

# Bink Acquisition

## Deal Overview for Board

# Bink is offering to acquire 100% of MyGravity shares.

December 2015



F&F Note Conversions, SEIS,  
Non-SEIS Investments

- £2.125M Pre-Money Valuation
- £10 / Share
- Product validation with small customers

December 2016



Stock Swap



- £3.5M Valuation
- £15.23 / Share (MyGravity)  
swapping for £18.97 / share (Bink)
- Market validation. Growing fit and validation with medium customers
- Gap at Bink in its ability to provide loyalty services

# The Share Purchase Agreement has a few key considerations.

- Timing is important. January close upon receipt of S138 approval from HMRC.
- Deal is 100% ownership (or control) or nothing.
- All shares in Bink are B Class ranking parri passu with A Class. A Class shares (voting rights) are held 100% by the Founders.
- Warranties are generally light touch and limited to Founder Directors excluding other shareholders.
- Waiver of all rights, encumbrances, et al (e.g. OION Investment Agreement) upon share swap.
- Bink B shares carry no significant restrictions on sale / transfer.

The following documents are provided for your review:

- Heads of Terms
- Share Purchase Agreement (SPA)
- Disclosure Letter
- Shareholder Power of Attorney (to be executed by each Shareholder to facilitate Completion)
- Bink Articles
- Bink Fundraising Deck (supporting a private placement of £2M in 2016)

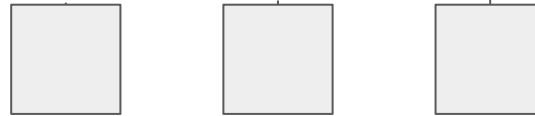
Please let us have your review and insight on the SPA.

# MyGravity will be a wholly owned subsidiary.

- Holding company structure
- Single Board of Directors
- Loyalty Angels is parent company (operating as Bink)
- Shared resources across group companies (e.g. facilities, back-office)



- Focus on building a team
- Grow our customer base
- Reduce funding distractions
- Move out of 'shoe string budget' mode especially in sales and marketing



- Future acquisitions / new divisions are part of the plan.
- MyGravity will have opportunity to influence the what and when to the mutual benefit of the group.
- Example growth areas include; Data Analytics / Machine Learning group

## Bink Board of Directors

### CHAIRMAN - Bob Wigley

Former Chair of Merrill Lynch EMEA & Yell.  
Serial entrepreneur involved in a number of Tech businesses



### NON EXEC DIRECTOR - Dr Steve Perry

Former Head of Visa Europe  
Vast experience of Payment Networks at Visa (25 years)



Source: Bink Fundraising Deck

Independents to Enterprise | Full-Stack Digital Loyalty | Innovative Offerings | Consumer Trust

# The deal will protect and support our plans.

7k+

**Stores and e-Commerce Sites Running My360 at end 2018**

10m

**Users at end 2018**

2018 (UK, EU, US)



## Beyond Loyalty

Launch first non-loyalty solution based on Personal Data Trust. Become the 'Fair Trade' organisation for consumer personal data.



## Datalife and Enterprise

Create consumer transparency. Expand into enterprise sales offering Loyalty and personal data compliance.

2017 (UK & EU)



## Payments and 1-Web

Simplify in-store and e-commerce payments. Launch 1-web, a loyalty-lite gateway to simplify consumer sign-up on e-commerce.



## Beacons

Advanced analytics. Simplify customer journey. Map traffic.

2016 (UK Only)



## e-Commerce

Support e-commerce platforms. Scale users quickly.

**In-Store**  
Proven Model.  
Mature Solution.

te and Confidential

# Capital injection and combining opportunities is planned.

Jan 2017  
Deal Signing £500k Capital  
Injection into MyG

Quarterly Opportunity  
Funding Reviews (e.g  
NTT Data)

Apr / May 2017  
£1.5-2.0M Capital Injection  
into MyG from Series A raise

2018 TBD  
Series B Raise

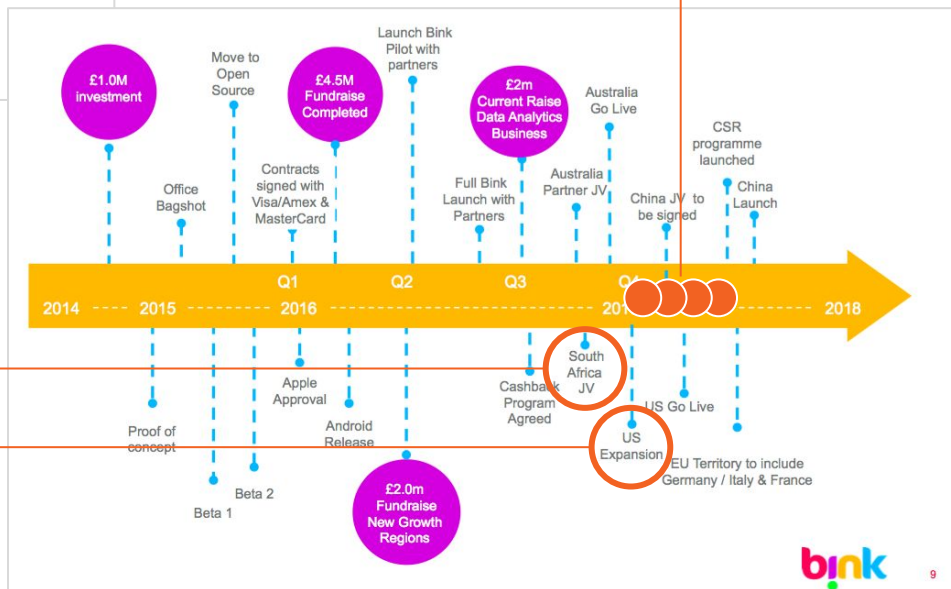
Capital Injections into MyGravity from Deal

Bink Led Opportunities added to MyGravity

- Investor led South Africa Expansion Already Underway. Q1 2017 launch.
- US Expansion
- Series A round to finance
- Schedule has slid to mid / late 2017

MyGravity Led Opportunities Added to Bink

- Scale e-commerce sales with Bink marketing support and £
- NTT Data / Japan opportunity
- Datalife / Retail Trust
- Scale My360 for white labeled enterprise use



The current valuation is fair and the opportunity is significant.  
This is a good decision for total shareholder value.



The deal, as structured, represents an enhancement to total shareholder value of 52.3% since December 2015.



The potential, short-term opportunity is extended by further growth from Bink's Series A financing. We are informed that this is ~50% subscribed and being shopped as a £30M raise on a £100M pre-money valuation. The primary investment uses are US expansion and corporate growth through deals and financing such as MyGravity.

The following slides do not consider tax circumstances of individual investors, many of whom are non-UK taxpayers. Where tax impact consideration is made, this is made for the group of investors as a whole.

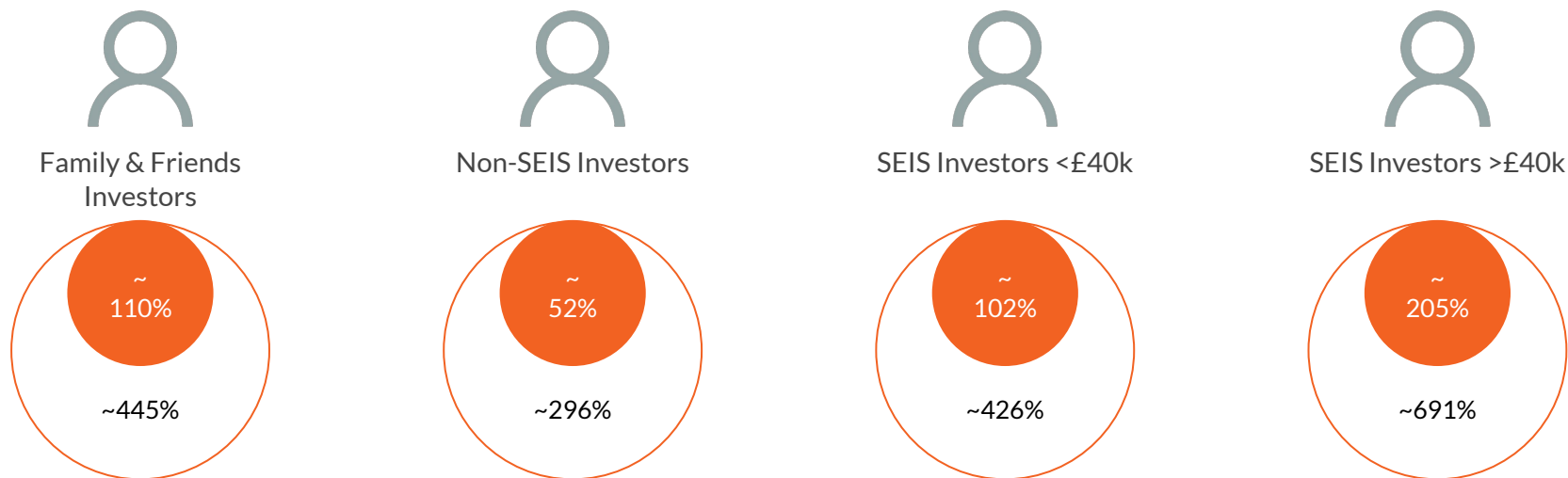
Calculations on the following slides utilise simple, straight line math not time value of money calculations for return percentages.

All “Series A Potential” calculations are based on a £100M post-money valuation even though Bink is shopping this round at £100M pre-money.



# Individual shareholder returns are also significant.

Generally speaking, we have 4 shareholder groups excluding founders and people given shares through advisory or employment roles. Each will receive a solid, valuation return based on this deal.



All figures are approximations and use straight line return calculations, not time value of money. Figures do not include individual circumstances but approximate the return to investors in the grouping.



% Return (straight line) at deal closing.

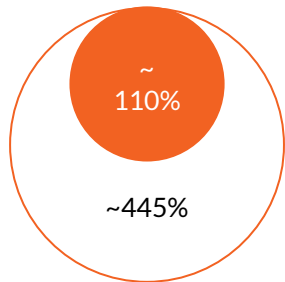


% Return if Bink + MyGravity achieve £100M post-money valuation from Series A raise.

# Family and Friends Investors



Family & Friends  
Investors

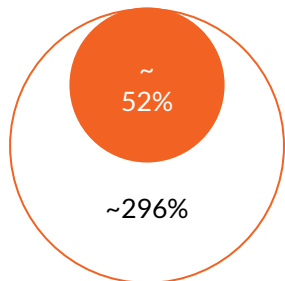


Overview	Invested in Convertible Notes between Nov 2014 and Jan 2015. Notes carried a 20% conversion discount and accrued 8% interest / annum until converted. These are the earliest investors in MyGravity.		
Holding Period	Between 24-26 months		
Example Investor	Gene Goldader	Investment Cost Base	£5,000
Shareholding	689 Shares	Return Prior to Deal	37.8% £6890 value @ £10 / share £5,000 cost base £1,890 / £5,000 = 37.8%
Deal	Normal Participation in Share Swap		
Return to Investor Based on Deal	110% 689 Shares * £15.23 / Share £10,493 share value £5,000 cost base £5,493 / £5,000 = 110%		
Series A Potential	445% - At £100M post-money £100M / £38.5 = ~2.6X multiplier on valuation ~2.6 * £10,493 = £27,256 £22,256 / £5,000 = 445%		

# Non-SEIS Investors



Non-SEIS Investors

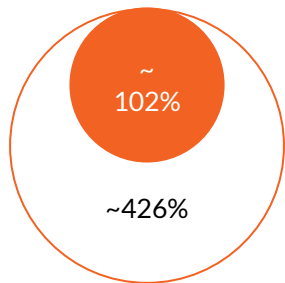


Overview	Invested after SEIS monies were fully collected. Group contains a small number of new investors plus further investments from existing shareholders.		
Holding Period	<9-months		
Example Investor	Chris Nicholson	Investment Cost Base	£30,000
Shareholding	3,000 Shares	Return Prior to Deal	0%
Deal	Normal Participation in Share Swap		
Return to Investor Based on Deal	52% 3,000 Shares * £15.23 / Share £45,690 share value £30,000 cost base $£15,690 / £30,000 = 52\%$		
Series A Potential	296% - At £100M post-money $£100M / £38.5 = \sim 2.6X$ multiplier on valuation $\sim 2.6 * £45,690 = £118,675$ $£88,675 / £30,000 = 296\%$		

# SEIS Investors <£40k Investment



SEIS Investors <£40k

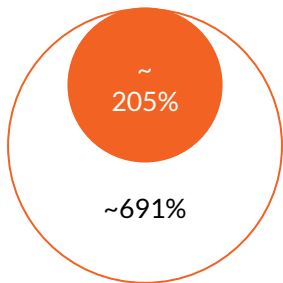


Overview	Invested after OION removed the penalties on MyGravity for invalidating SEIS relief on its 2nd tranche of £50,000 which ultimately was never invested. The timing led to these investors <b>not</b> claiming tax relief in the previous year.		
Holding Period	<9-months		
Example Investor	Oliver Browne	Investment Cost Base	£8.830
Shareholding	883 Shares	Return Prior to Deal	0%
Deal	Normal Participation in Share Swap + 290 Shares at £15.23 specifically to compensate for the loss of 50% of £8,830 of tax rebates in his upcoming tax return. Others are issued similar deal.		
Return to Investor Based on Deal	102% $1,173 \text{ Shares} * £15.23 / \text{Share}$ £17,865 share value £8,830 cost base $£9,035 / £8,830 = 102\%$		
Series A Potential	426% - At £100M post-money $£100M / £38.5 = \sim 2.6X$ multiplier on valuation $\sim 2.6 * £17.865 = £46.402$ $£37,572 / £8,830 = 426\%$		

# SEIS Investors >£40k Investment



SEIS Investors >£40k



Overview	P. Shah and OION who invested during the CrowdCube round and prior to the previous year's tax deadline. Each did, or in OION's case the individuals are believed to have, filed for SEIS relief in the previous year.		
Holding Period	<9-months		
Example Investor	OION	Investment Cost Base	£25,000
Shareholding	5,000 Shares	Return Prior to Deal	0% - Tax rebates excluded
Deal	Normal Participation in Share Swap + £25,000 paid at Completion to compensate for known, direct, cash tax impact of 50% of investment value. The approach reduces the impact to the cost base and keeps investors aligned to long-term upside. Many OION investors may have only this direct impact.		
Return to Investor Based on Deal	205% $5,000 \text{ Shares} * £15.23 / \text{Share}$ £76,150 share value £25,000 cost base $£51,150 / £25,000 = 205\%$		
Series A Potential	691% - At £100M post-money $£100M / £38.5 = \sim 2.6X$ multiplier on valuation $\sim 2.6 * £76,150 = £197,792$ $£172,792 / £25,000 = 691\%$		