



**PCI-PAL PLC** - PCIP  
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Placing to raise £5m & Notice of General Meeting



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27 March 2020

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

27 March 2020

**PCI-PAL PLC**  
("PCI Pal", "the Company" or "the Group")

**Placing to raise £5.0 million  
and  
Notice of General Meeting**

PCI-PAL PLC (AIM: PCIP), the global provider of secure payment solutions, is pleased to announce a conditional Placing (the "Placing") to raise gross proceeds of approximately £5.0 million through the issue of 16,666,667 new ordinary shares of 1 pence each in the capital of the Company (the "Placing Shares") at a price of 30 pence per Ordinary Share (the "Issue Price"). Admission ("Admission") of the Placing Shares is subject to, *inter alia*, Shareholder approval at a general meeting of the Company ("General Meeting"), notice of which will be sent to Shareholders shortly.

finnCap Ltd ("finnCap") is acting as nominated adviser and sole broker in connection with the Placing. The Placing has not been underwritten.

### Highlights

- Placing to raise aggregate gross proceeds of approximately £5.0 million at a price of 30 pence per Ordinary Share (the "Issue Price").
- Approximately £4.25 million of the Placing proceeds raised from certain VCT investors will be used to fund the Company's continued growth in North America as follows:
  - o Increase sales and marketing resources to add more support to North American based channel partner relationships; improve capacity to reduce time taken to on-board and enable new partners; and
  - o Expand product management functions targeting long term improvements in time to go live ("TTGL") for new customers.

The balance of the net proceeds raised will be used for general working capital purposes giving the Company not only a stronger balance sheet and flexibility should it become needed given the COVID-19 pandemic but also to allow the Company to consider potential new expansion opportunities in the future.

- The Placing Shares will represent approximately 39.0 per cent. of the Company's Existing Issued Share Capital.

**Commenting on the Placing, James Barham, CEO, said:**

"I have been very pleased with our progress in the year to date, during which we have continued to build significant sales growth across both our US and UK operations. This has been underlined recently by the announcement of our second largest ACV contract to date, with a major UK government agency, announced on 17 March 2020.

We are delighted with the support shown in this placing by both existing and new investors which will enable us to capitalise on our current North American expansion, and enable advancements in product management and development to support the long term ambitions of the business globally."

Further information on the Placing is set out below.

**General Meeting**

A Circular and notice convening the General Meeting, to be held at the offices of the Company at 7 Gamma Terrace, Ransomes Europark, Ipswich, Suffolk, IP3 9FF at 11.00 a.m. on 17 April 2020, will be posted to Shareholders shortly and will be available on the Company's website at [www.pcipal.com](http://www.pcipal.com). The General Meeting will be convened to consider, and if thought fit, approve the Proposals set out in the Circular and notice.

The Directors consider the Placing to be in the best interests of the Company and the Shareholders as a whole. The Directors who hold Ordinary Shares representing in aggregate approximately 3.9 per cent. of the Company's Existing Ordinary Shares, intend to vote in favour of the Resolutions at the General Meeting in respect of their shareholdings.

**You are directed to the statements made in relation to the COVID-19 pandemic in Section 10 (headed "COVID-19 (Coronavirus)") set out below. In light of the COVID-19 pandemic, you are strongly advised to vote by proxy and NOT to attend the meeting in person.**

**For further information, please contact:**

**PCI-PAL PLC**

James Barham - Chief Executive Officer  
William Good - Chief Financial Officer

Via Walbrook PR

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**About PCI Pal:**

PCI Pal is a provider of secure payment solutions for contact centres and businesses taking Cardholder Not Present (CNP) payments. PCI Pal's globally accessible cloud platform empowers organisations to take payments securely without bringing their environments into scope of PCI DSS and other card payment data security rules and regulations.

With the entire product portfolio served from PCI Pal's cloud environment, integrations with existing telephony, payment, and desktop environments are light-touch, ensuring no degradation of service while achieving security and compliance.

PCI Pal has offices in London, Ipswich (UK) and Charlotte NC (USA).

**PCI-PAL PLC**  
("PCI Pal", "the Company" or "the Group")

**Placing to raise £5.0 million  
and  
Notice of General Meeting**

### **1. Introduction**

The Board today announces a conditional Placing of 16,666,667 Ordinary Shares to raise approximately £5.0 million (before expenses) through finnCap, nominated adviser and broker to the Company.

The issue of the Placing Shares is conditional on, *inter alia*, the passing of the Resolutions by Shareholders at a General Meeting of the Company.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Conditional upon, *inter alia*, the passing of the Resolutions, it is expected that admission to trading on AIM and dealings in the Placing Shares will commence at 8.00 a.m. on 20 April 2020.

The Issue Price is equal to the closing mid-market price of 30 pence per Ordinary Share on 26 March 2020 (being the last practicable date prior to the announcement of the Placing).

### **2. Background to and reasons for the Placing**

Over the last 18 months the Company has made good progress against its stated objective to be the provider of choice for technology vendors globally seeking to secure their customers' payments in customer engagement environments. As a business, the Company has on-boarded numerous key partners who are all leading brands in the telecommunications and contact centre technology markets. As a result of this effort the Company has seen Total Annual Contract Value ("TACV") grow from approximately £2.0 million at 31 December 2017 to £5.2 million at 31 December 2019. The growth in sales bookings is now feeding through to revenue, with revenues for the half year to 31 December 2019 at £2.0 million, 74 per cent. greater than the same period in the prior financial year.

A key part of the Company's growth strategy is to broaden its reach in North America. The Company has successfully established reseller channel partnerships with market leading vendors headquartered in the region, including 8x8, Talkdesk, Vonage, Paymetric, Bell Canada, and Genesys. In addition, the Company has added key technical partnerships with two prominent traditional telephony vendors both headquartered in the U.S: Avaya and Cisco. This focus on the North American opportunity has seen strong growth in North America in TACV year on year since the Group's launch in the region in February 2018.

As explained in the interim results announcement for the period ended 31 December 2019, one of the challenges has been the time taken to conclude contract negotiations as well as improving the time to go live ("TTGL") for new contracts signed. However, with an encouraging pipeline and continued new business wins, including the Company's highest value contract to date, which was announced on 17 March 2020, the Board remains confident in the opportunities that exist for the Group, especially in the North American market.

Having launched the Group's PCI Pal Digital product in January 2020, the Group is seeking to further strengthen its product management and development capabilities to add new features and capability to its globally available, true-cloud environment. The Directors consider that these improved capabilities will, once available, enhance the Group's ability to deliver services to its customers, and partners. The Group is continuing to target long term improvements in one of its key metrics of TTGL.

The Company is raising approximately £5.0 million (before expenses) by way of the Placing, with the net proceeds being predominantly utilised to fund continued growth in North America, improved product management capabilities, as well as providing additional working capital to strengthen the Group's balance sheet.

### **3. Use of Proceeds**

The Placing will comprise approximately £4.25 million raised by the issue of 14,166,665 VCT Qualifying Shares and approximately £0.75 million by the issue of 2,500,002 General Placing Shares (together the "Placing Shares").

Approximately £4.25 million of the Placing proceeds raised from certain VCT investors will be used to fund the Company's growth in North America as follows:

- Increase sales and marketing resources to add more support to North American based channel partner relationships; and improved capacity to reduce time to on-board and enable new partners; and
- Expand product management functions targeting long term improvements in time to go live ("TTGL").

The balance of proceeds will be used for general working capital purposes giving the Company not only a stronger balance sheet and flexibility should it become needed given the COVID-19 pandemic but also to allow the Company to consider further potential new expansion opportunities in the future.

#### **4. Current trading and prospects**

On 4 March 2020, the Company published its interim results for the six months ended 31 December 2019. The Company reported a 74 per cent. year on year increase in revenue to £2.0 million (2018: £1.2 million) with recurring revenues representing 85 per cent. of total revenue. New contract annual recurring licence sales won in the period were £1.2 million with Total Annual Contract Value at the period end being £5.2 million. Loss from operating activities in the period was £2.3 million.

On 17 March 2020, PCI Pal announced a minimum two-year contract to provide its PCI Pal Agent Assist solution to a major U.K. government agency. The contract includes an option for the customer to extend for a further two years. The contract, which was won following an extensive review of available competitive solutions in the market, has an Annual Contract Value of £0.5million and is a further endorsement of the demand from enterprise-size customers for PCI Pal's truly cloud-based globally available solutions. This contract gives PCI Pal another significant boost in building both its key leading indicator metric of Total Annual Contract Value, which stands at £5.9 million as at the date of this announcement and further progress towards its aim of reaching future profitability and positive cashflow. In the financial year to date the Company has signed £1.8 million of new annual contract value.

The current COVID-19 pandemic undoubtedly presents significant challenges and uncertainties. The Board is adhering to government advice and has contingency plans in place to seek to ensure the safety of its staff, partners, and customers. Whilst the situation evolves it is difficult to predict the ultimate impact. PCI Pal has enabled homeworking of all staff during the phase of government restrictions on movement and working practices. The majority of PCI Pal staff work from home on a regular basis anyway, so the business is confident it can continue to provide the same levels of service that it provided prior to the COVID-19 outbreak. As a true-cloud vendor, PCI Pal is working closely with its partners and customers supporting them to enable their own contact center agents to work from home or remotely during this time. Nonetheless, it is not possible at this time to predict what the outcome of the COVID-19 pandemic will be for the Group and its partners and customers.

#### **5. VCT Shares**

The Directors believe that the shares subscribed for by VCTs should be (subject to the circumstances of investors) regarded as a qualifying holding for VCTs. The Directors are not aware of any change in the qualifying conditions or the Company's circumstances that would prevent the VCT Shares from being qualifying VCT investments on this occasion. However, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in VCT Shares pursuant to the Circular or the Placing, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

VCTs considering making an investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. Any Shareholder who is in any doubt as to his taxation position under the VCT legislation, or who is subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser.

#### **6. Details of the Placing**

Pursuant to the Placing, the Company proposes to raise approximately £5.0 million (before expenses).

The Issue Price is equal to the closing mid-market price of 30 pence per Ordinary Share on 26 March 2020 (being the last practicable date prior to the announcement of the Placing). The Placing Shares will represent approximately 28.1 per cent. of the Enlarged Issued Share Capital (assuming all the Placing Shares are issued) and will rank *pari passu* with the Existing Ordinary Shares. The Placing is not being underwritten.

The Placing is conditional, *inter alia*, upon:

- i. the Placing Agreement becoming unconditional in all respects (save for Admission) and not having been terminated;

- ii. the Resolutions being passed at the General Meeting;
- iii. Admission becoming effective by not later than 8.00 a.m. on 20 April 2020 or such later date (being not later than 8.00 a.m. on 22 May 2020) as the Company and finnCap may agree.

Pursuant to the terms of the Placing Agreement, finnCap as agent for the Company, has agreed to use its reasonable endeavours to procure places for the Placing Shares at the Issue Price. The Placing Agreement contains warranties from the Company in favour of finnCap in relation to, *inter alia*, the accuracy of the information contained in the documents relating to the Placing and certain other matters relating to the Company and its business. In addition, the Company has agreed to indemnify finnCap in relation to certain liabilities that they may incur in respect of the Placing.

finnCap may terminate the Placing Agreement in certain circumstances and in the event of a force majeure event or material adverse change occurring at any time prior to Admission.

## 7. Admission

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Conditional upon, *inter alia*, the passing of the Resolutions, it is expected that admission to trading on AIM and dealings in the Placing Shares will commence at 8.00 a.m. on 20 April 2020.

## 8. General Meeting

Set out at the end of the Circular will be a Notice of General Meeting convening a General Meeting of the Company for 11.00 a.m. on 17 April 2020 at which the following Resolutions will be proposed:

- i. Resolution 1 is proposed to grant the Directors authority to allot unissued shares in the capital of the Company up to an aggregate nominal amount of £166,666.67 in respect of the Placing; and
- ii. Resolution 2 is proposed, conditional on passing Resolution 1, to disapply statutory pre-emption rights to empower the Directors to allot equity securities pursuant to the power conferred by Resolution 1 on a non-pre-emptive basis up to a maximum nominal value of £166,666.67 in respect of the Placing.

Section 551 of the Act provides that the directors of a company cannot allot new shares in its capital without the approval of its shareholders. The purpose of Resolution 1 is to give the Directors authority to allot Ordinary Shares for the purpose of the Placing. The purpose of Resolution 2 is to disapply pre-emption rights for the purpose of the Placing.

If passed, these authorities will enable the Directors to effect the Placing in respect of the Placing Shares on a non-pre-emptive basis.

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the Shareholders voting to be passed. Resolution 2 is a special resolution and requires the approval of not less than 75 per cent. of the Shareholders voting to be passed. If the Resolutions are not passed by the requisite majority, the Placing will not proceed.

A copy of this Circular and the Notice of General Meeting will be made available on the Company's website: [www.pcijpal.com](http://www.pcijpal.com).

**You are directed to the statements made in relation to the COVID-19 pandemic set out in section 10 (headed "COVID-19 (Coronavirus)") below. In light of the COVID-19 pandemic, you are strongly advised to vote by proxy and not to attend the meeting in person.**

## 9. Action to be taken

A Form of Proxy for use at the General Meeting will be enclosed with the Circular. If you are a holder of Ordinary Shares you are advised to complete and return the form in accordance with the instructions printed on it so as to arrive at the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event no later than 48 hours before the time fixed for the General Meeting. Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence.

If you hold Existing Ordinary Shares in CREST, no Form of Proxy will be sent to you. Instead, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's Registrar, Link Asset Services so that it is received by not later than 11.00 a.m. on 15 April 2020.

**The Directors strongly advise Shareholders against attending the General Meeting in person and urge Shareholders instead to submit proxy votes as early as possible.**

#### **10. COVID-19 (Coronavirus)**

The Board is closely monitoring the evolving situation in respect of the COVID-19 pandemic and the proposed General Meeting. The health and welfare of the Company's Shareholders as well as its employees and customers is the Company's top priority. The Board will continue to have regard to developments over the coming weeks ahead of the General Meeting.

On 23 March 2020, the UK Government introduced various measures including a requirement that people stay at home, except for very limited purposes, and the stopping of all gatherings of more than two people in public. The Government also announced that the relevant authorities, including the police, would be given enforcement powers, including through fines and dispersing gatherings. The Government indicated that it would look again at these measures after three weeks.

The General Meeting has been convened for a date which is after the end of the three week period referred to in the preceding paragraph. However, the measures which the Government has implemented may well still be in place after the end of such three week period and additional measures or requirements may also apply at that time. Shareholders should therefore note that attendance at the General Meeting may not be lawful.

**The Directors strongly advise Shareholders against attending the General Meeting in person and urge Shareholders instead to submit proxy votes as early as possible.**

Shareholders should continue to monitor and act in accordance with the measures imposed, or guidance issued, by the UK Government. Shareholders should also continue to monitor the Company's website at [www.pcpal.com](http://www.pcpal.com) and announcements for any updates in relation to the General Meeting.

Shareholders should further note that:

- All external advisers have been requested not to attend in person.
- The majority of the Directors will not attend the General Meeting in person.
- It is intended that the meeting will be shorter than may be usual and will be limited to the formal business of the meeting.
- To facilitate remote access to the meeting the Company is investigating whether it can set up a live stream of the event. If such an arrangement is facilitated, details will be made available on the Company's website at [www.pcpal.com](http://www.pcpal.com) and/ or announced through a regulatory news service.
- The Company will continue to monitor advice issued by the Government on COVID-19 and will if appropriate make further announcements through a regulatory news service and on the Company's website at [www.pcpal.com](http://www.pcpal.com).
- If you have questions in connection with the business of the General Meeting, you may submit them to the Company using the email address [ir@pcpal.com](mailto:ir@pcpal.com).

#### **11. Recommendation**

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 1,659,251 Ordinary Shares held, directly or indirectly, by them representing approximately 3.9 per cent. of the total voting rights of the Company.

### **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

	<b>2020</b>
Announcement of the Placing	27 March
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 15 April

General Meeting	11.00 a.m. on 17 April
Announcement of results of General Meeting via Regulatory Information Service	17 April
Admission and dealings in the Placing Shares to commence on AIM	20 April
CREST accounts expected to be credited for the Placing Shares in uncertificated form	20 April

### PLACING STATISTICS

Issue Price	30 pence
Number of Existing Ordinary Shares	42,721,178
Number of Existing Ordinary Shares held in treasury	167,229
Number of Placing Shares	16,666,667
Enlarged Issued Share Capital	59,387,845
Gross proceeds of the Placing	£5.0 million
Net proceeds of the Placing	£4.6 million
ISIN	GB0009737155
SEDOL	0973715

### DEFINITIONS

<b>"Act"</b>	the Companies Act 2006 (as amended from time to time)
<b>"Admission"</b>	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"AIM"</b>	the market of that name operated by London Stock Exchange
<b>"AIM Rules"</b>	the rules for companies with a class of securities admitted to AIM and their nominated advisers governing the admission to and operation of AIM as published by London Stock Exchange from time to time
<b>"Business Day"</b>	a day not being a Saturday or a Sunday or a bank or public holiday in England on which clearing banks are open for business in the City of London
<b>"Circular"</b>	the circular in relation to the Placing to be published on or around 30 March 2020
<b>"Company" or "PCI-Pal"</b>	PCI-Pal plc, a company incorporated in England and Wales under the Companies Act 1985 with registered number 03869545
<b>"CREST"</b>	the Relevant System (as defined by the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined by the CREST Regulations)

<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
<b>"Directors" or "Board"</b>	the directors of the Company, or any duly authorised committee thereof
<b>"Enlarged Issued Share Capital"</b>	the Company's issued share capital immediately after completion of the Placing
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>"Existing Ordinary Shares"</b>	the 42,721,178 existing Ordinary Shares in issue at the date of this announcement (of which 167,229 are held in treasury)
<b>"FCA"</b>	the Financial Conduct Authority
<b>"Financial Promotion Order"</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
<b>"finnCap"</b>	finnCap Ltd, nominated adviser and broker to the Company
<b>"Form of Proxy"</b>	the form of proxy to be enclosed with the Circular for use by Shareholders in connection with the General Meeting
<b>"General Meeting"</b>	the general meeting of the Company to be convened for 11.00 a.m. on 17 April 2020 at the offices of the Company at 7 Gamma Terrace, Ransomes Europark, Ipswich, Suffolk IP3 9FF
<b>"Group"</b>	the Company, its subsidiaries and its subsidiary undertakings
<b>"HMRC"</b>	Her Majesty's Revenue & Customs
<b>"Issue Price"</b>	the price of 30 pence per New Ordinary Share
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Notice of General Meeting"</b>	the notice of the General Meeting to be set out at the end of the Circular
<b>"Ordinary Shares"</b>	ordinary shares of 1 pence each in the capital of the Company
<b>"Placees"</b>	subscribers for Placing Shares
<b>"Placing"</b>	the placing of the Placing Shares to the Placees
<b>"Placing Agreement"</b>	the conditional agreement dated 27 March 2020 between the Company and finnCap relating to the Placing
<b>"Placing Shares"</b>	the 16,666,667 new Ordinary Shares to be issued pursuant to the Placing
<b>"Prospectus Rules"</b>	the Prospectus Rules published by the FCA
<b>"Registrar"</b>	Link Asset Services
<b>"Regulatory Information Service"</b>	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website
<b>"Resolutions"</b>	the resolutions to be set out in the Notice of General Meeting



<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"subsidiaries" and "subsidiary undertakings"</b>	have the meaning set out in section 1162 of the Act
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"VCT"</b>	a Venture Capital Trust under Part 6 of the Income Tax Act 2007
<b>"£" and "p"</b>	pounds and pence sterling, respectively, the lawful currency of the United Kingdom

## **IMPORTANT NOTICES**

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, finnCap, or any of their respective affiliates, agents, directors, officers or employees that would, or which is intended to, permit a public offer of the Placing Shares in any jurisdiction or the possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Persons into whose possession this Announcement comes are required by the Company and finnCap to inform themselves about, and to observe any such restrictions.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Directive) to be published.

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN, IS FOR INFORMATION PURPOSES ONLY, IS NOT INTENDED TO AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR, UNDERWRITE, SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE, SELL, ACQUIRE, DISPOSE OF THE PLACING SHARES OR ANY OTHER SECURITY IN THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR IN ANY JURISDICTION IN WHICH, OR TO ANY PERSONS TO WHOM, SUCH OFFERING, SOLICITATION OR SALE WOULD BE UNLAWFUL.

This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares. Any investment decision to buy Placing Shares in the Placing must be made solely on the basis of publicly available information, which has not been independently verified by finnCap.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares; the relevant clearances have not been and will not be obtained for any applicable body in New Zealand in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Terms & Conditions of the Placing.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

finnCap Ltd is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing. finnCap will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by finnCap or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of Ordinary Shares and any income expected from them may go down as well as up and investors may not get back the full amount invested on disposal of the Ordinary Shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

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