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## **Proxama Plc**

### **£8.6 million placing to fund significant growth opportunities**

Proxama Plc (AIM: PROX, the "Company"), which provides mobile commerce, loyalty and payment solutions, has placed 344,000,000 new ordinary shares of 1 pence each ("Ordinary Shares") at a price of 2.5 pence per share to raise approximately £8.6 million before expenses ("Placing") to support the Company's geographic and commercial expansion.

Proxama helps businesses to accelerate commerce by combining loyalty, brand marketing and mobile contactless payments. By connecting the physical and digital worlds businesses such as retailers, brands and Out-of Home media owners can engage with consumers to increase loyalty, pay for goods and services and receive relevant offers through their mobile phones.

## **Highlights**

- £8.6 million to be raised pursuant to a placing of 344,000,000 shares at a price of 2.5 pence per share ("Placing Price")
- The net proceeds of the Placing will be used to support:
  - o Geographic and commercial expansion
  - o Sales and marketing initiatives
  - o Further product development
  - o Implementation of strategic partnership plans
  - o Scaling of the Company's Software as a Service (SAAS) platform
- The Placing is in two stages:
  - o the placing of 307,200,000 of the Placing Shares (the "Tranche One Placing") can be effected within existing shareholder authorities and is therefore primarily conditional only on admission of those Placing Shares to trading on AIM ("First Admission");
  - o the placing of the remaining 36,800,000 Placing Shares (the "Tranche Two Placing") requires the Company to obtain additional authorities to allot and is therefore also conditional on requisite shareholder approval being obtained as well as admission of those Placing Shares to trading on AIM (the "Second Admission")
- First Admission and completion of the Tranche One Placing is expected to take place on 6 December 2013

· A general meeting of shareholders of the Company is to be convened for 6 January 2013 and, assuming the relevant resolutions are passed, Second Admission and completion of the Tranche Two Placing is expected to take place on 9 January 2014

**Commenting on the Placing, Neil Garner, Proxama's Chief Executive, said:**

***"These additional funds will enable us to address the considerable opportunities that are emerging as the fast growing mobile commerce, NFC smartphone and contactless payments markets reach critical mass globally. With a highly scalable platform and blue chip customer base, we are well positioned for further growth.***

***"The success of today's Placing demonstrates the clear recognition and support by both existing and new shareholders of the potential of Proxama to deliver strong capital returns to our investors. We look forward to further leveraging our high margin business model and multiple revenue streams as we continue to develop our key partnerships across the mobile commerce value chain and build on our global foothold in this exciting sector."***

#### **Enquiries**

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#### **Background to the Proxama Business**

Proxama is a provider of mobile commerce, loyalty and payment solutions. Proxama uses Near Field Communications technology to connect the physical and digital worlds through enabling consumers to pay for goods and services, participate in and benefit from loyalty programmes and access information and marketing material through their mobile phones.

NFC is already widespread with train tickets (such as the London based Oyster Card), access to buildings and increasingly cashless payments all enabled using NFC technology. Proxama is seeking

to integrate these and other types of services within a mobile phone. Its technology, products and platforms enable consumers to launch secure mobile wallets, connect with brands, receive promotional offers and make contactless payments through simply tapping their NFC mobile phone on a card reader or other physical media.

The Directors believe that NFC is poised to grow rapidly in coming years. Nine out of the top ten handset manufacturers already have NFC enabled handsets commercially available with all of the major payments networks supporting NFC (including Visa, Mastercard and American Express). It is predicted that by 2015, 50 per cent. of smartphones will be NFC enabled (compared to 5 per cent. in 2011) and 78 per cent. of point of sale terminals in Europe and 86 per cent in North America will be NFC ready by 2017.

Proxama uses its expertise to develop NFC solutions for its customers both on a fee for service and pay per tap basis, in three key areas:

1. Mobile proximity marketing;
2. Loyalty; and
3. Secure mobile contactless payments.

Working with card issuers, mobile network operators, handset manufacturers, brands, agencies and out-of-home media companies, Proxama enables its partners and clients to rapidly launch payment services and location-based marketing campaigns worldwide. Proxama's key achievements to date include:

- in partnership with MasterCard®, Proxama launched the first prepaid mobile contactless payment solution in the UK;
- Proxama's Mobile Reference Kit has been used by card issuers and terminal vendors to help ensure they are compliant with the latest MasterCard® specifications for mobile contactless payments;
- Global TapPoint® license and distribution agreements with Nokia, Diageo, EE and The Logic Group;

- Proxama's NFC mobile wallet technology is being deployed by some of the largest financial institutions in the world, including Barclays Global and US MNO joint venture ISIS; and
- Proxama has secured a position as a TrustZone® partner of ARM® - and ARM's new spin-out joint venture, Trustonic - making possible the next generation of highly secure m-commerce.

More recently, the Company has announced:

- on 28 October 2013, that it had been selected by CBS Outdoor, the global outdoor advertising company, as its NFC technology platform partner. CBS Outdoor will use the TapPoint platform for campaign content management and reporting for its entire outdoor media estate; and
- on 30 September 2013, that it had entered into an agreement with Posterscope, a leading out-of-home communications agency. The agreement, lasting for a period of three years, will enable Posterscope to use Proxama's platform to deliver a real-time web based reporting and content management solution.

Proxama has also executed over 600 proximity marketing campaigns globally, including an award-winning

NFC marketing campaign for Nokia and VOX cinemas, the first UK NFC outdoor media campaign for the

launch of the X-Men: First Class movie and the UK's first NFC consumer marketing campaign with Orange

and EAT.

### **Background to, and reasons for, the Placing**

Proxama Solutions Limited implemented its strategy to gain access to funds to help fund the growth of Proxama's business through its reverse into Longships plc in August 2013. The Company stated in its AIM admission document and subsequently at the time of its half yearly results in September 2013 that it planned to raise additional funds through a placing of shares in subsequent months to help it to execute its global ambitions and take advantage of the expected rapid growth of NFC.

The Company plans to use the net proceeds of the Placing for product development, sales and marketing and support. In particular the funds will be used for geographic and commercial

expansion, roadmap development, scaling of its SAAS platform and implementation of its strategic partnership plans.

## **Placing**

The Placing is in two stages:-

- the Tranche One Placing can be effected within existing shareholder authorities and is therefore primarily conditional only on First Admission;
- the Tranche Two Placing requires the Company to obtain additional authorities to allot and is therefore also conditional on requisite shareholder approval being obtained as well as Second Admission.

Conditional on First Admission, the Company has issued 307,200,000 new Ordinary Shares (the "Tranche One Placing Shares") which will raise £7.68 million. The Tranche One Placing Shares have been conditionally placed by Peel Hunt, as agent for the Company, with institutional and other investors in accordance with the terms of the placing agreement entered into with the Company.

Application has been made for the Tranche One Placing Shares to be admitted to trading on AIM and dealings are expected to commence on 6 December 2013.

Conditional on the obtaining of requisite shareholder approvals and Second Admission, the Company has issued 36,800,000 new Ordinary Shares (the "Tranche Two Placing Shares") which will raise a further £870,000. The Tranche Two Placing Shares have been conditionally placed by Peel Hunt, as agent for the Company, with David Bailey, White Angle Limited (a company owned by Gavin Breeze) and one other investor in accordance with the terms of the placing agreement entered into with the Company.

Application will be made for the Tranche Two Placing Shares to be admitted to trading on AIM. Subject to the requisite shareholder approvals have been obtained, dealings are expected to commence on 9 January 2014.

The Placing Shares issued pursuant to the Placing will represent approximately 42.5 per cent. of the share capital of the Company as enlarged by the Placing. The Placing Price represents a discount of 41.2 per cent. to the closing mid-market price of 4.25 pence per Ordinary Share as at 2 December 2013 (being the latest practicable date prior to the date of this announcement).

## **Shareholder approval for the Tranche Two Placing**

The Tranche Two Placing is conditional on seeking and obtaining the requisite additional authorities from shareholders needed in order to allot the Tranche Two Placing Shares. A circular to shareholders convening the requisite general meeting ("General Meeting") is expected to be posted shortly, with the General Meeting expected to take place on 6 January 2014. Assuming the requisite

resolutions are passed, it is expected that Second Admission will take place and the Second Tranche Placing will be completed on 9 January 2014.

#### **Director's Participation in the Placing**

Both David Bailey and Gavin Breeze (through his investment company, White Angle Limited), currently directors of the Company, are participating in the Placing and details of their participation are set out below. Both are participating only in the Second Tranche Placing.

#### **Effect of the Placing on holdings of the Concert Party and other Directors**

At the time of the Reverse Takeover, certain existing shareholders of Company were deemed to be a concert party ("Concert Party") for the purposes of the UK Takeover Code ("Code"). Of the members of the Concert Party, only Gavin Breeze is subscribing in the Placing.

Details of the current holdings and holdings of members of the Concert Party and of the Company's Directors following First Admission and Second Admission are set out below.

#### **Concert Party**

Name	Position in the Company	Current Shareholding	%	Placing Shares	Holding on Admission	% of Issued Share Capital
Neil Garner	CEO	119,761,130	25.7	-	119,761,130	14.8
Miles Quitman	Managing Director	14,101,926	3.0	-	14,101,926	1.7
Coen van Breda	CFO	-	-	-	-	-
Gavin Breeze*	Non-executive Director	126,006,651	27.1	20,000,000	146,006,651	18.0
Chris Chapman	-	20,205,744	4.3	-	20,205,744	2.5
Tessa Ogden	-	3,367,624	0.7	-	3,367,624	0.4

\* the interests of Gavin Breeze include interests held directly or through White Angle Limited

#### **Other Directors**

Details of participation by other directors who are not included in the concert party are set out below.

Name	Position	Current Shareholding	%	Placing Shares	Holding on Admission	% of Issued Share Capital
David Bailey**	Chairman	6,024,126	1.3	4,800,000	10,824,126	1.3

\*\* The interest of David Bailey is held directly or through a self-invested personal pension plan.

### **Disclosure and Transparency Rules**

Following First Admission of the Tranche One Placing Shares, in accordance with Disclosure and Transparency Rules, the Company's issued voting ordinary share capital will comprise 772,433,630 Ordinary Shares of 1 pence each. No shares are held in treasury.

Following First Admission, the above figure may be used by shareholders as a denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Proxama under the FCA's Disclosure and Transparency Rules.

The Company will make a further announcement at the time of Second Admission for the purposes of confirming the impact of the Tranche Two Placing under the Disclosure and Transparency Rules.