



RNS Number : 0499D

AIM

24 April 2017

Schedule 1 Shearwater Group Plc

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES ("AIM RULES")

COMPANY NAME:

Shearwater Group plc

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :

22 Great James Street
London WC1N 3ES

COUNTRY OF INCORPORATION:

England and Wales

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:

www.theshearwatergroup.co.uk

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

In 2016 and 2017, the Company appointed a number of new Directors and have in 2017, assembled an operating team with substantial experience within the high technology, cyber, information security, digital and communications sectors, with a track record of delivering shareholder value through accelerated buy and build processes. The Company intends to leverage this experience to create a UK based group providing digital resilience solutions. In support of this strategy, the Company completed two placings in 2016, raising in excess of £7 million of gross proceeds to help fund initial acquisitions, due diligence exercises and the general operating expenses of the Company.

The Company has conditionally agreed to acquire:

- The entire share capital of SecureEnvoy Limited, one of the UK's leading providers of multifactor authentication enterprise software solutions (the "Transaction"). SecureEnvoy is headquartered in the UK, with end users across the US, Europe and Australia.

The consideration for the Transaction is (i) £10 million in cash and (ii) £10 million of shares in the Company at a price of 5 pence per share.

The cash consideration of the Transaction will be financed through existing cash resources in addition to a fundraising consisting of a conditional placing and an open offer (the "Fundraising"). The Transaction and the Fundraising are inter-conditional.

The Transaction constitutes a reverse takeover under AIM Rule 14 and accordingly, the Company will seek readmission ("Admission") of its shares to trading on AIM of the London Stock Exchange.

The Transaction and associated fundraising will be subject to the passing of relevant resolutions at the Company's general meeting to be held on 8 May 2017.

DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):

Up to 960,738,394 ordinary shares of 1 penny each ("Ordinary Shares") (assuming full take up under the Open Offer)

No shares held in treasury.

No restrictions as to transfer of the securities.

CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:

Capital raised on admission £8 million

Implied market capitalisation £38.4 million (assuming full take up under the Open Offer at the Issue Price)

PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:

Before Admission 40.86 per cent.

Post Admission 49.58 per cent.

DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES (INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:

None

FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):

David Jeffreys Williams (Chairman)
 Michael Joseph ("Mo") Stevens (Chief Executive Officer)
 Robin Simon Southwell (Non-Executive Director)
 Stephen Robert Ball (Non-Executive Director)
 Giles Kirkley Willits (Non-Executive Director)
 Christopher John Eadie (Executive Director)

FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):

Before Admission:

| | |
|---------------------------------|-------|
| David Jeffreys Williams | 18.89 |
| Schroder Investment Management | 14.01 |
| Killik & Co | 7.24 |
| HSBC Bank plc | 6.35 |
| Tiger Brave Investments Limited | 5.73 |
| Blankstone Sington | 4.38 |
| Spreadex Limited | 3.83 |

Following Admission:

| | |
|--------------------------------|-------|
| David Jeffreys Williams | 12.14 |
| Schroder Investment Management | 11.23 |
| Andrew Kemshall | 9.32 |
| Steven Watts | 9.32 |
| Hargreave Hale | 6.38 |
| Killik & Co | 5.08 |
| Columbia Threadneedle | 4.79 |
| HSBC Bank plc | 3.64 |
| Tiger Brave Investments | 3.28 |

NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:

None

- (i) ANTICIPATED ACCOUNTING REFERENCE DATE
(ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:

(i) 31 March

(ii) Target's information to 31 December 2016. Shearwater financial information up to interim results to 30 September 2016 is incorporated by reference.

(iii) Annual report for the year ended 31 March 2017 published by 30 September 2017. Half year report for the six months ended 30 September 2017 published by 31 December 2017. Annual report for the year ended 31 March 2018 published by 30 September 2018.

EXPECTED ADMISSION DATE:

9 May 2017

NAME AND ADDRESS OF NOMINATED ADVISER:

WH Ireland Limited
24 Martin Lane
London EC4R 0DR

NAME AND ADDRESS OF BROKER:

WH Ireland Limited
24 Martin Lane
London EC4R 0DR

OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:

Not applicable

DATE OF NOTIFICATION:

24 April 2017

NEW/ UPDATE:

New

This information is provided by RNS
The company news service from the London Stock Exchange