



Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

25 September 2017

**Gfinity plc**  
("Gfinity" or the "Company")

**Proposed placing to raise £7.0m**  
**Posting of Circular and Notice of General Meeting**

Gfinity plc (AIM: GFIN), a leading esports business, announces a conditional placing and subscription of 25,925,926 new ordinary shares in the Company ("Placing Shares") at a price of 27p per Placing Share (the "Placing") to raise £7.0m (before expenses), subject to shareholder approval at a general meeting.

The Placing is being undertaken to support the next phase of development of Gfinity's pioneering Elite Series competition, to accelerate international expansion and to further invest in the Company's leading esports technology platform.

Further information on the Company, current trading and its strategy is set out further below in the extracts from the shareholder Circular.

**Placing Highlights:**

- Oversubscribed placing to raise £7 million before expenses.
- Placing to take place at price of 27p per share, representing a discount of only 2.2% to the closing mid-market share price on 22 September 2017 of 27.62p.
- Placing subject to Shareholder approval at a General Meeting of the Company on 11<sup>th</sup> October 2017. If approved, the Placing Shares will be admitted to AIM on 12 October 2017.
- Placing Shares will represent 11.9% of a total enlarged share capital following completion of 218,203,545 ordinary shares.
- Placing supported by existing major shareholders including Charles Street International Holdings Ltd, Nigel Wray.

**Neville Upton, Chief Executive Officer at Gfinity Plc said:**

"Gfinity has made significant progress in the last 6 months, with highlights including: the successful launch of Elite Series in UK, announcement of a partnership with HT&E Ltd to launch Gfinity Esports Australia, our acquisition of CEVO, Inc in United States and a number of events delivered all round the globe for several prestigious clients including major game publishers and Formula One. Following on from these achievements, I am delighted to be able to announce this conditional placing, the funding from which will enable us to sustain our momentum to becoming a global leader in esports."

**Notice of General Meeting and Shareholder Circular**

The Placing is conditional, *inter alia*, on the approval of shareholders of resolutions to be proposed at a general meeting of the Company to provide authority to the Directors to allot further new ordinary shares otherwise than on a non-pre-emptive basis.

A General Meeting of the Company will be held at the offices of Fladgate LLP, 16 Great Queen Street, London, WC2B 5DG at 10.00am on 11 October 2017, to seek shareholder approval. A Circular

containing Notice of General Meeting is being posted to shareholders today and will be available on the Company's website: [www.gfinitypkc.com](http://www.gfinitypkc.com).

#### **Further information**

**The above summary should be read in conjunction with the full text of this announcement and the Circular, extracts from which are set out below.**

Defined terms used in this announcement have the meaning as set out at the end of this announcement and as in the circular.

#### **Enquiries:**

##### **Gfinity plc**

Neville Upton, Chief Executive Officer

[www.gfinitypkc.com](http://www.gfinitypkc.com)

*Via Walbrook PR*

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#### **Extracts from the Circular**

(References to pages or paragraphs below refer to the relevant pages or paragraphs of the circular.

References to 'this document' refer to the circular)

## Proposed Placing and Notice of General Meeting

### 1. Introduction

The Company announced today that it proposes to raise approximately £7 million (before expenses) by way of a placing and Subscription of 25,925,926 Placing Shares at 27 pence per Placing Share with existing and new investors. The purpose of this letter is to explain to Shareholders the background to and reasons for the Placing and, as the allotment and issue of the Placing Shares will exceed the existing authorities which the Directors have to allot new Ordinary Shares for cash on a non-pre-emptive basis, to seek Shareholders' approval to grant new authorities to enable the Directors to complete the Placing.

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 the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 11 October 2017. If Shareholder approval of these resolutions is not given at the General Meeting, the Placing as currently envisaged will not proceed. The Notice of General Meeting is set out at the end of this Circular and a Form of Proxy is also enclosed for you to complete. This letter includes an explanation of the Resolutions.

The Placing Shares to be issued pursuant to the Placing are to be admitted to trading on AIM, which is expected to take place at 8.00 a.m. on 12 October 2017, should the Resolutions be passed at the General Meeting.

### 2. Background to and reasons for the Placing

#### *Esports Market*

The esports market has continued to develop rapidly over the past year, with the total worldwide audience for esports content expected to reach 385 million people during 2017, representing growth of 20% year on year. This growth is driven by a seminal shift in the way in which younger people socialise and directly engage in entertainment media, with video games now central to many aspects of their lives.

Commercial activity within the sector has also accelerated in 2017, with significant transactions becoming more commonplace, including sponsorship deals from major global brands, broadcast rights fees and investment into leading teams. This has led to revenue growth for the esports sector of 41% year on year and it is now estimated that the sector market will reach revenues of \$1.5bn by 2020.

For many the principal attraction of the sector is the access to a prized demographic of engaged and affluent male millennials, who are not engaging with television or traditional sports in the same way as previous generations. For sponsors and broadcasters looking to engage with this group, esports is increasingly seen as the optimum route.

#### *About Gfinity*

Gfinity is one of the world's leading esports companies and the only listed company among the established global esports providers. The Company has a strong reputation in the market, built on the experience and expertise of its staff and the quality of its underlying technology.

The business operates out of Fulham, West London, the home to the Gfinity Esports Arena, the first venue of its type in Europe.

The Company has two principal parts to its business:

- Owned content: Gfinity owned and branded events, including the recently launched Elite Series, creating large volumes of high quality Gfinity owned content, which the Company is

able to monetise through broadcast distribution, sponsorship, franchising and a number of ancillary revenue streams

- Partner events: Events delivered for third parties, leveraging Gfinity's expertise, technology and broadcast capability to create esports competitions and content for organisations including games publishers and major sports brands, wishing to access the prized millennial audience that engage with esports. These events drive direct revenues through delivery fees, but also build the profile, reach and database of the Company, while simultaneously building strategic relationships within the sector.

For its financial year ended 30 June 2017, the Company currently expects to announce revenue of approximately £2.3 million, with cash at bank as at 30 June 2017 of £4.5 million.

### ***Gfinity Owned Content***

In July 2017, Gfinity launched the first professional season of the Gfinity Elite Series. The series represents a pioneering new structure for esports in the UK, providing a pathway for aspiring amateur gamers from the online Challenger Series to one of 8 professional franchises by way of the Elite Draft process. At the professional end of the pyramid, these franchises compete on a week in week out basis as part of a professional league, meaning for the first time, esports fans in the UK will have a regular esports programme, featuring the same teams and players playing at the same time each week, building stories and providing a vehicle for sustained engagement for sponsors and broadcasters.

During the first nine-week season of the Elite Series, Gfinity has already succeeded in:

- Signing agreements with four major broadcasters: BBC, BT Sport, Eleven Sport and Twitch.tv, to showcase the content, reaching cumulative viewership over the nine-week season in excess of three million.
- Drafting 48 previously amateur gamers into the professional teams via the unique Elite Draft process
- Signing the first league sponsorship deal with HP Omen
- Creating 186 hours of high quality live broadcast content
- Delivering over 200 million social media impressions
- Signing its first deal to license the format and technology overseas, with HT&E Ltd in Australia

The unique structure of this series gives Gfinity a commercial interest at each stage of the value chain:

- **Teams:** Creating a platform for teams to grow, driving revenue via franchise fees and retaining an economic interest in the value of some of the leading teams
- **Players:** Creating a pathway to professional ranks for aspiring pros, retaining a commercial interest in players success
- **Broadcast:** High volume of quality content distributed via a network of TV and streaming partners
- **Sponsorship:** High viewership from an attractive demographic, allowing sponsor revenues from event partners and in-stream advertising
- **Advertising:** Ability to insert adverts into live streams and highlights clips, sold directly or via broadcast partners
- **Data:** Ownership of in game data, creating opportunities within betting and fantasy markets

Through the successful launch of the Elite Series in the UK, Gfinity has established a format, brand and underlying technology that can be licensed to countries around the world.

### ***Partner Events***

Over the course of 2017, Gfinity has continued to build on its position of being a leading provider of esports services to major games publishers delivering events at locations across the globe including London, New York, Mexico City, Paris, China and the Le Mans 24-hour race for publishers including Microsoft Xbox and Activision.

In August 2017, Gfinity was appointed as the global esports partner to Formula 1 for the creation of their inaugural esports programme. The Directors believe that the same desire that Formula 1 has to engage with this young male audience is also shared by a number of other major sports rights holders around the world. The Directors therefore expect other major sports organisations to look to establish similar programmes over the next 12 months, creating a significant opportunity for Gfinity.

### ***Acquisition of CEVO***

In July 2017, the Company announced the acquisition of the entire issued share capital of CEVO, Inc, an American based, industry renowned, global provider of technology and services to the esports market.

In acquiring CEVO, Gfinity will be supplementing its existing technology and management team with some of the most experienced operators in the esports industry, leaving the Company well positioned to take advantage of the growing number and scale of esports opportunities. The Directors of Gfinity believe they will be able to build out and enhance the Company's core products through the integration of CEVO's key technology. The Directors believe that Gfinity's core product suite, now combined with CEVO's technology, represents one of the market leading suites of esports technology.

### ***Recruitment of Executive Team***

In line with its growth strategy, the Company has recruited several highly experienced personnel including:

- Mark Brittain (Chief Commercial Officer). Mark joined from SYCO Entertainment where he was Global Head of Commercial overseeing all commercial and revenue generating activity for its core brands, formats and represented talent.
- Bryan Healy (Chief Strategy Officer). Previously Head of Commerce and Strategic Partnerships at UFC
- Amanda Lawson (Global Head of Production). Previously Executive Producer at UFC and prior to that Head of Production Operations at BBC Sport.
- Taz Rose (Chief Operating Officer). Formerly Operations Director at Brandpath

These appointments have helped to cement Gfinity's position as a leader in esports tournament design and production, while leaving the company well positioned to be able to commercialise the opportunity that provides.

### ***Reasons for the Placing:***

Given the success of the Gfinity Elite Series Season 1, the Company intends to repeat the Elite Series format with another two series and extend the Elite Series brand to multiple overseas territories. In each new territory, the Company intends to invest in building a large audience and a network of commercial and broadcast rights, together with a network of interests in the commercial rights of teams and players and an audience engaging regularly with Gfinity content. The purpose of the Placing is to fund this development.

### **3. Use of Placing proceeds**

The net proceeds of the Placing will be approximately £6.8 million and are expected to be applied as follows:

- £2.1 million - delivering the next two seasons of Elite Series UK, seeking to further establish it as a leading competition in UK esports and develop it to a point where substantial revenues may be generated from a combination of sponsorship, broadcast rights and franchise fees;
- £0.9 million - establishment of the Elite Series in Australia and roll out into one further country to prove the international franchise / licence model
- £0.5 million - merging the technology platforms of Gfinity and CEVO to create a market leading tournament engine for esports; and

- £3.3 million - supporting working capital requirements of the business for the next 12 months.

#### **4. Details of the Placing and Admission**

The Company is planning to raise £7 million (before expenses) by way of the Subscription and a conditional placing, conducted by Allenby Capital, of the Placing Shares at 27 pence per Placing Share with institutional and other investors.

The Placing is conditional, inter alia, upon:

- a) the passing of the Resolutions;
- b) the Placing Agreement (as described in more detail below) becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- c) admission of the Placing Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 12 October 2017 (or such later time and/or date (not being later than 31 October 2017) as Allenby Capital and the Company may agree).

Accordingly, if such conditions are not satisfied, or, if applicable, waived, the Placing will not proceed.

The Placing will result in the issue of a total of 25,925,926 Placing Shares, representing, in aggregate, approximately 11.9 per cent. of the Enlarged Share Capital. The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Ordinary Shares and therefore will rank equally for all dividends or other distributions declared, made or paid after the date of issue of the Placing Shares.

Application will be made to London Stock Exchange for the Placing Shares to be admitted to trading on AIM and such admission is expected to occur on 12 October 2017. It is expected that CREST accounts will be credited on the day of Admission as regards the Placing Shares in uncertificated form and that certificates for Placing Shares to be issued in certificated form will be dispatched by first class post by 15 October 2017.

#### **5. The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Allenby Capital, as agent for the Company, has agreed conditionally to use its reasonable endeavours to procure places for Placing Shares (other than Placing Shares issued pursuant to the Subscription) at the Issue Price. The Placing is not underwritten.

The obligations of Allenby Capital under the Placing Agreement are conditional, among other things, upon: (i) the passing of Resolutions; and (ii) Admission becoming effective by not later than 8.00 a.m. on 12 October 2017 (or such later time and/or date as Allenby Capital and the Company may agree, not being later than 31 October 2017).

The Placing Agreement contains certain warranties and indemnities given by the Company in favour of Allenby Capital as to certain matters relating to the Company and its business. The obligations of Allenby Capital under the Placing Agreement may be terminated in certain circumstances if there occurs either a material breach of any of the warranties or if a materially adverse event occurs at any time prior to Admission. Such rights exist in the event that such circumstances arise prior to Admission. If the conditions in the Placing Agreement are not fulfilled on or before the relevant date in the Placing Agreement then the subscription monies will be returned to Places without interest.

The Placing Agreement also provides for the Company to pay Allenby Capital commissions and certain other costs and expenses incidental to the Placing and Admission.

#### **6. Substantial Shareholders**

Based upon shareholdings as at 22 September 2017 and assuming completion of the Placing, the following persons will be interested in 3 per cent. or more of the Enlarged Share Capital on Admission:

<i>Name</i>	<i>Existing Ordinary Shares currently held</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Ordinary Shares on Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Charles Street International Holdings Limited	56,575,000	29.42%	63,186,111	28.96%
Nigel Wray	26,278,749	13.67%	29,291,211	13.42%
Neville Upton	14,710,579	7.65%	14,710,579	6.74%
Mike McTighe	6,006,250	3.11%	6,694,634	3.07%
Alden AS	5,000,000	2.60%	8,148,148	3.73%

## 7. Related Party Transactions

Two existing shareholders of the Company, Charles Street International Holdings Limited and Euroblue Investments Limited (“**Substantial Shareholders**”), are subscribing for 6,611,111 and 3,012,462 Placing Shares respectively. As the Substantial Shareholders currently hold more than 10 per cent. of the Existing Ordinary Shares, the subscriptions by them of Placing Shares are deemed to be related party transactions pursuant to rule 13 of the AIM Rules. Accordingly, the Directors consider, having consulted with the Company’s nominated adviser, Allenby Capital, that the terms of subscription to Placing Shares by the Substantial Shareholders are fair and reasonable insofar as Shareholders are concerned.

## 8. General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 11 October 2017 is set out at the end of this Circular. At the General Meeting, the following Resolutions will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to an aggregate nominal amount of £72,007.17 to permit the allotment of the Placing Shares pursuant to the Placing 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 additional authority); and
2. a special resolution to dis-apply statutory pre-emption rights in respect of the allotment for cash of up to 47,745,000 Ordinary Shares comprising the Placing Shares and up to a further 21,819,074 Ordinary Shares equivalent to approximately 10 per cent of the Enlarged Share Capital (there being no current intention to use this additional authority).

Resolution 1 will be proposed as an ordinary resolution and Resolution 2 as a special resolution.

### DEFINITIONS

<b>“Admission”</b>	the admission to trading on AIM of the Placing Shares, which is expected to take place on 12 October 2017
<b>“AIM Rules”</b>	the AIM rules for Companies, as published and amended from time to time by the London Stock Exchange
<b>“Allenby Capital”</b>	Allenby Capital Limited, the Company’s nominated adviser and broker pursuant to the AIM Rules
<b>“Articles”</b>	the existing articles of association of the Company as 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>“Capita” or “Capita Asset Services”</b>	a trading name of Capita Registrars Limited
<b>“Circular”</b>	this document
<b>“Company” or “Gfinity”</b>	Gfinity Plc
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK and 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>“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>“Form of Proxy”</b>	the form of proxy accompanying this Circular
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting” or “GM”</b>	the general meeting of Shareholders to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 11 October 2017
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue Price”</b>	27 pence per Placing Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Member Account ID”</b>	the identification code or number attached to any member account in CREST
<b>“Notice of General Meeting”</b>	the notice of General Meeting set out at the end of this Circular
<b>“On-line Views”</b>	the number of connections to a Gfinity streamed event
<b>“Ordinary Shares”</b>	the ordinary shares of 0.1p each in the capital of the Company
<b>“Overseas Shareholder”</b>	a Shareholder who is resident in, or who is a citizen of, or who has a registered address in a jurisdiction outside the United Kingdom
<b>“Placees”</b>	the persons who have conditionally agreed to subscribe for the Placing Shares

<b>“Placing”</b>	the Subscription and placing of the Placing Shares at the Issue Price as described in this Circular
<b>“Placing Agreement”</b>	the conditional agreement dated 22 September 2017 between the Company (1) and Allenby Capital (2) relating to the Placing but excluding the Subscription
<b>“Placing Shares”</b>	the 25,925,926 new Ordinary Shares which have been conditionally placed with institutional and other investors pursuant to the Placing and Subscription
<b>“Registrars”</b>	Capita Asset Services
<b>“Resolutions”</b>	the resolutions numbered 1 and 2 to be proposed at the General Meeting
<b>“Restricted Jurisdiction”</b>	each and any of the United States of America, Australia, Canada, Japan, New Zealand, Russia, and the Republic of South Africa and any other jurisdiction where extension or availability of the Placing would breach any applicable law or regulations
<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 direct subscription by certain Shareholders with the Company for certain of the Placing Shares
<b>“US\$” 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
<b>“US Securities Act”</b>	the United States Securities Act of 1933 (as amended)

## **Market Abuse Regulation**

The Market Abuse Regulation (MAR) became effective from 3 July 2016. Market soundings, as defined in MAR, were taken in respect of the Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and in the Circular and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. 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.