



**29 June 2017**

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

**Acquisition of Positive Cashflow  
for up to £9.0 million in cash and shares;**

**Second acquisition for recently established Commercial Finance Division;**

1pm plc, the AIM listed independent specialist provider of finance facilities to the SME sector, is pleased to announce that it has today completed the acquisition of Positive Cashflow Finance (Holdings) Limited and its trading subsidiary Positive Cashflow Finance Limited (together “Positive Cashflow”), the factoring and invoice financing provider (the “Acquisition”).

The consideration for the Acquisition, which was described as the ‘Possible Acquisition’ in the circular sent to shareholders on 18 May 2017, will be up to £9.0 million, as previously disclosed. This will be satisfied by the payment of £4.3 million in cash on completion, a further £2.2 million in 5% loan notes redeemable in quarterly payments over the 13 calendar quarters following completion of the Acquisition, commencing on 30 September 2017 and up to £2.5 million in new ordinary shares at 60 pence per share based on a three year earn-out, conditional on achieving certain financial performance targets.

Positive Cashflow is a Manchester-based business which provides invoice finance facilities of between £10,000 and £1 million to businesses across a broad range of industries. The company has over 190 customers and employs 24 members of staff at offices in Manchester and Birmingham. Positive Cashflow is highly regarded within the industry, has a good quality client portfolio and a track record of healthy financial returns. Revenue for the year ended 30 November 2016 was £4.1 million with adjusted profit before tax of £1.1 million. As at 30 November 2016, the company had a loan book of £23 million and receivables of £46 million. The management team, led by David Smith, is highly experienced and well respected and will continue to manage the business within the 1pm group following the Acquisition.

Positive Cashflow is the second acquisition in 1pm’s recently established Commercial Finance division which is headed by Ed Rimmer. The Directors believe that Positive Cashflow, which services clients predominantly in the North and Midlands will complement Gener8 Finance, which was acquired by the Group in May 2017 and which services clients predominantly in the South. Following the Acquisition, the Commercial Finance Division will be comparable in size to the Group’s Asset Finance and Loans divisions and as such represents an important and material part of the Group’s growth strategy.

**Ian Smith, 1pm’s CEO, said:** “Following on from last month’s acquisition of Gener8 Finance, the acquisition of Positive Cashflow now completes the establishment of the group’s new Commercial Finance division and is a key step in the implementation of our strategy to provide a comprehensive range of business finance products to SMEs. 1pm now provides Asset Finance, Invoice Finance and Business Loans to the SME sector throughout the UK, acting both as a funder with approximately

£120 million of own-book lending, and as an established broker to other funders. Our range of products and flexible offering provide a strong base for continued growth.”

**Ed Rimmer, Managing Director of the Commercial Finance Division, said:** “I am delighted to welcome David Smith and his team into the 1pm plc group. Positive Cashflow Finance is a well-known name in the invoice finance world, particularly in the North, and the business has developed a strong reputation for providing a high level of flexible and personal service to its clients and introducers. I am looking forward to working with the team and helping to take the business through its next stage of development as part of the exciting growth plans that the 1pm group has for the future”.

**David Smith, Managing director of Positive Cashflow, said:** “We are delighted to join the 1pm plc group. 1pm’s extensive product offering will greatly enhance our ability to continue to provide outstanding service to our existing and future clients. We are also delighted to have the opportunity of working with Ed Rimmer to take the newly established Commercial Finance Division forward.”

*This announcement contains inside information.*

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