

Neither this announcement nor any part of it constitutes an offer to sell or issue or the solicitation of an offer to buy, subscribe or acquire any securities in any jurisdiction in which any such offer or solicitation would be unlawful and the information contained herein is not for publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, South Africa or any jurisdiction in which such publication or distribution would be unlawful.

Proxama Plc

("Proxama" or the "Group" or the "Company")

Proposed placing of between 147,600,000 and 160,000,000 new Ordinary Shares at 2.5 pence per share, raising between £3.7m and £4.0m

Possible Acquisition of Aconite Technology Limited

and

Notice of General Meeting

ProxamaPLC (AIM: PROX), the global platform provider of mobile proximity marketing, mobile wallet and payment solutions is pleased to announce the proposed placing of between 147,600,000 and 160,000,000 new Ordinary Shares in the Company ("Placing Shares") at 2.5 pence per share, raising gross proceeds of between £3.7 million and £4.0 million and possible acquisition of the entire issued share capital of Aconite Technology Limited ("Aconite") (the "Possible Acquisition").

Highlights:

- Proposed placing with institutional shareholders to support the growth of the Company (the "Placing").
- The Placing is conditional on, inter alia, shareholder approval at a General Meeting of the Company but (save for the Elderstreet Placing, referred to below) is not conditional on the successful completion of the Possible Acquisition.
- Possible acquisition of Aconite, a leading provider of EMV transaction processing, chip lifecycle, NFC mobile and PIN management software solutions, to be satisfied by:
 - The allotment and issue of an initial £2.06 million in Proxama shares.
 - Followed by a potential £1.75 million earn-out payment in Proxama shares or cash, at the discretion of the Company's board of directors.

Gross proceeds from the Placing will be used for:

- The working capital requirements of the Group (including of Aconite, for its debt repayment requirements and product integration if the Possible Acquisition completes).
- The purchase of proximity marketing hardware to support the first phase of roll-out of the Exterior Bus Media Network and further investment into sales and marketing capability.

Strategic rationale for the possible acquisition of Aconite:

- The combined Proxama/ Aconite platform would provide a complete end-to-end solution for card issuers to migrate from magnetic stripe cards chip cards, and from contactless chip cards to mobile devices.
- Aconite's platform is already proven, scalable and card scheme and PCI compliant. It already enjoys significant integration within major card issuers' systems, improving the banks' confidence and trust in the combined offering.
- Proxama and Aconite's operations are conducted in complementary geographic locations throughout Europe, Africa and, increasingly, the USA.
- The Directors believe that the USA EMV market would generate substantial licence and recurring support revenues from Aconite solutions for migration from magnetic strip cards, as the US market is in the process of upgrading cards & terminals, presenting a significant market opportunity.
- There would also be synergies in forward product roadmap investment for NFC mobile card issuance.

Commenting on the acquisition Neil Garner, CEO of Proxama said:

"The success of today's Placing demonstrates the clear recognition and support by shareholders of the potential of Proxama to deliver strong capital returns to our investors. These additional funds will enable us to address the considerable opportunities that are emerging within the fast growing mobile commerce, NFC smartphone and contactless payments market.

The possible acquisition of Aconite would provide a complementary fit into our operations and would integrate well into our CardGateway® platform to provide a complete end-to-end solution for card issuers to migrate from cards to mobile devices. We believe putting our two organisations together would create a potential opportunity to accelerate our development across Europe and the USA as

well the chance to cross sell to the combined customer base. We are looking forward to working with them to achieve this."

A circular will be sent to shareholders giving notice of a General Meeting of Proxama to be held at the offices of Bird & Bird LLP, 15 Fetter Lane, London, EC4A 1JP on 28 November 2014 at 11.00 a.m. A copy of the circular will be posted to shareholders shortly and will be available on the Company's website: www.proxama.com

Capitalised but undefined terms shall have the meaning given to them in the definitions appearing in the circular.

Enquiries:

For further Information:

Proxama PLC Neil Garner, Chief Executive Miles Quitmann, Chief Commercial Officer Coen van Breda, Chief Financial Officer	020 7959 2298
Peel Hunt LLP (Nominated Adviser and Broker) Richard Kauffer Edward Fox	020 7418 8900
Cadogan PR Alex Walters	0207 499 5002 07771713608

The following text has been extracted from the circular:

INTRODUCTION

Proxama is pleased to announce that the Company has entered into an agreement for the conditional placing of up to 160,000,000 new Ordinary Shares of 1 pence each in the Company at a price of 2.5pence per share to raise approximately £4.0 million before expenses.

The Company also announced that it has entered into non-binding heads of agreement for the possible acquisition by the Company of the entire issued and to be issued share capital of Aconite Technology Limited. The Possible Acquisition is subject to the completion of appropriate legal and

financial due diligence and the agreement of definitive terms of the Possible Acquisition, which are currently under negotiation. At this stage, there can be no certainty that the Possible Acquisition will proceed on terms acceptable to the Board, or at all.

The Placing is being undertaken so as to support the Company's geographic and commercial expansion and whether or not the Possible Acquisition completes, its proceeds will also be used towards the working capital requirements of the Group.

Although the Placing (save for the Elderstreet Placing), is not conditional on completion of the Possible Acquisition, it is subject to the passing by Shareholders of the Resolutions in order to grant the requisite authorities to the Directors to allot the Placing Shares. This is because the aggregate number of Placing Shares to be issued pursuant to the Placing exceeds those which the Board currently has the authority to allot on a non pre-emptive basis. The Board considered the merits of offering the Placing Shares to existing Shareholders, but concluded that the costs associated with making such an offer to all Shareholders on a pre-emptive basis would be disproportionate and would not provide sufficient certainty in relation to the likely take-up.

The Placing is being effected in three stages as follows:

- pursuant to the Tranche One Placing, a total of 130,925,040 new Ordinary Shares will be subscribed by institutional and other investors (including certain directors of the Company), raising £3,273,126 for the Company before expenses. The Tranche One Placing is conditional on the passing of the Resolutions and completion is expected to take place immediately following the Resolutions being passed;
- pursuant to the Tranche Two Placing, a further 16,674,960 new Ordinary Shares will be subscribed by institutional and other investors, raising a further £416,874 for the Company. The Tranche Two Placing is also conditional on the passing of the Resolutions. However, completion of the Tranche Two Placing will not take place until 10 December 2014. This is in order to enable the Tranche Two Placing Shares to constitute qualifying securities for the purposes of VCT legislation; and
- pursuant to the Elderstreet Placing, a further 12,400,000 new Ordinary Shares may be subscribed by Elderstreet, raising a further £310,000 for the Company. Elderstreet is an existing shareholder of Aconite and has only agreed to participate in the Placing in the event that the Possible Acquisition proceeds. The Elderstreet Placing is therefore conditional on the passing of the Resolutions and on definitive terms for the Possible Acquisition being agreed and the Possible Acquisition proceeding to completion.

Subject to the requisite shareholder approvals being obtained, application will be made for the Tranche One and Tranche Two Placing Shares to be admitted to trading on AIM and dealings are expected to commence on 1 December 2014 and 10 December 2014 respectively.

The Placing Shares are not being offered to Shareholders on a pre-emptive basis because the Board has concluded, having taken appropriate advice, that it is not in the best interests of the Company to make such a pre-emptive offer due to the time and cost involved. The making of a pre-emptive offer would require the production of a prospectus which would have to comply with the Prospectus Rules and be pre-vetted and approved by the UK Listing Authority.

INFORMATION ON PROXAMA

Proxama is a global mobile proximity commerce platform company. Proxama's CardGateway® platform allows banks and financial institutions to securely transition their card portfolio onto mobile for contactless payments at retail terminals. Proxama's award winning TapPoint® platform connects physical and digital media assets via mobile to increase consumer engagement, retail sales and loyalty.

Proxama works with a number of mobile proximity technologies, in particular NFC and Bluetooth to enable consumers to tap physical items to interact and automatically receive content based on purely their proximity to a physical media asset. NFC is already widespread with train tickets (such as the London based Oyster Card), access to buildings and increasingly contactless payments all enabled using NFC technology. Significant recent market developments include the inclusion of NFC in Apple's iPhone 6 and Transport for London allowing contactless payment cards to be used for travel in London on the underground and bus network.

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.

Proxama is in detailed negotiations with Exterior to roll out Proxama's mobile proximity marketing network to support an enriched consumer experience and enhanced marketing opportunity for advertisers across transport in the UK, starting with Exterior's Nationwide UK Bus fleet. Exterior is also seeking to enhance its wider asset base, which extends from the London Underground to seven countries spanning Europe and Asia. Exterior has substantial collateral, experience and relationships in this area have already undertaken projects together with Proxama in Aberdeen and Norwich giving Exterior the confidence this will be an important revenue opportunity in 2015 and beyond.

On 21 October 2014, the Company entered into non-binding heads of agreement with the majority shareholders of Aconite regarding the possible acquisition of the entire issued and to be issued share capital of Aconite.

The core business of Aconite comprises an established card issuance and transaction processing software business with a proven track record in EMV payments over a period of 12 years. Aconite

has existing customer relationships with global financial card issuers and processors, where its software is integrated into the core operational processes for issuing and managing millions of cards.

According to its management accounts, the Aconite business has net asset value of £(1.6 million), generated revenues of approximately £1.75 million, made a gross profit of approximately £1.5 million and recorded an EBITDA loss of approximately £0.8 million for the year ended 31 March 2014. It has existing contracted revenues of approximately £7.3 million for the next five years. The business is expected to be cash generative from January 2015, with a strong sales pipeline potentially worth £17.5 million over the next 5 years. Should the Company proceed with the acquisition of Aconite, the Possible Acquisition is expected to have the following benefits for the Company:

- the combined Proxama/Aconite platform would provide a complete end-to-end solution for card issuers to migrate from magnetic stripe cards chip cards, and from contactless chip cards to mobile devices;
- Aconite's platform is already proven, scalable and card scheme and PCI compliant. It already enjoys significant integration within major card issuers' systems, improving the banks' confidence and trust in the combined offering;
- Proxama and Aconite's operations are conducted in complementary geographic locations throughout Europe, Africa and, increasingly, the USA;
- the Directors believe the USA EMV market would generate substantial licence and recurring support revenues from Aconite solutions for migration from magnetic strip cards as the us market is in the process of upgrading cards & terminals, presenting a significant market opportunity; and
- there would also be synergies in forward product roadmap investment for NFC mobile card issuance.

The key commercial terms for the Possible Acquisition that have been discussed and agreed with the majority shareholders of Aconite in principle are as follows:

- the consideration for the entire issued share capital of Aconite would comprise an initial £2.06 million, to be satisfied by the issuance of between 51,500,000 and 68,666,666 new Ordinary Shares at an issue price of between 3 pence and 4 pence per share, plus a further amount of up to £1.75 million ("earn-out consideration"), which would be payable to management only and would be dependent on revenues earned from the Aconite business during the financial year ended 31 March 2016;
- The earn-out consideration would be payable in cash or settled in new Ordinary Shares, at Proxama's discretion and would be payable if relevant revenues for the period concerned exceed £3 million, with the maximum earn-out consideration becoming payable if such revenues reach £4.5 million;
- the Company would acquire Aconite with a maximum of £600,000 by way of indebtedness, which would be repayable over agreed periods. Proxama may apply part of the proceeds of the Placing in discharging that indebtedness, should the Possible Acquisition proceed;
- conventional warranties and indemnities would be provided by those shareholders of Aconite who constitute existing management. The initial consideration shares to be allotted to those management sellers would not be allotted until 31 March 2016 and the Company would have the

right to reduce the number of consideration shares to be allotted on such date so as to reflect the value of any claims under warranties and indemnities that may have been substantiated; and

- all other consideration shares which would be allotted on completion would be the subject of a 12 month lock-in arrangement so as to ensure an orderly market in the Company's shares.

Should definitive terms of the Possible Acquisition be agreed, completion would be conditional on the majority shareholders of Aconite being able to deliver 100% of the issued and to be issued share capital of Aconite to the Company on completion.

BACKGROUND TO AND REASONS FOR THE PLACING

The purpose of the Placing is to provide additional working capital for the Proxama Group which would include Aconite working capital and debt repayment requirements and the costs associated with product integration should the Possible Acquisition proceed. In addition, Proxama intends to use funds to purchase proximity marketing hardware to support the first phase of roll-out of the Exterion Bus Media Network and further invest in its sales and marketing capability.

FURTHER INFORMATION ON THE PLACING

The Placing is being structured in three stages, as follows:

- it is expected that the Tranche One Placing and the Tranche Two Placing will be completed in phases in order to maintain the tax advantages that are available to investors under the EIS and VCT legislation. Following the placing undertaken by the Company in December 2013, a maximum of 84,445,040 Placing Shares can be issued prior to 8 December 2014 and still qualify for EIS/VCT relief. By issuing the Tranche Two Placing Shares after 7 December 2014, the Tranche Two Placing Shares are also expected to qualify for VCT purposes; and
- the Elderstreet Placing is a placing of 12,400,000 new Ordinary Shares with Elderstreet, an existing shareholder of Aconite. Elderstreet is only willing to participate in the Placing in the event that the Possible Acquisition proceeds to completion.

Pursuant to the Tranche One Placing, all of the Tranche One Placing Shares have been conditionally placed by Peel Hunt, as agent for the Company, with institutional and other investors (including certain directors of the Company) at the Placing Price in accordance with the terms of the Placing Agreement. The Tranche One Placing, which will raise £3,273,126 for the Company before expenses, is conditional, *inter alia*, on the passing of the Resolutions and First Admission. Application will be made for the Tranche One Placing Shares to be admitted to trading on AIM and it is expected that First Admission will occur and dealings in the Tranche One Placing Shares will commence on 1 December 2014.

Pursuant to the Tranche Two Placing, all of the Tranche Two Placing Shares have been conditionally placed by Peel Hunt, as agent for the Company, with institutional and other investors at the Placing Price. The Tranche Two Placing, which will raise a further £416,874 for the Company, is conditional, *inter alia*, on the passing of the Resolutions and Second Admission. Application will be made for the Tranche Two Placing Shares to be admitted to trading on AIM and it is expected that Second Admission will occur and dealings in the Tranche Two Placing Shares will commence on 10 December 2014.

Pursuant to the Elderstreet Placing, all of the Elderstreet Placing Shares have been conditionally placed with Elderstreet. The Elderstreet Placing, which (if it proceeds) will raise £310,000 for the Company, is conditional, *inter alia*, on the passing of the Resolutions and the Possible Acquisition proceeding to completion. If the Elderstreet Placing proceeds, application will be made for the Elderstreet Placing Shares to be admitted to trading on AIM and it is expected admission will occur and dealings in the Elderstreet Placing Shares will commence on same day on which Consideration Shares are allotted and admitted to trading on AIM pursuant to the Possible Acquisition.

The Placing Shares issued or to be issued pursuant to the Placing (ignoring for these purposes the Elderstreet Placing Shares, which may or may not ultimately be issued) will, in aggregate, represent approximately 18.2 per cent. of the existing issued share capital of the Company. The Placing Price represents a premium of 4.2 per cent. to the closing mid-market price of 2.4 pence per Ordinary Share as at 3 November 2014 (being the latest practicable date prior to the date on which the Placing was announced).

Director participation in the Placing

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

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

At the time of the reverse of Proxama Limited into the Company in August 2013, certain existing shareholders of Company were deemed to be acting in concert with each other ("Concert Party") for the purposes of the City Code on Takeovers and Mergers. Of the members of the Concert Party, only Gavin Breeze is participating in the Placing.

Details of the holdings of members of the Concert Party and of the Company's directors prior to announcement of the Placing and immediately following Second Admission are set out below.

Concert Party

Name	Position in the Company	Current Shareholding	%	Placing Shares	Holding following Second Admission	% of Issued Share Capital following Second Admission

						(save for the Elderstreet Placing)
Neil Garner*	CEO	119,761,130	14.8		119,761,130	12.5
Miles Quitman	Managing Director	14,101,926	1.7		14,101,926	1.5
Coen van Breda	CFO					
Gavin Breeze**	Non-executive Director	146,006,651	18.0	4,000,000	150,006,651	15.7
Chris Chapman	-	20,205,744	2.5		20,205,744	2.1
Tessa Ogden	-	3,367,624	0.4		3,367,624	0.35

*the interests of Neil Garner include 2,000,000 Ordinary Shares held by his wife, Charissa Lynn Garner

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

Other Director (not a member of the Concert Party)

Name	Position	Current Shareholding	%	Placing Shares	Holding following Second Admission	% of Issued Share Capital
David Bailey***	Chairman	10,824,126	1.3	2,000,000	12,824,126	1.3

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

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing

4 November 2014

Posting of Notice of General Meeting

4 November 2014

Last time and date for receipt of Forms of Proxy	11.00 a.m. on 26 November 2014
General Meeting	11.00 a.m. on 28 November 2014
Admission of Tranche One Placing Shares	1 December 2014
Admission of Tranche Two Placing Shares	10 December 2014
Admission of Elderstreet Placing Shares	Shortly following completion of the Possible Acquisition

PLACING STATISTICS

Number of Ordinary Shares in issue prior to the Placing	810,692,934
Number of Tranche One Placing Shares to be issued	130,925,040
Number of Tranche Two Placing Shares to be issued	16,674,960
Number of Elderstreet Placing Shares to be issued (subject to completion of the Acquisition)	12,400,000
Number of Ordinary Shares in issue immediately following Second Admission	958,292,934

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 941,617,974 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, Proxima 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.