

Grafenia plc

Bond Issue

RNS Number : 8701A

Grafenia plc

27 September 2022

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.

27 September 2022

Grafenia plc
("Grafenia", the "Company" or the "Group")

Bond Issue

Grafenia plc (AIM: GRA) is pleased to announce that the Company has issued further bonds (the "Bonds") via the perpetual bond facility put in place in July 2020. The Company has issued £5.0 million of the Bonds, at nominal value, to investors, raising approximately £4.25 million before expenses. The key terms of the Bonds that have been issued are:

- amount issued - £5.0 million;
- issued at 85% of their nominal value;
- no interest until July 2023;
- thereafter, interest of 6% per annum payable annually in arrears;
- trade date of 27 September 2022 and settlement date of 29 September 2022;
- redeemable by the Company on 19 July 2023 or any anniversary thereafter;
- admitted to trading in the Open Market on the Frankfurt Stock Exchange with ISIN DE000A28ZF69 and stock exchange abbreviation PF5A;
- non-convertible;
- unsecured - to rank pari passu with any past and future bonds.

The Bond was arranged by the Company's Settlement and Paying Agent Quirin Privatbank AG ("Quirin").

The net proceeds of the Bonds issued will be used to support the Company's acquisition strategy.

Related party transaction

Investmentaktiengesellschaft für langfristige Investoren TGV ("InvAG") is a Mutual Fund organised as an umbrella investment company with sub-funds and has subscribed for Bonds to the value of £800,000 at nominal value (a "Related Party Transaction"). InvAG is a related party of the Company for the purposes of the AIM Rules as it holds more than 10 per cent. of the ordinary shares of the Company, being 29.20 per cent.

JMX Capital GmbH, which is wholly owned by Jan-Hendrik Mohr the Company's Chairman, provides investment advice to Fiducia Treuhand AG, which in turn advises InvAG. As such, Mr Mohr is not considered independent for the purposes of the opinion required under the AIM Rules for the Related Party Transactions.

The Directors, excluding Jan Mohr, having consulted with the Company's Nominated Adviser, Allenby Capital, consider that the terms of the Related Party Transaction with InvAG are fair and reasonable insofar as the Shareholders are concerned.

Gavin Cockerill, Acting CEO of Grafenia commented "The funds being raised via the bond placing are for the acquisition of Vertical Plus Limited and other potential acquisitions we currently have in the pipeline, with a

combined Turnover of c£4.0m, adjusted EBIT of c£1.3m and valuations typically between 4 and 5 times adjusted EBIT. It's an important first step in our acquisition strategy, now focussed on software businesses."

Market Abuse Regulation (MAR)

MAR came into effect from 3 July 2016. Market soundings, as defined in MAR, were taken in respect of the Bonds with the result that certain persons became aware of inside information, as permitted by MAR. That inside information was disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR and was set out in the Company's announcement on 22 September 2022. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

For further information:

Grafenia plc

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Allenby Capital Limited (Nominated Adviser and broker) 0203 328 5656

David Hart / Piers Shimwell

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