

Armstrong Ventures plc

("Armstrong" or the "Company")

Further Investment in MelodyVR

31 March 2016

The board of Armstrong is pleased to announce that it has agreed to invest a further £57,500 in MelodyVR Ltd ("MelodyVR") by means of secured convertible loan notes ("Loan Notes").

This further investment follows on from the investment of £212,500 made in MelodyVR in January 2016, making a total investment to date of £270,000. The board of Armstrong is excited by the opportunities offered by companies such as MelodyVR that provide content to be used on the virtual reality ("VR") headsets being launched by a number of major technology companies in 2016. The board continues to explore VR and other investment opportunities.

MelodyVR is developing a premium music service and specialises in creating immersive VR music experiences. MelodyVR was established in 2015 to create virtual reality content by capturing live music performances. VR is a term used to describe a three dimensional environment which can be explored and interacted with by a user. VR content created by MelodyVR will be viewed using VR headsets that are currently being developed by a number of technology companies including Oculus (owned by Facebook), HTC, Google, Sony and Samsung, providing users with an immersive 360 degree experience.

MelodyVR has developed its own technology for the recording and live streaming of music performances. MelodyVR plans to make live and recorded music content available to users via its own app and third party VR platforms. It is intended that the MelodyVR app will be deployed across Oculus Rift, Android, iOS, Samsung Gear VR, HTC Vive, Playstation VR and other platforms. MelodyVR has entered into a number of exclusivity agreements with some of the major music festival and event promoters facilitating the filming and live broadcast of music events in a virtual reality format. It is intended that the MelodyVR app will be launched in 2016.

The Loan Notes bear interest at a rate of 10% per annum and are repayable on or before 31 March 2017. The Loan Notes may be converted at the option of Armstrong into equity shares in MelodyVR on 31 March 2017 or earlier upon the sale or listing of MelodyVR or upon the raising of equity finance by MelodyVR.

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