



Bidstack Group PLC - BIDS Acquisition of Pubguard
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1 August 2019

Bidstack Group PLC ("Bidstack" or "the Company")

Acquisition of Pubguard

Acquisition of advertising safety and fraud detection platform

Bidstack Group plc (AIM: BIDS.L), the in-game advertising group, is pleased to announce that it has, today, acquired the entire issued share capital of Minimised Media Limited ("Minimised Media") which trades under the name "Pubguard".

Minimised Media have built software technology that automatically reviews advertisements served in-app and on mobile and desktop web content to identify offensive, malicious, illegal ad content and malware which can be blocked at a clients' discretion.

Pubguard's platform and technology offering is both well known and well respected in the digital advertising industry. Pubguard's software will be used to protect all of Bidstack's gaming inventories.

Brand safety and ad fraud have been hot topics in the advertising industry for a number of years. According to a recent Brand Safety report 65% of advertisers are present in non-brand safe environments and there have been numerous calls to tackle these challenges from industry leaders¹.

Bidstack intends to maintain and utilise the Pubguard platform to enhance its current technical and commercial offering as part of its Software Development Kit. The Directors believe the acquisition will provide a ready-made solution to enhance the Bidstack platform and save the Company several months of development time and resource.

The sellers of Minimised Media include Andrew Stevens, Chairman, Justin Wenczka, Chief Executive, Chris Damski, Chief Product Officer, Dan Hapgood, Chief Technology Officer, and two funds operated by Mercia Asset Management Plc ("Mercia"). The consideration for the transaction of £300,000 will be entirely satisfied by the issue and allotment of 869,565 Bidstack ordinary shares credited as fully paid at a price of 34.5 pence per share ("Consideration Shares").

Each of Justin Wenczka, Chris Damski, Dan Hapgood and Andrew Stevens have agreed not to sell any of their Consideration Shares for twelve months following completion save in certain limited circumstances and for the following twelve months to sell their shares only through a broker nominated by the Company. Mercia has agreed not to sell any of its funds' Consideration Shares for six months following completion save in certain limited circumstances.

In the financial year from 1 May 2017 to 30 April 2018 Minimised Media it made an unaudited loss of approximately £270k. In the period from 1 May to 31 December 2018 it made an unaudited loss of approximately £177k. As at 31 December 2018 the unaudited net assets of Minimised Media were approximately £28k.

James Draper, CEO of Bidstack, commented, "As custodians of studio director's artwork the prevention of fraudulent advertising is a priority for us. Pubguard brings a number of technical and commercial upsides to Bidstack. First, we are protecting gamers against fake adverts that, for example, could redirect them to adult content. Second, Pubguard brings the group technology and a brand that is respected in the gaming and digital media space.

"As we have said previously, our intention is to grow Bidstack to become a significant media owner in the video games market. We stated Q3 would be an important period for us and I believe the purchase of Pubguard, our first venture into growth by acquisition, shows our commitment towards commercial innovation.

"We'd like to welcome the Pubguard team into the Bidstack family and we look forward to growing the business further."

Justin Wenczka, CEO of Minimised Media said, "Due to high levels of user engagement we've seen gaming brands targeted by fraudsters so it makes sense for us to focus on an area of great need with the fantastic team at Bidstack. Gaming is part of our company culture so we know the huge potential of unlocking multi-platform ad spaces and the need for increased safety measures to protect its sensitive demographics. Bidstack has a tremendous focus and comprises of some of the best talent in the industry and we're looking forward to achieving great things together moving forward."

Application has been made for the admission of the 869,565 Consideration Shares to trading on AIM and it is expected that dealings in the New Shares will commence on or around 6 August 2019. On admission the Consideration Shares will rank pari passu in all respects with the Company's existing ordinary shares.

Total Voting Rights

Following admission of the Consideration Shares, the total issued share capital of the Company will consist of 244,227,812 ordinary shares. As such the total number of voting rights in the Company will be 244,227,812 ordinary shares. This number may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

References:

1. "Willing to risk it? A Report on Brand Safety and advertiser preference" published by Ebiquity and Zulu 5, 26 June 2019 <https://www.ebiquity.com/news-insights/research/brand-safety-in-the-uk-willing-to-risk-it-a-report-on-brand-safety-and-advertiser-preference/>

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~ENDS~

Notes to editors

Bidstack is an advertising technology company which provides dynamic, targeted and automated native in-game advertising for the global video games industry across multiple platforms. Its proprietary API technology is capable of inserting adverts into natural advertising space within video games across multiple video games platforms (mobile, PC and console).

Bidstack's customers are games publishers and developers and advertising agencies, brands and programmatic advertising platforms. Bidstack contracts exclusive access to the native in-game advertising space within video games from their developers or publishers and sells that advertising space either direct to specific brands and their agencies or through programmatic advertising platforms.

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