or an order made for the winding-up, or administration of the other party, or if an administrator or administrative receiver is appointed over the whole of or a substantial part of the other party or its assets or undertakings. MSP Secretaries Limited can terminate the agreement immediately by giving the Company written notice if the Company fails to pay any amounts due under the agreement which remain in default more than 7 days after being notified in writing to make the payment.
- 13.8.4 The company secretarial services agreement is governed by English law and both parties submit to the exclusive jurisdiction of the English courts.

13.9 **Lock-in and Orderly Market Agreement**

- 13.9.1 A lock-in and orderly market agreement was entered into on 12 May 2019 between Linton Capital LLP (of which David Sefton is a member) and the Company, pursuant to which Linton Capital LLP undertook to the Company that it will not (and shall procure that its respective connected persons will not) dispose of any Ordinary Shares or interest in Ordinary Shares or any rights arising from or attached to such Ordinary Shares (the "**Relevant Interests**") at any time from 12 April 2019 until the expiry of 12 months' from 12 April 2019 (the "**Shareholder Lock-in Period**"), without the prior written consent of the Company. These restrictions were subject to certain limited exceptions including, but not limited to, a disposal by way of accepting a general offer made to all holders of the issued Ordinary Shares of the Company for the time being which is made in accordance with the Takeover Code, or where a transfer may be required by any order made by a court of competent jurisdiction. Furthermore, Linton Capital LLP also undertook to the Company not to dispose of the Relevant Interests for the period of 12 months following the expiry of the Shareholder Lock-in Period other than through such broker as is reasonably approved by the Company with a view to maintaining an orderly market in the Ordinary Shares. Linton Capital LLP benefited from certain exemptions from this restriction under the terms of the lock-in deed entered into by it.
- 13.9.2 The lock-in deed is governed by English law and subject to the exclusive jurisdiction of the English courts.
- 4.2 Details of material contracts previously entered into by the Iconic Labs Group, and which relate to the previous stem cell business, were included at paragraphs 9.1 to 9.20 of Part VII of the June 2018 Prospectus from pages 85 to 91 all of which are incorporated by reference into this Prospectus.

14. **CONSENTS**

- 14.1 Crowe UK LLP of St Bride's House, 10 Salisbury Square, London, EC4Y 8EH, are chartered accountants and registered auditors, who are a member of the Institute of Chartered Accountants in England and Wales and who are the auditors of the Company, has given and not withdrawn its consent to the issue of this document with the inclusion herein of its report in

Part IV(B) “*Accountant’s Report on the Pro Forma Financial Information*” of Part IV of this document and the references to such report and to its name in the form and context in which they appear and has authorised the contents of Part IV(B) “*Accountant’s Report on the Pro Forma Financial Information*” of Part IV of this document.

- 14.2 The Investor, whose office is at 18, Rue de Robert St mper, 2557 Luxembourg, is an investment company which has provided financing to the Company, has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

15. MANDATORY BIDS, SQUEEZE OUT AND SELL OUT RULES RELATING TO THE ORDINARY SHARES

5.1 Mandatory bid

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel, to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person’s percentage of the voting rights.

15.1 Squeeze out

Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making the offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

15.2 Sell out

The Act also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can require the offeror to acquire his shares. The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

16. GENERAL

- 16.1 The total costs and expenses of, or incidental to, the publication of this document, all of which are payable by the Company, are estimated to be approximately £300,000 (exclusive of value added tax).
- 16.2 Save as disclosed in this document, no person (other than the Company’s professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or any other member of the Group or entered into any contractual arrangements to receive, directly or indirectly, from the Company or any other member of the Group on or after the date of this document any fees, securities in the Company or any other benefit to the value of £10,000 or more.

- 16.3 The auditors of the Company are Crowe UK LLP of St Bride's House, 10 Salisbury Square, London, EC4Y 8EH, chartered accountants and registered auditors and who are a member of the Institute of Chartered Accountants in England and Wales, who have audited the Company's accounts for the financial period ended 30 June 2019. BDO LLP (who are a member of the Institute of Chartered Accountants in England and Wales) were the previous auditors of the Company, who audited the Company's accounts for the financial periods ended 31 December 2017 and 31 December 2016. All of the audit reports were unqualified and did not contain a statement under sections 498(2) or (3) of the Act.
- 16.4 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render such reproduced information inaccurate or misleading.
- 16.5 Save as disclosed in paragraph 3 of this Part VII, the Company currently has no significant investments in progress and the Company has made no firm commitments concerning future investments.
- 16.6 The Directors are not aware of any patents or other intellectual property rights, licences, particular contracts or manufacturing processes on which the Company is dependent.
- 16.7 None of the Ordinary Shares has been admitted to dealings on any recognised investment exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT for a period of 14 days from the date of this document:

- 17.1 this Prospectus; and
- 17.2 the articles of association of the Company.

In addition this document and the Articles will be published in electronic form and available on the Company's website at www.iconiclabs.co.uk/corporate-documents, subject to certain access restrictions.

18. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed with, or notified to, the FCA and which have also been sent to Shareholders at the relevant time, have been listed so as to enable investors to identify easily specific items of information which have been incorporated into this document by reference:

- 18.1 the Company's audited financial information for the year ended 31 December 2016 contained in Part IV of this document, which can be obtained from the Company's website at www.iconiclabs.co.uk/corporate-documents;
- 18.2 the Company's audited financial information for the year ended 31 December 2017 contained in Part IV of this document, which can be obtained from the Company's website at www.iconiclabs.co.uk/corporate-documents; and
- 18.3 the Company's audited financial information for the eighteen-month financial period ended 30 June 2019 contained in Part IV of this document, which can be obtained from the Company's website at www.iconiclabs.co.uk/corporate-documents.

The references below set out the sections of the June 2018 Prospectus and the February 2019 Prospectus which are incorporated by reference into, and form part of, this Part VII of this document, and only the parts of the documents identified in the references below are incorporated into, and form part of, this Part VII of this document. The parts of these documents which are not incorporated by reference are not relevant for investors. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document:

- 18.4 on page 70 of Part VII of this document, details of the share capital history of the Company included at paragraphs 3.2 to 3.6 of Part IX of the June 2018 Prospectus at page 107 and also at paragraphs 3.3 to 3.6 of Part VII of the February 2019 Prospectus at pages 77 to 79;
- 18.5 on page 72 of Part VII of this document, details of the share options granted to certain previous directors, senior managers and an adviser included at paragraphs 3.4 and 8.2 of Part VII of the February 2019 Prospectus at pages 78, 81 and 82;
- 18.6 on page 89 of Part VII of this document, details of material contracts previously entered into by the Iconic Labs Group, and which relate to the previous stem cell business, included at paragraphs 9.1 to 9.20 of Part VII of the June 2018 Prospectus from pages 85 to 91.

PART VIII

DEFINITIONS

The definitions set out below apply throughout this document, unless the context requires otherwise.

“20 per cent. Exemption”	the 20 per cent. exemption set out in PRR1.2.4EU(a) (with reference to Article 1, paragraph 5(b) of the Prospectus Regulation Rules);
“Act”	the Companies Act 2006;
“Admission” or “Admitted”	the admission of the New Ordinary Shares to listing on the Official List and trading on the Main Market becoming effective in accordance with Listing Rule 3.2.7G and the admission and disclosure standards of the London Stock Exchange;
“Articles”	the articles of association of the Company;
“Board” or “Directors” or “Board of Directors”	the directors of the Company whose names are set out on page 31 of this document;
“Business Day”	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Coalition Media”	Coalition Media Limited, incorporated in England and Wales with registered number 12397554 whose registered office is at 27-28 Eastcastle Street, London, W11 8DH;
“Commitment Period”	has the meaning given to the term in paragraph 13.4.3 of Part VII of this document;
“Company” or “Iconic Labs”	Iconic Labs plc, incorporated in England and Wales with registered number 10197256 whose registered office is at 27-28 Eastcastle Street, London, W11 8DH;
“Conversion Notice”	has the meaning given to the term in paragraph 13.4.11 of Part VII of this document;
“Conversion Period”	has the meaning given to the term in paragraph 13.4.9 of Part VII of this document;
“Conversion Price”	has the meaning given to the term in paragraph 13.4.11 of Part VII of this document;
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations for the time being in force
“Daily Official List”	the daily official list of the London Stock Exchange;
“Deed of Issuance”	the deed of issuance and subscription in respect of the Issuance Notes with the Issuance Warrants which are to be automatically attached to the Issuance Notes upon the satisfaction of the Issuance Warrants Conditions entered into between the Company and the Investor on 5 August 2019, further details of which are set out in paragraph 13.2 of Part VII of this document;

“Deed of Settlement”	the deed of settlement of the outstanding amounts due under the Previous Financing Agreement entered into between the Company and the Investor on 5 August 2019, further details of which are set out in paragraph 13.3 of Part VII of this document;
“Deferred Shares”	deferred shares of £0.00249 each in the capital of the Company;
“Disclosure and Transparency Rules”	the disclosure and transparency rules made by the UK Listing Authority under Part VI of FSMA (as set out in the FCA Handbook), as amended;
“EEA”	the European Economic Area;
“EEA State”	a state within the EEA;
“Enlarged Share Capital”	the expected issued ordinary share capital of the Company following the issue of the New Ordinary Shares to be issued under the Deed of Issuance and the Financing Agreement assuming Maximum Issuance;
“EU”	the European Union;
“Euroclear”	Euroclear & Ireland Limited;
“Existing Ordinary Shares”	the 1,637,129,905 Ordinary Shares in issue as at the date of this document;
“Existing Ordinary Admitted Shares”	the 151,352,698 Ordinary Shares in issue and admitted to the Main Market as at the date of this document;
“February 2019 Prospectus”	the approved prospectus published by the Company on 25 February 2019;
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority of the United Kingdom or any predecessor or successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
“Financing Agreement”	the “Deed of Issuance and Subscription in respect of Financing Notes convertible into New Ordinary Shares with Share Subscription Warrants attached” dated 7 February 2020 between the Company and the Investor, further details of which are set out in paragraph 13.4 of Part VII of this document;
“Financing Condition”	has the meaning given to the term in paragraph 13.4.1 of Part VII of this document;
“Financing Events of Default”	has the meaning given to the term in paragraph 13.4.6 of Part VII of this document;
“Financing Note”	a convertible note issued by the Company and subscribed for by the Investor pursuant to the Financing Agreement, and Financing Notes shall be construed accordingly;
“Financing Warrants”	the warrants to be issued to the Investor by the Company pursuant to the Financing Agreement, as more particularly described in paragraph 13.4 of Part VII of this document;
“Financing Warrant Exercise Price”	has the meaning given to the term in paragraph 13.4.16 of Part VII of this document;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Data Protection Regulation” or “GDPR”	the General Data Protection Regulation (EU) 2016/679, which came into effect on 25 May 2018;
“General Meeting”	the General Meeting of the Company held on 27 February 2020 at which the Resolutions were passed;
“HMRC”	HM Revenue & Customs;

“Iconic Labs Group”	the Company and each of its subsidiaries and subsidiary undertakings as at the date of this document;
“IFRS”	International Financial Reporting Standards as adopted for use by the EU;
“Investor”	European High Growth Opportunities Securitization Fund (represented by its management company European High Growth Opportunities Manco SA, a company registered in Luxembourg whose registered office is at 18, Rue de Robert St mper, 2557 Luxembourg, registered with the Luxembourg trade and companies register under number B 124207);
“Issuance Note”	a non-convertible note issued by the Company and subscribed for by the Investor pursuant to the Deed of Issuance to which the Issuance Warrants are automatically attached thereto following the satisfaction of the Issuance Warrants Conditions, and Issuance Notes shall be construed accordingly;
“Issuance Warrants”	has the meaning given to the term in paragraph 13.2.1 of Part VII of this document and which are automatically attached to the Issuance Notes issued under the Deed of Issuance following the satisfaction of the Issuance Warrants Conditions;
“Issuance Warrants Conditions”	has the meaning given to the term in paragraph 13.2.6 of Part VII of this document;
“Latest Practicable Date”	24 March 2020 being the Latest Practicable Date before the publication of this document;
“Listing Rules”	the Listing Rules of the FCA;
“Loan”	the provision of a loan by the Company to MCM for £150,000 to be used solely for working capital purposes;
“London Stock Exchange”	London Stock Exchange plc or its successor(s);
“Main Market”	the London Stock Exchange’s main market for listed securities;
“Mandatory Conversion”	has the meaning given to the term in paragraph 13.4.11 of Part VII of this document;
“MAR”	the Market Abuse Regulation (Regulation 596/2014);
“Maximum Issuance”	the issuance of the maximum number of New Ordinary Shares that can be issued in accordance with: (i) the terms of the Deed of Issuance and the Issuance Warrants which are automatically attached to the Issuance Notes following the satisfaction of the Issuance Warrants Conditions; and (ii) the terms of the Financing Agreement;
“MCM”	Medium Channel Media Limited, incorporated in England and Wales with registered number 12199788 whose registered office is at The Georgian House, Nizels Lane, Hildenborough, Tonbridge, TN11 8NU;
“Member State”	member state of the EU;
“MSA”	the management services agreement entered into between the Company and MCM for the provision of management services from the Company to MCM;
“New Ordinary Shares”	the Ordinary Shares: (a) issued and credited as fully paid, but not Admitted under the Previous Financing Agreement; and (b) to be issued and subsequently Admitted by the Company, credited as fully paid, pursuant to: (i) the conversion of the Financing Notes; (ii) an exercise of the Financing Warrants; and (iii) an exercise of the Issuance Warrants;

“Nuuco Media”	Nuuco Media Limited, incorporated in England and Wales with registered number 11685755 whose registered office is at 27-28 Eastcastle Street, London, W11 8DH;
“Official List”	the list maintained by the FCA for purposes of section 79(1) of FSMA;
“Ordinary Shares”	ordinary shares of £0.00001 each in the capital of the Company;
“Overseas Shareholders”	shareholders with registered addresses outside the United Kingdom or which are incorporated in, registered in or otherwise resident or located in, countries outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“PD Amending Directive”	Directive 2010/73/EU of the European Parliament and of the Council;
“Previous Financing Agreement”	the deed of issuance and subscription in respect of convertible loan notes with share subscription warrants attached dated 26 September 2018 entered into between the Company and the Investor, as varied on April 4, 2019 and again on May 1, 2019;
“Previously Issued Ordinary Shares”	the Ordinary Shares issued and credited as fully paid, but not Admitted: (i) under the Previous Financing Agreement, being 1,223,750,000 Ordinary Shares; (ii) under the Deed of Settlement, being 237,827,207 Ordinary Shares; and (iii) otherwise, being 24,200,000;
“Proposals”	being individually and together (i) the Company Admitting the Previously Issued Ordinary Shares; (ii) drawing down the Tranches pursuant to the terms of the Financing Agreement; and (iii) the issue of the Issuance Warrants, Financing Notes and Financing Warrants and Admission of the New Ordinary Shares following the conversion and exercise thereof;
“Prospectus” or “this document”	this document dated 25 March 2020, comprising a prospectus for the purposes of the Prospectus Regulation Rules and an admission document for the purposes of the Listing Rules for Companies (together with any supplements or amendments thereto);
“Prospectus Directive”	Directive 2003/71/EU of the European Parliament and the Council of the EU on the prospectus to be published when securities are to be offered to the public or admitted to trading, as amended (including pursuant to the PD Amending Directive);
“Prospectus Regulation Rules”	the prospectus regulation rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended;
“Registrar”	SLC Registrars Limited, Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13 0TS;
“Regulation S”	Regulation S promulgated under the US Securities Act;
“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies;
“Resolutions”	the resolutions passed at the General Meeting;
“SEC”	United States Securities and Exchange Commission;
“Shareholder”	a holder of Ordinary Shares;

“Standard Listing”	a standard listing on the Official List under Chapter 14 of the Listing Rules;
“Student Media Ventures”	Student Media Ventures Limited, incorporated in England and Wales with registered number 12192040 whose registered office is at 27-28 Eastcastle Street, London, W11 8DH (dissolved on 14 January 2020);
“Subsequent Tranches”	has the meaning given to the term in paragraph 13.4.3 of Part VII of this document;
“subsidiary”	has the meaning given in section 1159 of the UK Companies Act;
“subsidiary undertaking”	has the meaning given in section 1162 of the UK Companies Act;
“Takeover Code”	the Takeover Code on Takeovers and Mergers published by the Takeover Panel;
“Total Commitment”	has the meaning given to the term in paragraph 13.4.2 of Part VII of this document;
“Tranche”	has the meaning given to the term in paragraph 13.4.3 of Part VII of this document;
“UK Companies Act” or “2006 Act”	the UK Companies Act 2006, as amended, modified or re enacted from time to time;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“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 Securities Act”	the United States US Securities Act of 1933, as amended;
“US\$”, “USD”, “US dollars” or “\$”	the lawful currency of the United States;
“VAT”	applicable value added tax;
“Voluntary Conversion”	has the meaning given to the term in paragraph 13.4.11 of Part VII of this document;
“VWAP”	volume-weighted average price.