

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the General Meeting of Gfinity plc (“Gfinity” or the “Company”) to be held on 10 September 2021. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.**

The Directors of Gfinity, whose names appear on page 8 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of 0.1p each in the capital of the Company (“Ordinary Shares”), please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of General Meeting as set out at the end of this document. The whole text of this document should be read.**

Notice of a General Meeting of Gfinity to be held at the Gfinity Arena at Vue Cinema, Fulham Broadway Retail Centre, Fulham Road, London SW6 1BW at 10.00 a.m. on 10 September 2021 is set out at the end of this document. You will not receive a form of proxy for the General Meeting in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so (see notes at the end of the Notice of General Meeting). You will still be able to vote in person at the General Meeting, and may request a hard copy proxy form directly from the registrars, Link Group, 10th floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (**telephone number: 0371 664 0391**).

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# GFINITY PLC

*(Incorporated in England and Wales with registered number 08232509)*

**Placing, Subscription and Primary Bid Offer of 82,500,000 New Ordinary Shares  
at a price of 4.0 pence per share**

**and**

**Notice of General Meeting**

**cg/Canaccord  
Genuity**

***Nominated Adviser and Broker***

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**Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“AIM”). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. No application has been made or is currently intended to be made for the New Ordinary to be admitted to trading or dealt on any other exchange.**

Canaccord Genuity Limited (“Canaccord”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing and the proposed admission of the New Ordinary Shares to trading on AIM and the proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of Canaccord or for providing advice in relation to such proposals. Canaccord has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Canaccord for the accuracy of any information or opinions contained in this document or for the omission of any information. Canaccord as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders or any other person.

The New Ordinary Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. There will be no public offer of the New Ordinary Shares in the United States, the United Kingdom or elsewhere. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. The New Ordinary

Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the New Ordinary Shares in the United States or to a US Person may constitute a violation of US law or regulation.

The distribution of this document and the offering or sale of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Canaccord that would permit an offering of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material relating to the New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Company and Canaccord to inform themselves about and to observe any such restrictions.

This document is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as "Relevant Persons"). This document must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

## **FORWARD LOOKING STATEMENTS**

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this document are available free of charge on the Company's website: [www.gfinitypc.com](http://www.gfinitypc.com).

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## DEFINITIONS

<b>“Acquisition”</b>	the acquisition of the entire share capital of Megit pursuant to the Acquisition Agreement;
<b>“Acquisition Agreement”</b>	the conditional agreement for the sale and purchase of Megit entered into between the Sellers and the Company dated 23 August 2021;
<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“Admission”</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
<b>“AIM Rules”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
<b>“Articles”</b>	the articles of association of the Company at the date of this Circular;
<b>“Business Day”</b>	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK;
<b>“Canaccord”</b>	Canaccord Genuity Limited, the Company’s nominated adviser and broker pursuant to the AIM Rules;
<b>“Circular”</b>	this document;
<b>“Company” or “Gfinity”</b>	Gfinity plc;
<b>“Consideration Shares”</b>	62,500,000 new Ordinary Shares in the Company to be issued on completion of the Acquisition pursuant to the Acquisition Agreement;
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations;
<b>“CREST member”</b>	a person who has been admitted by Euroclear UK and Ireland as a system-member (as defined in the CREST Regulations);
<b>“Directors” or “Board”</b>	the directors of the Company;
<b>“Earn-out”</b>	has the meaning given in paragraph 5 of the Chairman’s Letter;
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company immediately following Admission;
<b>“Euroclear UK &amp; Ireland”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Existing Ordinary Shares”</b>	the existing Ordinary Shares as at the date of this Circular;
<b>“Fundraising”</b>	the Placing, PrimaryBid Offer and the Subscription;
<b>“General Meeting” or “GM”</b>	the general meeting of Shareholders to be held as stated in the Notice of General Meeting;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Issue Price”</b>	4.0 pence per New Ordinary Share;
<b>“Link” or “Link Group”</b>	a trading name of Link Group, registrar to the Company;

<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Megit”, “Stock Informer” or the “Target”</b>	Megit Limited, a private limited company registered in England with number 06112430;
<b>“New Ordinary Shares”</b>	the Placing Shares, PrimaryBid Shares and the Subscription Shares;
<b>“Notice of General Meeting”</b>	the notice of General Meeting set out at the end of this Circular;
<b>“Ordinary Shares”</b>	the ordinary shares of 0.1p each in the capital of the Company;
<b>“Placing”</b>	the placing of the Placing Shares at the Issue Price as described in this Circular;
<b>“Placing Agreement”</b>	the conditional agreement dated 23 August 2021 between the Company and Canaccord relating to the Placing;
<b>“Placing Shares”</b>	the 65,375,000 new Ordinary Shares which have been conditionally placed by Canaccord with institutional and other investors pursuant to the Placing;
<b>“PrimaryBid”</b>	a limited company registered in England and Wales (No. 08092575);
<b>“PrimaryBid Offer”</b>	the offer of PrimaryBid Shares to retail investors pursuant to a retail offering by PrimaryBid;
<b>“PrimaryBid Shares”</b>	the 7,500,000 new Ordinary Shares which have been conditionally placed by PrimaryBid;
<b>“Registrars”</b>	Link Group;
<b>“Resolutions”</b>	the resolutions numbered 1, 2 and 3 set out in the Notice of General Meeting to be proposed at the General Meeting;
<b>“Sellers”</b>	Michael Green and Megit Group Limited;
<b>“Shareholder(s)”</b>	holder(s) of Existing Ordinary Shares;
<b>“sterling”, “pounds sterling”, “£”, “pence” or “p”</b>	the lawful currency of the United Kingdom;
<b>“Subscription”</b>	the subscription of the Subscription Shares at the Issue price as described in this Circular;
<b>“Subscription Shares”</b>	the 9,625,000 new Ordinary Shares to be subscribed for by persons who have entered into subscription letters with the Company;
<b>“\$” or “US dollar”</b>	the lawful currency of the United States of America;
<b>“US Person”</b>	a US person as defined in Regulation S promulgated under the US Securities Act; and
<b>“US Securities Act”</b>	the United States Securities Act of 1933 (as amended).

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising and the Acquisition	23 August 2021
Circular published and sent to Shareholders	24 August 2021
Latest time and date for receipt of voting instruction for the GM	10.00 a.m. on 8 September 2021
General Meeting	10.00 a.m. on 10 September 2021
Result of General Meeting announced	10 September 2021
Admission of the New Ordinary Shares and Consideration Shares to trading on AIM	13 September 2021
CREST member accounts expected to be credited for the New Ordinary Shares in uncertificated form (where applicable)	13 September 2021
Despatch of definitive share certificates for New Ordinary Shares in certificated form (where applicable)	by 24 September 2021

### Notes:

*Each of the dates in the above timetable is subject to change at the absolute discretion of the Company.*

*If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to shareholders by announcement through a Regulatory Information Service. References to time in this Circular are to London time except when otherwise stated.*

*All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.*

## PLACING AND ACQUISITION STATISTICS

Issue Price	4.0 pence
Number of Existing Ordinary Shares	915,513,248
Total number of New Ordinary Shares	82,500,000
Total number of Consideration Shares	62,500,000
Enlarged Share Capital following the Fundraising and the Acquisition	1,060,513,248
Percentage of the Enlarged Share Capital comprised by the New Ordinary Shares	7.8 per cent.
Estimated gross proceeds of the Fundraising	£3.3 million
Estimated net proceeds of the Fundraising	£3.1 million
ISIN	GB00BT9QD572
SEDOL	BT9QD57

## **DIRECTORS, COMPANY SECRETARY AND ADVISERS**

<b>Directors</b>	Neville Upton ( <i>Non-Executive Chairman</i> ) John Clarke ( <i>Chief Executive Officer</i> ) Jonathan Hall ( <i>Chief Finance and Operations Officer</i> ) Andrew MacLeod ( <i>Non-Executive Director</i> ) Leonard Rinaldi ( <i>Non-Executive Director</i> ) Hugo Drayton ( <i>Non-Executive Director</i> )
<b>Registered Office</b>	Gfinity PLC 16 Great Queen Street London WC2B 5DG
<b>Company Secretary</b>	Jonathan Hall ACA
<b>Nominated Adviser and Broker</b>	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
<b>Legal Advisers to the Company</b>	Fladgate LLP 16 Great Queen Street London WC2B 5DG
<b>Legal Advisers to the Nominated Adviser</b>	Howard Kennedy LLP No. 1 London Bridge London SE1 9BG
<b>Registrars</b>	Link Group 10th Floor, Central Square 29 Wellington Street Leeds LS1 4DL

# GFINITY PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 08232509)

Registered office: 16 Great Queen Street London WC2B 5DG

Neville Upton (*Non-Executive Chairman*)  
John Clarke (*Chief Executive Officer*)  
Jonathan Hall (*Chief Finance and Operations Officer*)  
Andrew MacLeod (*Non-Executive Director*)  
Leonard Rinaldi (*Non-Executive Director*)  
Hugo Drayton (*Non-Executive Director*)

24 August 2021

Dear Shareholder,

**Placing, Subscription and PrimaryBid Offer of 82,500,000 New Ordinary Shares  
at a price of 4.0 pence per share  
and  
Notice of General Meeting**

## 1. Introduction

The Company announced yesterday that it proposed to raise not less than £3.0 million (before expenses) by way of a Placing and Subscription of New Ordinary Shares at 4.0 pence per New Ordinary Share. In conjunction with the proposed Placing and Subscription, the Company announced a retail offer by PrimaryBid, which has provisionally raised £0.3 million, bringing the total proposed Fundraising to £3.3 million (before expenses). The purpose of this letter is to explain to Shareholders the background to and reasons for the Fundraising and the Acquisition and to seek their approval of the Resolutions.

The allotment of the New Ordinary Shares and completion of the Acquisition are conditional, *inter alia*, on the Company obtaining the approval of shareholders of the Resolutions to be proposed at the General Meeting to provide sufficient authority to enable the allotment of the New Ordinary Shares and the Consideration Shares and to disapply statutory pre-emption rights which would otherwise apply.

Accordingly, the Company is seeking the approval of Shareholders to the Resolutions which are to be put to the General Meeting of the Company to be held at Gfinity Arena at Vue Cinema, Fulham Broadway Retail Centre, Fulham Road, London SW6 1BW at 10.00 a.m. on 10 September 2021. If the Resolutions are not passed by Shareholders at the General Meeting, neither the Acquisition nor the Fundraising as currently envisaged will proceed.

The Notice of General Meeting is set out at the end of this Circular. You will not receive a form of proxy for the General Meeting in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so (see notes at the end of the Notice of General Meeting). You will still be able to vote in person at the General Meeting and may request a hard copy proxy form directly from the registrars, **Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (telephone number: 0371 664 0391).**

The New Ordinary Shares to be issued pursuant to the Fundraising are to be admitted to trading on AIM, which, should the Resolutions be passed at the General Meeting, is expected to take place on 10 September 2021.

## 2. Business and strategy overview

Gfinity is a market leading digital media publisher and technology company in the rapidly growing esports and competitive gaming entertainment industry sector.

The Company is trusted and consistently chosen by global brands to design and deliver programmes as a result of its deep expertise, strong relationships, tech IP and its proven ability to build and connect directly

with gamers. Globally there are approximately three billion gamers, creating a gaming market worth an estimated \$175.8 billion.

Within this market, Gfinity specialises in building digital highly engaged communities of gamers, both for its own brands and on behalf of others, that can be scaled and monetised. This is delivered in three ways:

1. *Gfinity Digital Media Group*: the digital home for gamer lifestyles. A network of Gfinity owned and operated websites, driving over 10 million visitors per month to Gfinity owned and operated sites. Creating monetisation opportunities through advertising, brand partnerships and eCommerce activities. Including related social platforms, these allow Gfinity to reach more than 50m gamers per month.
2. *Jointly owned properties*: long-term commercial partnerships with organisations that have a strategic need to connect with gamers. This includes the Global Racing Series, in conjunction with Abu Dhabi Motorsports Management, in which Gfinity is paid for the delivery of services, including broadcast production and shares equally in the commercial and content rights of the series.
3. *Delivering esports technology and services for third parties*: deploying Gfinity's esports technology, production and operations services for a network of blue-chip clients, which include leading game publishers, sports rights holders, media companies and commercial brands. Monetised via license income and service delivery fees.

### **Current trading and prospects**

Since a change of leadership in March 2020 the team has focused on resetting the strategic focus of the business to deliver scalable growth across these three core pillars.

#### *Gfinity Digital Media ("GDM"):*

The GDM community grew over the course of FY21 to average more than 10 million monthly active users ("MAUs") per month. This was driven through a blend of:

- organic growth in existing sites including Gfinityesports.com and RealSport101.com;
- launch of new sites including Racinggames.gg (focusing on digital motorsport) and MTGrocks.com (focusing on Magic The Gathering), both of which went from concept to launch in under a month; and
- targeted acquisitions, including Epicstream.com, which grew from approximately 600,000 MAUs in December 2020 following acquisition to over three million MAUs in July 2021, demonstrating Gfinity's ability to integrate a grow a site using its proprietary technology, content and SEO strategy.

Together with user growth, the annualised revenue per MAU grew from 4p at the launch of GDM in 2020, through to an average of over 15p in FY21. This resulted from technical optimisation of sites for ad delivery and also as a result of reaching a scale that has started to result in brands directly buying exposure to Gfinity's audience, delivering significantly enhanced advertising rates.

During FY21 Gfinity launched Manifold; a custom-built Content Management System ("CMS"). This enables existing sites to be scaled more quickly, while new sites can be integrated onto a single CMS system, quickly optimising them both commercially and for Google search and ensuring a consistent and efficient way of deploying content across the GDM.

While this has provided a strong platform for GDM, the Directors believe that there is significant potential for further growth, with more established media platforms delivering revenue per MAU of over £1. It is expected that Gfinity can further grow this level by:

- Building further scale to increase the proportion of direct campaigns, through a combination of organic growth and targeted acquisitions;
- Deployment of its proprietary technology, including the competitive gaming platform to extend dwell time on site; and
- Strengthening the ecommerce proposition, with a medium term target of this forming up to 35 per cent. of GDM revenue.

In the short to medium term Gfinity is targeting 50m MAUs on its platforms, with revenue per user of c.30p, driving annual revenue of £15 million for the GDM. In the medium to longer term, it is intended to increase MAUs, revenue per user and GDM revenue beyond this.

#### *Jointly Owned Properties:*

In September 2020 Gfinity staged the first season of the V10 R League, part of the Global Racing Series, in conjunction with Abu Dhabi Motorsports management. Season 2 followed in April and May of 2021. The programme has made a strong start securing distribution across high profile networks including ESPN and BT Sport. Participating teams included: BMW, McLaren, Red Bull, Ford, Williams and Aston Martin. This creates a strong basis for sponsorship sales moving into FY21.

#### *Esports Technology and Services:*

Services Gfinity has delivered for clients through FY21 have been underpinned by its leading suite of esports technology products. Its tournament platform is already embedded in leading mobile game titles, powering their global esports programmes, as well as programmes for sports rights holders including Premier League.

Gfinity's proprietary adjudication software, Race Control, coupled with its virtual production solution, allowed clients including Formula One to continue to deliver live racing even through the lockdown period.

Gfinity's community building and content publishing tools are also successfully building engaged digital audiences, not just for its own platforms but also for clients including Nvidia.

This technology gives Gfinity a competitive advantage in delivery of its esports programmes, which together with its market leading content production team have seen a shift in focus to higher value activities in the year. Over the coming months, the Directors believe that there is a significant opportunity to productise this technology, allowing it to be deployed at major scale.

#### **People**

In line with the strategy to drive growth through expansion of its digital media network and productisation of its technology, Gfinity announced two significant additions to the Board during FY21.

- Hugo Drayton; who is also a non-executive director at Future plc; and
- Len Rinaldi; the former General Manager of Apple for Western Europe.

Alongside these hires, the executive team has also been significantly boosted by a number of senior management hires.

#### **Financial outlook**

The Board believes that the shift in revenue to owned, recurring properties, that have the potential to be highly scalable, represents a basis for a strong commercial model for Gfinity. This strategic shift, coupled with a significant cost reduction programme resulted in a year-on-year reduction of the adjusting operating loss of 71 per cent. in H1 of FY21, together with the company's first quarterly EBITDA profit in the final quarter of 2020.

The Company has no debt and the Directors believe it is now strongly positioned to capitalise on the significant opportunity it has created for itself.

### **3. Reasons for the Fundraising and use of proceeds**

Pursuant to the Fundraising, the Company will receive net proceeds of approximately £3.1 million. The net funds from the Fundraising will be used partly to fund the acquisition of Megit Limited, with further details on the Acquisition below, and the remaining funds are intended to be used for expansion of Gfinity's social activities and US site operations.

### **4. Background to and reasons for the Acquisition**

The Company is seeking to acquire Megit Limited, that operates a site called Stock Informer in both the UK and US ("Stock Informer" or the "Target"). Stock Informer's sites have become established as an authority on the availability of hard to secure products, with an emphasis on technology and gaming equipment, driving high margin revenues from ecommerce referral income.

Stock Informer's technology analyses sites for particular products and when these products become available, this is shown automatically on their sites. Any customer who has registered for notifications is notified of the product's availability and can click through to buy it direct from the retailer.

Stock Informer's sites receive a combined total of 1.9 million visitors per month and have c.344,000 followers across social media channels.

The Target has a March year end. No accounts have been prepared for the financial period ending March 2021, however Stock Informer has filed accounts with Companies House for the financial year ending March 2020. In this period Stock Informer reported revenues of £0.1 million and a profit before tax of £0.1 million. As at March 2020 the Target had a total asset value of £1.22 million.

The Target earned revenues of £2.3 million in the year to March 2021 at net margin of over 90 per cent. This represented significant year on year growth, which was boosted by:

- a global chip shortage, resulting in demand significantly outstripping supply for a number of tech products, a situation that is likely to persist into 2022;
- a continuing shift to online shopping, which while it was exacerbated by lockdown, the Directors believe forms part of an ongoing change in consumer behaviour, which will continue; and
- launch of next generation Xbox and Playstation consoles, which provided a major sales boost in Q4 2020, however which continue to deliver sales well into 2021.

The Directors also believe there is a significant opportunity to expand the growth of Stock Informer's activities in multiple ways. These include:

- dedicated resource to grow the US StockInformer.com site, which delivered only 17 per cent. of revenue in the year to March 2021, primarily due to bandwidth issues of the current owner/manager;
- active management of the social platforms, creating a marketing tool to drive traffic to the site;
- promotion of targeted offers and products across the wider GDM network, reaching a potential further 10-15 million users each month;
- expansion of the range of products offered on Stock Informer, potentially to include phones, laptops and other items not currently covered by the site; and
- deployment of limited advertising, as the current site does not include any advertising, despite the attractive nature of the user base to potential advertising partners.

The Company believes that, on a conservative basis, reflecting an expected reduction in console related commissions from the FY21 level, the site may be expected to add revenue of £1.2 million in the first-year post acquisition, at a net margin of around 75 per cent. This would rise to £1.5 million in the second year, again at a net margin of approximately 75 per cent.

## **5. Details of the Acquisition**

The initial consideration for the Target is £5.0 million, comprising £2.5 million in cash payable on completion and £2.5 million in new Ordinary Shares of the Company. The £2.5 million cash will be funded entirely from the Fundraising proceeds.

The Acquisition will result in the issue of a total of 62,500,000 new Ordinary Shares (being the "Consideration Shares"), representing, in aggregate, approximately 5.9 per cent. of the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares and the Consideration Shares. The Consideration Shares will be issued at the Issue Price.

An earn-out mechanism (the "Earn-out") provides for further consideration to be paid to the Sellers based on performance of the Target post Acquisition. The amount payable under the Earn-out, subject to certain limitations, is a sum equal to 30 per cent. of the Target's annual net revenue for the three consecutive 12 month periods from the date of completion of the Acquisition (each an "Earn-out Period"). An unaudited statement setting out the calculation of the Earn-out for each Earn-out Period shall be prepared within ten business days of the approval of the management accounts for the relevant Earn-out Period. The Earn-out

is payable ten business days after being finally determined. The maximum aggregate consideration payable over the Earn-out Period is limited to £1,800,000.

Completion of the Acquisition is conditional on satisfaction of the following, prior to the longstop date of 30 September 2021:

- the passing of the Resolutions;
- Admission becoming effective; and
- the Placing Agreement becoming unconditional in accordance with its terms and not having been terminated.

## **6. Details of the Fundraising**

The Fundraising will result in the issue of a total of 82,500,000 new Ordinary Shares, representing, in aggregate, approximately 7.8 per cent. of the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares and the Consideration Shares.

The Issue Price of 4.0 pence represents an approximately 1.2 per cent. discount to the closing middle market price of an Ordinary Share on 20 August 2021, being the latest practicable date prior to the announcement of the Fundraising.

Canaccord has entered into the Placing Agreement with the Company under which Canaccord has, on the terms and subject to the conditions set out therein (including Admission), undertaken to use its reasonable endeavours to procure subscribers for 65,375,000 Placing Shares at the Issue Price. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Canaccord. The Placing is not being underwritten by Canaccord or any other person.

The Company and the Subscribers have entered into the Subscription Letters relating to the Subscription pursuant to which, subject to certain conditions, the Subscribers shall subscribe for, in aggregate the Subscription Shares to be issued by the Company at the Issue Price.

The Placing and Subscription are conditional, *inter alia*, upon the passing of the Resolutions and Admission and the Placing Agreement not being terminated prior to Admission (and in any event no later than 30 September 2021).

## **7. Admission and Settlement**

The issue of the New Ordinary Shares and the Consideration Shares is being made on a non pre-emptive basis and is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and also Admission becoming effective.

Application has been made to the London Stock Exchange for the New Ordinary Shares and the Consideration Shares, being issued pursuant to the Fundraising and Acquisition, to be admitted to trading on AIM, subject to approval of the Resolutions. Admission of the New Ordinary Shares and the Consideration Shares is expected to become effective on or around 8.00 a.m. on 13 September 2021 (or such later date as the Company and Canaccord may agree, being no later than 30 September 2021).

The New Ordinary Shares and the Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of 0.1p each of the Company in issue and therefore will rank equally for all dividends or other distributions declared, made or paid after Admission.

## 8. Director Participation

As part of the Subscription, certain Directors have agreed to subscribe for New Ordinary Shares at the Issue Price. Details of the New Ordinary Shares for which the Directors and their persons closely associated will be subscribing and their resultant shareholdings are displayed below.

<i>Name</i>	<i>Number of Ordinary Shares currently held</i>	<i>Number of New Ordinary Shares being acquired</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Percentage of Enlarged Share Capital on Admission</i>
John Clarke	1,222,222	625,000	1,847,222	0.17%
Jonathan Hall	1,222,222	250,000	1,472,222	0.14%

## 9. General Meeting

A notice convening a General Meeting of the Company, to be held at Gfinity Arena at Vue Cinema, Fulham Broadway Retail Centre, Fulham Road, London SW6 1BW at 10.00 a.m. on 10 September 2021 is set out at the end of this Circular. At the General Meeting, the following Resolutions will be proposed:

- 9.1 Resolution numbered 1 will be proposed as an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to an aggregate nominal amount of £432,469. This resolution will give the Directors sufficient authority to allot the New Ordinary Shares pursuant to the Fundraising plus a further number of Ordinary Shares equivalent to approximately one third of the Enlarged Share Capital (there being no current intention to use this further authority);
- 9.2 Resolution numbered 2 will be proposed as a special resolution to dis-apply statutory pre-emption rights in respect of the allotment of up to 241,576,987 Ordinary Shares for cash. This number represents 82,500,000 New Ordinary Shares and up to a further 159,076,987 Ordinary Shares, which is equivalent to approximately 15 per cent. of the Enlarged Share Capital (there being no current intention to use this further authority); and
- 9.3 Resolution numbered 3 is proposed as an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to an aggregate nominal amount of £62,500. This resolution will give the Directors sufficient authority to allot the Consideration Shares.

## 10. Action to be taken by Shareholders

You can submit your proxy electronically through the website of our registrar, Link Group, at [www.signalshares.com](http://www.signalshares.com). The electronic submission of proxy must be received at least 48 hours before the time of the General Meeting. To vote online you will need to log in to your share portal account or register for the share portal if you have not already done so and you will require your investor code. Once registered, you will be able to vote immediately. Voting by proxy prior to the General Meeting does not affect your right to attend the General Meeting and vote in person should you so wish. **Further information regarding the appointment of proxies and online voting can be found in the notes to the Notice of General Meeting.**

Instructions for voting by proxy through CREST are set out in paragraph 9 of the notes to the Notice of General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

**In order for the Fundraising to proceed, Shareholders will need to approve all of the Resolutions set out in the Notice of General Meeting. If the Resolutions are not passed at the General Meeting, the Fundraising will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Fundraising will not become available and the Acquisition will not complete.**

**Accordingly, it is important that Shareholders vote in favour of the Resolutions, in order that the Fundraising can proceed.**

#### **11. Directors' Recommendation**

The Board of Gfinity considers the Fundraising and the Acquisition to be in the best interests of the Company and its shareholders as a whole and therefore the Directors unanimously recommend that shareholders vote in favour of the Resolutions as they intend to do in respect of their own shareholdings of, in aggregate, 17,400,393 Ordinary Shares (representing approximately 1.90 per cent. of the Company's existing issued share capital).

Yours faithfully,

Neville Upton  
*Chairman*

# GFINITY PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 08232509)

## NOTICE OF GENERAL MEETING

**NOTICE IS GIVEN** that a General Meeting of Gfinity plc (“**Gfinity**” or the “**Company**”) will be held at Gfinity Arena at Vue Cinema, Fulham Broadway Retail Centre, Fulham Road, London SW6 1BW at 10.00 a.m. on 10 September 2021 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolution 2 will be proposed as a special resolution.

### **Resolution 1 – ordinary resolution**

That the Directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies 2006 Act (the “**CA 2006**”) to exercise all powers of the Company to allot ordinary shares of 0.1p each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal amount of £432,469 provided this authority shall expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 10 September 2022. Save for the authority granted by Resolution 3, this authority revokes and replaces all unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

### **Resolution 2 – special resolution**

That, conditional on the passing of Resolution 1 above, the Directors be and they are empowered pursuant to Section 571 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal amount of £241,577 and will expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 10 September 2022. This authority revokes and replaces all such unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

### **Resolution 3 – ordinary resolution**

That the Directors be and they are generally and unconditionally authorised in accordance with section 551 of the CA 2006 to exercise all powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £62,500 provided this authority shall expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 10 September 2022. Save for the authority granted by Resolution 1, this authority revokes and replaces all unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

By order of the Board of Directors,

**Jonathan Hall**

*Company Secretary*

24 August 2021

*Registered Office*

16 Great Queen Street

London

WC2B 5DG

## Notes to the notice of General Meeting

The following notes explain your general rights as a shareholder and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 8 September 2021. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
2. Shareholders, or their proxies, intending to attend the General Meeting in person are requested, if possible, to arrive at the General Meeting venue at least 20 minutes prior to the commencement of the General Meeting at 10.00 a.m. (UK time) on 10 September 2021 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
6. You can vote either:
  - by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
  - you may request a hard copy form of proxy directly from the registrars, Link Group (previously called Capita), on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 8 September 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as adopted in the United Kingdom and amended by the European Union (Withdrawal) Act 2018).
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

13. As at 23 August 2021 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 915,513,248 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 August 2021 are 915,513,248.
14. Any shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
15. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at [www.gfinityplc.com](http://www.gfinityplc.com).

