



**1pm plc**  
(the “Group” or the “Company”)

**Placing and Open Offer to raise up to £13.0 million,  
Acquisition  
and further Possible Acquisition**

1pm plc, the AIM listed independent specialist provider of finance facilities to the SME sector, is pleased to announce a Placing and Open Offer for up to £13.0 million, through the issue of up to 28,861,117 new Ordinary Shares at the Issue Price of 45 pence per share. The proceeds of the Fundraising will be used in part to satisfy the cash consideration for the purchase of Tracx Finance Limited, the company that wholly owns Gener8 Finance Limited, a leading invoice finance provider to SMEs. The remaining net proceeds will be used to finance the initial consideration for a further Possible Acquisition and to strengthen the Company’s balance sheet.

**Highlights**

- Placing of 22,000,000 new Ordinary Shares at the Issue Price of 45 pence per Ordinary Share to raise £9.9 million
- Open Offer for up to 6,861,117 Offer Shares on the basis of 1 New Ordinary Share for every 8 Existing Ordinary Shares, at the Issue Price to raise up to £3.1 million
- Acquisition of Tracx Finance Limited including its wholly-owned subsidiary Gener8 Finance Limited for a total cash consideration of £5.25 million
- Heads of terms reached on the Possible Acquisition of another company in the invoice finance sector, with a targeted completion in June 2017
- Establishment of a Commercial Finance division to offer invoice discounting and factoring, thus providing adjacent products to the Company’s existing Asset Finance and Business Loan products
- Proposed appointment of Edward Rimmer to the Board of 1pm plc in the role of Managing Director of the Commercial Finance Division and Chief Executive of Gener8 Finance Limited on Completion

**Ian Smith, 1pm’s CEO, said:** “The successful fundraising to fund both the acquisition of Tracx Finance and the possible second acquisition and the establishment of our new Commercial Finance Division, together represent an important milestone in the ongoing development of the Group and demonstrates the implementation of a key element of the Group’s stated strategic plan. This is to continue to expand our offering to UK SMEs by adding adjacent financial products and services which are complementary to our existing Asset Finance and Business Loans portfolios and which also create significant cross-selling opportunities.

“I am also delighted to announce that the new Commercial Finance Division will be headed by Edward Rimmer, a highly experienced and successful practitioner within the invoice discounting and factoring industry.”

**Edward Rimmer, proposed Managing Director of the Commercial Finance Division, said:** “1pm is well established and respected within the SME Asset Finance industry and I am relishing the opportunity to build the new Commercial Finance Division. The division will help significantly expand the Group’s business both by pursuing a wider range of new customers with a more diversified suite of products and by maximising cross-selling opportunities across the Group’s other two divisions.”

A circular is being posted to shareholders today (the “Circular”). The Circular sets out the background to and reasons for the Fundraising and gives details of the Acquisition and the Possible Acquisition. All capitalised terms in this announcement are as defined in the Circular which will be available on the Company’s website: [www.1pm.co.uk](http://www.1pm.co.uk).

*This announcement contains inside information.*

**For further information, please contact:**

**1pm plc**

Ian Smith, Chief Executive Officer

01225 474230

James Roberts, Chief Financial Officer

01225 474230

**Cenkos (NOMAD)**

Max Hartley, Harry Pardoe (NOMAD), Julian Morse (Sales)

0207 397 8900

**Walbrook PR**

Paul Vann

0117 985 8989

07768 807631

[paul.vann@walbrookpr.com](mailto:paul.vann@walbrookpr.com)

**Introduction**

The Company can today announce that its wholly-owned subsidiary, Onepm Commercial Finance Limited, has exchanged a conditional contract to acquire the entire issued share capital of Tracx Finance Limited including its wholly-owned subsidiary Gener8 Finance Limited for a total cash consideration of £5.25 million.

In order to meet the cash consideration payable on Completion and to provide additional finance for a possible further acquisition, the negotiations of which are at an advanced stage, the Company has also announced today a Fundraising to raise a total of up to approximately £13.0 million (before expenses) by way of:

- a Placing of 22,000,000 new Ordinary Shares at 45 pence per share to the Placees to raise £9.9 million (before expenses); and
- an Open Offer of up to 6,861,117 new Ordinary Shares at 45 pence per share to Qualifying Shareholders to raise up to approximately £3.1 million (before expenses).

The issue price of 45 pence per Placing Share and Open Offer Share represents a discount of 19 per cent. against the Closing Price of 55.5 pence per Ordinary Share at close of trading on 17 May 2017, the last trading day prior to this announcement.

The Acquisition is conditional, *inter alia*, on the Placing being completed. The Company's existing share authorities, which allow it to issue shares on a non pre-emptive basis, are insufficient to allow the Placing and Open Offer to proceed and therefore the Placing and Open Offer are conditional on Shareholders' approval.

By completing the Acquisition and the Possible Acquisition, the Company will be implementing a key element of its stated strategic plan, which is to introduce adjacent products in the form of invoice discounting and factoring, that are complementary to its existing Asset Finance and Business Loan products for UK SMEs. The Company will establish a new Commercial Finance Division to be led by Edward Rimmer. Details of his proposed appointment as its managing director and Board member of the Group are included below.

Further to the announcement made on 22 June 2016, Helen Walker today steps down from the Board of 1pm and all other companies in the Group of which she was a director, having overseen an orderly handover period with James Roberts, the Company's Chief Financial Officer.

The Fundraising is conditional, amongst other matters, on the passing of Resolution 1 at the General Meeting, and is expected to complete at 8.00 a.m. on 8 June 2017, being the expected date of Admission.

### **Background to and reasons for the Acquisitions and Fundraising**

1pm's strategic goals and objectives were set out in the Group Strategic Report in its published financial statements for the year ended 31 May 2016. The stated objectives included management identifying adjacent business lending products in order to provide a 'multi-product' offering for SMEs so that they have a choice of methods to finance their businesses. The Directors believe that Commercial Finance products in the form of invoice discounting and factoring are an obvious adjacent product to be offered alongside the Company's existing Asset Finance and Business Loan products. The Board of Directors of the Company have concluded that the optimal route to introduce these products is to do so through the acquisition of independent, successful, well-run businesses already operating in the sector. The establishment of a new Commercial Finance Division through targeted acquisitions therefore represents an important milestone in the ongoing development of the Group.

The Commercial Finance Division will allow the Group to pursue a wider range of customers with a more diversified suite of products and will therefore accelerate the Group's stated growth strategy. The new Commercial Finance Division will be funded by the net proceeds of the Placing, post funds utilised for the Acquisitions, in order to facilitate the organic growth that management intend to pursue. On completion of the Acquisitions, the Commercial Finance Division is expected to be comparable in size to the Asset Finance and Loans Divisions, with approximately £75 million of receivables, yielding approximately 20 per cent. per annum on approximately £35 million of funds advanced.

Management also believes that there will be significant cross-selling opportunities between the new Commercial Finance Division and the existing Asset Finance and Business Loans Divisions in the Group.

The Directors believe that in established businesses in the Invoice Finance industry it is typical for debt facilities to be provided on a 5:1 basis such that equity can be leveraged 5 times for lending. Thus, for example, £2 million of equity may attract £10 million of debt facility, providing a total of

£12 million to be deployed for lending to existing and new clients of the Acquisitions. The Directors believe that the profits generated from such lending can equate to a 30 per cent. per annum or more return on the original equity provided.

The Board has today agreed to appoint Edward Rimmer to lead the new Commercial Finance Division conditional upon completion of the Acquisition. Mr Rimmer has worked within commercial finance for over 20 years having joined Bibby Financial Services Group in 1995. In 2002, Mr Rimmer was appointed Managing Director of Bibby's newly created company in Manchester, and in 2007 was appointed as UK CEO and main board director of Bibby Financial Services Limited. Mr Rimmer ceased his employment with Bibby Line Group Limited on 31 March 2017 and joined 1pm as a retained consultant with a view to the appointment announced today.

It is the Directors' belief that the Acquisitions will deliver more rapid organic growth under 1pm's ownership, without compromising on credit risk. The Directors believe that the Acquisitions will be earnings accretive within 2 years from completion, will facilitate further growth across the Group through cross-selling and will strengthen the Group's position in the SME finance market. The Directors believe that this should increase shareholder returns, with management targeting over a 15 per cent. per annum return on net assets in the short-term.

Further information on the Acquisitions is set out below. A summary of the principal terms of the Acquisition Agreement and the Placing Agreement are set out in paragraphs 1 and 2 respectively of Part V of the Circular.

In order to finance the consideration for the Target and the initial cash consideration for the second Possible Acquisition, the Directors are conducting a Placing to raise £9.9 million.

The Directors believe that existing Shareholders should also have the opportunity to further invest in the Company at the same price as those institutions who are involved in the Placing and accordingly this announcement sets out the terms of the Open Offer to raise up to approximately £3.1 million.

## **The Acquisitions**

### ***Tracx Finance***

Tracx Finance, trading under the brand of its wholly-owned subsidiary Gener8 Finance Limited, is an invoice finance provider based in Abingdon, Oxford. The business employs 15 staff and predominantly targets clients south of Birmingham. At present Tracx Finance has approximately 140 clients, with approximately a four and a half year average client life, and typically lends between £50,000 and £500,000, with an average of £90,000. Approximately 60 per cent. of new clients are generated through the Target's network of brokers, with the remaining 40 per cent. originated directly.

Tracx Finance charges a range of fees and interest on loans, with recurring annual service fees accounting for approximately half of revenue. Interest is the second largest revenue contributor; typically charged at three to four per cent. per annum and accounting for 15 to 20 per cent. of annual revenue.

Tracx Finance has a strong relationship with its debt finance provider, Lloyds, which has funded the business since it started in 2008. Lloyds currently provides a £12 million back-to-back facility and has consented in writing to the change of control and confirmed in writing its willingness to continue to provide a facility to lend against client invoices under 1pm's ownership.

In the year to 31 December 2016, Tracx Finance generated revenue of £2.6 million and adjusted profit before tax of £0.9 million, lending £12 million on a receivables book of £30 million.

The Directors are of the opinion that the Acquisition will provide, *inter alia*, the following benefits:

- a high quality client portfolio;
- an excellent reputation for client service, with robust back office processes and procedures evidenced by very low levels of historic bad debts;
- a strong EBITDA margin, currently at circa 33 per cent.;
- the opportunity to introduce new clients beyond its current regional focus; and therefore
- an excellent platform from which to implement a controlled expansion strategy.

The CEO and principal shareholder of the Target, Mr. David Richards, will cease his employment with the Target upon Completion. He will, however, be retained as a consultant for a six-month period to work with Mr. Rimmer to complete an orderly handover. Mr. Richards has also committed to invest £200,000 in the Placing.

The consideration for the Acquisition is £5.25 million, payable in cash on Completion.

#### ***Possible Acquisition***

The Company has also agreed heads of terms for the acquisition of another company in the invoice financing sector. These terms include an exclusivity period within which 1pm is currently conducting confirmatory due diligence. The anticipated completion date of this Possible Acquisition is in June 2017 and management regard progress towards completion as satisfactory and on-track.

The company is based in the Northwest of England and has customers across a broad range of industries, to whom it lends between £10,000 and £1 million.

Revenue for the year ended 31 December 2016 was £4.1 million with adjusted profit before tax of £1.1 million. At the end of the period the company had a loan book of £23 million and receivables of £46 million. The Directors believe that it is a stable business, with little investment required post acquisition, and is conservatively run with clear opportunities for growth.

If the Possible Acquisition completes, the Directors believe that it will provide the following benefits:

- a geographical focus which is different and therefore complementary to Tracx Finance, thus establishing a national presence for 1pm's new Commercial Finance Division;
- a similarly highly regarded business known for excellent client service and run by a well-respected management team who will continue to manage the business. The management team will therefore provide support for Mr. Rimmer in managing the enlarged Commercial Finance Division; and
- a similarly good quality client portfolio with a track record of very low bad debts and healthy financial returns.

The Possible Acquisition also has a strong relationship with its back-to-back finance provider, with which it currently has a £25 million facility. This provider has indicated to 1pm's management that it will be willing to continue to provide such facilities, should the Possible Acquisition complete.

The consideration for the Possible Acquisition is expected to be £9 million in total. £4.5 million of the consideration is expected to be paid on completion in cash, with the Company expecting to pay £2.0 million of the balance of the consideration partly in the form of loan notes or cash over a three year period and £2.5 million in the form of an issue of Ordinary Shares based on a three year earn-out conditional on achieving financial performance targets.

There can be no certainty that the Possible Acquisition will complete, nor as to its final terms. A further announcement regarding the Possible Acquisition will be made in due course. Should it not proceed, the Company intends to use the proceeds of the Fundraising allocated for the Possible Acquisition for other similar transactions.

### **The UK invoice finance market**

There are approximately 44,000 companies in the UK using invoice discounting and factoring to finance their businesses. At the end of 2016, there were £22 billion of advances outstanding with these businesses. Whilst there are some large corporate entities that use such financing facilities, 80 per cent. of the companies using such facilities in the UK are SMEs with an annual turnover of up to £5 million. The focus of 1pm's lending through its existing Asset Finance and Business Loans Divisions is to SMEs of this size.

In identifying successful, well-run, invoice finance businesses in the 'small-ticket' segment of the market, which the Directors believe are under-exploited in terms of their growth potential, there is an opportunity, through acquisition, to increase client numbers, revenue and profits in the UK SME market.

### **Use of the proceeds of the Fundraising**

The net proceeds of the Fundraising are expected to be up to approximately £12.2 million. These proceeds will be applied in satisfying the cash consideration payable for the Acquisition and the expected initial cash consideration payable on completion of the Possible Acquisition. The balance of the proceeds of the Fundraising will be used to strengthen the Company's balance sheet thus providing equity to be deployed through the Commercial Finance Division for lending.

### **Current trading and prospects**

The Board is pleased to report that trading in the current financial year to 31 May 2017 is in line with market expectations and is optimistic about achieving further organic growth through the establishment of a Commercial Finance Division alongside the existing Asset Finance and Business Loans Divisions.

### **Directors' participation**

Certain of the Company's directors (Ian Smith, Mike Nolan, James Roberts, John Newman and Julian Telling) have indicated that they intend to participate, in aggregate, £109,800 in the Placing. A further announcement will be made in due course regarding these intentions to subscribe.

### **Details of the Placing and the Open Offer**

1pm is proposing to raise £9.9 million (before expenses) pursuant to the Placing and up to approximately a further £3.1 million (before expenses) pursuant to the Open Offer. The Issue Price of 45 pence per New Ordinary Share represents a discount of 19 per cent. to the Closing Price of 55.5 pence per Ordinary Share on 17 May 2017, the latest Business Day prior to publication of this announcement.

The Placing has conditionally raised a total of £9.9 million through the placing of 22,000,000 Placing Shares. Lombard Odier Investment Managers Group (LOIM), in respect of funds or accounts managed by LOIM entities (“LOIM”), is a substantial shareholder of the Company and has subscribed for 4,959,000 Placing Shares. This subscription constitutes a related party transaction under the AIM Rules as LOIM currently holds approximately 19.0 per cent. of the Existing Ordinary Shares and is therefore a “substantial shareholder” under the AIM Rules. The Directors, having consulted with Cenkos, the Company’s nominated adviser, consider the terms of LOIM’s subscription are fair and reasonable insofar as the Shareholders of the Company are concerned.

The Placing is conditional upon, *inter alia*, the Acquisition becoming unconditional in accordance with its terms, Resolution numbered 1 being passed at the General Meeting (or any adjournment thereof) and Admission occurring no later than 8.00 a.m. on 8 June 2017 (or such later date as the Company and Cenkos shall agree, being no later than 30 June 2017).

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate.

The Open Offer provides Qualifying Holders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

#### **1 Open Offer Share for every 8 Existing Ordinary Shares**

and so on in proportion to any other number of Existing Ordinary Shares then held.

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 34 per cent. following the Fundraising (assuming full subscription under the Open Offer). Qualifying Shareholders who take up their Basic Entitlements in full will suffer a dilution to their interests of 26 per cent. on the same basis.

**Qualifying Shareholders should note that the Open Offer Shares have neither been placed under the Placing subject to clawback under the Open Offer nor have they been underwritten, and that the Placing is not conditional upon the number of applications received under the Open Offer.**

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 8 June 2017 (or such later date, being not later than 8.00 a.m. on 30 June 2017, as the Company and Cenkos may decide):

- the Placing becoming unconditional in all respects;
- the passing of the Resolution numbered 1 at the General Meeting (or any adjournment thereof); and
- Admission becoming effective by 8.00 a.m. on 8 June 2017 (or such later time or date not being later than 8.00 a.m. on 30 June 2017 as the Company and Cenkos may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

***Excess applications***

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 6,861,117 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 6,861,117 Open Offer Shares, applications for Excess Entitlements will be scaled back accordingly.

However, applications for Excess Entitlements will be rejected if and to the extent that acceptance would result in a Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

Placees who are Qualifying Shareholders will also be entitled to participate in the Open Offer.

**Qualifying Shareholders should note that the Open Offer is not a rights issue.** Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

***Settlement and dealings***

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 8 June 2017. Further information in respect of settlement and dealings in the New Ordinary Shares is set out in Part III of the Circular.

***Overseas Shareholders***

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of the Circular.

***CREST instructions***

Application has been made for the Basic Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Basic Entitlements will be admitted to CREST on 19 May 2017.

The Excess CREST Open Offer Entitlements will also be admitted to in CREST on 19 May 2017. Applications through the CREST system may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Holder an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to you) is enclosed with the Circular. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for



application set out in paragraph 3 of Part III of the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 6 June 2017.

If you are a Qualifying CREST Holder, no Application Form is enclosed with this Circular but you will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement and if appropriate your Excess Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part III of the Circular. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 6 June 2017.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 6 June 2017. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Basic Entitlement or have your Basic Entitlement to your stock account in CREST.

**If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

#### **Dividend**

The Directors keep the Company's dividend policy continually under review. The Directors are committed to a progressive dividend policy whilst also pursuing the stated strategy for growth, both organically and through earnings-enhancing acquisitions. The Directors believe that this balanced approach is the best way for the Company to deploy its resources for the foreseeable future, in pursuit of total shareholder return.

#### **Board appointment**

Edward Rimmer will join the Board of the Company on Completion to lead the Commercial Finance Division.

Edward Rimmer joined Bibby Financial Services in 1995 as a Graduate Trainee based in the Slough office. He forged a successful career in sales, before moving into management to head up the sales team at the newly created Bibby office in Hastings. In 2002, he was promoted to Managing Director of a new start company in Manchester which became the most successful in the Bibby Financial Services Group from a sales and risk management perspective. In 2005, he was promoted to Regional Managing Director overseeing the Liverpool, Manchester and Leicester operations before being appointed as UK CEO in 2007.

During his time in this role, profitability doubled from £16m to £32m with sales increasing by 50 per cent. After 5 years as UK CEO, he was offered another challenge internally within the Bibby Group to lead the Ship Management business, where a growth strategy as a niche operator in the oil and gas market was successfully delivered resulting in the company being sold in 2016 to the market leader, V Group Ltd.

Edward John Rimmer, aged 44, has been a director of the following companies within the past 5 years: Bellatrix Ship Management Group Limited, BFS Corporate Financial Solutions Limited, Bibby

ACF Limited, Bibby Asset Finance Limited, Bibby Factors Bedford Limited, Bibby Factors Borehamwood Limited, Bibby Factors Bristol Limited, Bibby Factors International Limited, Bibby Factors Leicester Limited, Bibby Factors Limited, Bibby Factors Manchester Limited, Bibby Factors NorthEast Limited, Bibby Factors NorthWest Limited, Bibby Factors Slough Limited, Bibby Factors Sussex Limited, Bibby Factors Wessex Limited, Bibby Factors Yorkshire Limited, Bibby Financial Services Limited, Bibby FS (Holdings) Limited, Bibby Invoice Discounting Limited, Bibby Leasing Limited, Bibby Management Services Limited, Bibby Factors Scotland Limited, Bibby Revolving Finance Limited, Bibby Supply Chain Services Limited, Bibby Trade Factors Limited, Bibby Trade Services Limited, Bibby Transactional Finance Limited, Bibby UK Travel, Cashflow UK Limited, Direct Workforce Limited, Factoring UK Group Limited, System Group Limited, System Training Limited and V.Ships (Liverpool) Limited. Edward Rimmer was a director of System Training Limited when it was dissolved by voluntary strike off.

Mr Rimmer has no current directorships. There are no other matters to be announced as required under paragraph (g) of Schedule 2 of the AIM Rules.

On Admission, the Board will comprise four executive and three non-executive directors as follows:

John Newman	<i>Non-executive Chairman</i>
Ian Smith	<i>Chief Executive Officer</i>
James Roberts	<i>Chief Financial Officer</i>
Mike Nolan	<i>Managing Director, Asset Finance Division</i>
Edward Rimmer	<i>Managing Director, Commercial Finance Division</i>
Ron Russell	<i>Non-executive Director</i>
Julian Telling	<i>Non-executive Director</i>

#### **The 1pm Long Term Incentive Plan 2017**

The Remuneration Committee has undertaken a review of the Company's existing executive incentives to ensure that they are aligned with 1pm's commercial strategy and the interests of Shareholders. Following the review, the Remuneration Committee proposes the introduction of the 1pm plc Long Term Incentive Plan 2017 as a replacement to the Company's existing long term incentive arrangements, with the intention of placing greater emphasis on the long-term performance of the business.

A summary of the principal features of the Plan is set out in paragraph 3 of Part V of the Circular.

#### **General Meeting**

The Circular will contain a notice convening the General Meeting to be held at Francis Hotel, Queens Square, Bath BA1 2HH, at 1.00 p.m. on 7 June 2017 at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

- a) to authorise the Directors to allot the New Ordinary Shares for the purposes of the Placing and Open Offer (special resolution);
- b) subject to Admission, to generally authorise the Directors to allot relevant securities having an aggregate nominal value of up to £2,791,668 or, if lower, an aggregate nominal value of up to one third of the nominal value of the Enlarged Share Capital (ordinary resolution);
- c) to waive statutory pre-emption rights in respect of the allotment of equity securities pursuant to the allotment authority referred to in paragraph (b) above having an aggregate

nominal value of up to £837,500 or, if lower, an aggregate nominal value of up to 10 per cent. of the nominal value of the Group (special resolution); and

d) to approve and adopt the Plan (ordinary resolution).

### Placing and Open Offer Statistics

Number of Existing Ordinary Shares in issue	54,888,935
Basic Entitlement under the Open Offer	1 Open Offer Share for every 8 Existing Ordinary Shares
Issue Price of each New Ordinary Share	45 pence
Discount to market price of 55.5 pence per Existing Ordinary Share <sup>1</sup>	19 per cent.
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders	6,861,117
Number of Placing Shares to be issued pursuant to the Placing	22,000,000
Expected proceeds of the Open Offer (before expenses)	up to £3.1 million
Expected proceeds of the Placing (before expenses)	£9.9 million
Expected proceeds of the Fundraising (before expenses)	up to £13.0 million
Enlarged Share Capital following Admission <sup>2</sup>	83,750,052
Percentage of Enlarged Share Capital represented by the Placing Shares <sup>2</sup>	26.3 per cent.
Percentage of Enlarged Share Capital represented by the Open Offer Shares <sup>2</sup>	8.2 per cent.
Estimated net proceeds of the Fundraising	up to £12.2 million
Market Capitalisation of the Company following the Fundraising at the Issue Price <sup>2</sup>	£37.7 million

*Notes:*

1. Based on the Closing Price on 17 May 2017, being the last practicable date prior to this announcement.
2. Assuming full subscription under the Open Offer.

### Expected Timetable of Principal Events

Record Date for the Open Offer	6.00 p.m. on 15 May 2017
Announcement of the Placing and Open Offer, publication and posting of this document, the Application Form and Form of Proxy	18 May 2017
Existing Ordinary Shares marked as ex-entitlement by the London Stock Exchange	8.00 a.m. on 18 May 2017
Basic Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Holders	19 May 2017
Recommended latest time for requesting withdrawal of Basic Entitlements from CREST	4.30 p.m. on 31 May 2017
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3.00 p.m. on 1 June 2017
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 2 June 2017
Latest time and date for receipt of Forms of Proxy	1.00 p.m. on 5 June 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 6 June 2017
General Meeting	1.00 p.m. on 7 June 2017
Announcement of result of the General Meeting and Open Offer	7 June 2017
Admission and commencement of dealings of the New Ordinary Shares and completion of the Acquisition	8.00 a.m. on 8 June 2017
New Ordinary Shares credited to CREST stock accounts	8 June 2017
Despatch of definitive share certificates for New Ordinary Shares	Week commencing 19 June 2017

*Notes:*

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (iv) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of their Application Form. Calls to the Neville Registrars' help lines are charged at your provider's standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

*Capitalised terms used in this announcement have the meanings given to them in the Circular.*