



The information contained within this announcement is 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 via a Regulatory Information Service, this inside information is now considered to be in the public domain.

22 October 2018

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

**Proposed placing and subscription of shares to raise £6 million
and notice of general meeting**

Gfinity plc (AIM: GFIN), a world leading esports solutions provider, announces a proposed subscription and placing of 75,000,000 new ordinary shares of 0.1p each in the Company ("Placing Shares") at a price of 8 pence per share (the "Placing Price") to raise £6,000,000 before expenses (the "Placing").

Placing highlights

- Proposed Placing was oversubscribed by new and existing investors.
- The Placing Shares will represent approximately 21% per cent of the issued share capital of the Company as enlarged by the issue of the Placing Shares.
- Proposed placing will strengthen the Company's financial position and support continued investment in its strategic priorities to generate future growth.
- Net proceeds will be deployed to expand the commercial delivery team for new opportunities in managed services and the further development of the Company's technical platform to support owned and operated properties, in addition to strengthening working capital.

The Placing was conducted by Allenby Capital Limited ("Allenby Capital") and Pareto Securities Limited ("Pareto Securities").

Further details of the Placing are set out below.

Background to the Placing

Gfinity has established itself as a world leading and independent esports solutions provider, connecting publishers, sporting rights holders, brands and media partners with the engaged and rapidly growing esports community. This position is reflected by an impressive client list, which includes some of the world's leading brands, such as: Premier League, Formula 1, Microsoft, EA Sports and Facebook.

The target addressable esports market continues to grow rapidly and is forecast to reach \$1.65bn in revenues by 2021 (Newzoo: 2018 Global Esports Market Report). Gfinity aims to leverage its strong partnerships to design, deliver and execute end-to-end esports solutions targeting the 2.2bn people who play video games globally. Gfinity's strong partnerships enables it to create and manage engaging esport leagues and events, forming the basis for compelling and valuable content.

Over the next few years, the Company expects to be able to drive significant revenue growth, across its business to business ("B2B") and business to consumer ("B2C") propositions:

- "Powered by Gfinity" B2B managed services, providing esports solutions and content creation and distribution services for publishers, rights holders and brands.

- Gfinity owned and operated B2C content and community, providing owned formats, leagues, events (i.e. Gfinity Elite Series) and a digital “Tribe” community (in development).

Monetisation within managed services is primarily driven by service and production fees in addition to an increasing share of revenue and profit sharing on content rights, advertising and sponsorships. Monetisation within owned and operated services is primarily driven by media rights, advertising and sponsorship on fully owned content and, in the longer term, a digital “Tribe” community.

Gfinity’s strong competitive position and monetisation opportunity is fortified by its proprietary, scalable and flexible tournament platform, market leading esports arena and studio in London and content creation capability.

The Company continues to invest in people, building a strong team with gaming and related expertise. It has recently appointed a new and experienced management team, with solid business experience and a proven track record across highly relevant sectors, to drive an increased focus on commercial delivery and capitalise on the unique opportunity that has been created.

Current trading and prospects

The Company has invested significantly through 2017 and 2018 in its esport technology platform, its content creation and community building expertise and in its relationships with key business partners. It is now well positioned to build on this platform for growth and take advantage of the growing popularity of esports. This has included investments in:

- People, both via targeted recruitment of high calibre senior executives and technical experts and through two strategic acquisitions:
 - Cevo, Inc: US based provider of technology and services to esports industry;
 - RealSport Ltd: UK based digital community, with a strong presence in esports market.
- Technology:
 - Market leading tournament platform;
 - World class esports production studio.
- Product: Establishment of Gfinity Elite Series as a leading multi-game competition, which has enabled Gfinity to win clients such as EA Sports, Formula 1 and Premier League.

Managed Services: The Company is now helping two of the largest sporting rights holders in the world, Formula 1 and Premier League, bridge the gap between real and virtual sport and connect with a new generation of fans. This provides the potential for a significant extension to their commercial content inventory. In addition, Gfinity delivers esports solutions for several publishers, commercial brands and media partners. Managed services are expected to be a major contribution to growth in the next few years.

Owned and operated: Since the launch of Gfinity Elite Series in the UK in July 2017, the Company has been able to attract 10 leading esports franchises to participate in the series. In March 2018 the Company announced a major deal with Facebook to acquire the exclusive streaming rights to the series. In July 2018 it was announced that Domino’s would come on board as presenting partner for the league from season 4 onwards. The Company has also licensed the Elite Series brand, format and underlying technology in Australia, in conjunction with leading Australian media company HT&E, with the first season of Gfinity Elite Series Australia having launched in May 2018.

The Company announced earlier today an update on its expected results for the year to 30 June 2018 and its financial outlook.

Use of Placing proceeds

Pursuant to the Placing, the Company will receive net proceeds of approximately £5.8 million. The new funds from the Placing will enable Gfinity to strengthen its platform for growth and enable continued investment in its strategic priorities. It will undertake the following:

- Build greater scale across the commercial team - £1.1 million; increasing sales capacity and commercial delivery resource to simultaneously deliver multiple high-profile programmes.
- Develop Gfinity's esports platform - £0.8 million; an additional investment to complete development of version 3 of the Company's market leading tournament platform;
- Further develop the UK Elite Series - £0.8 million; broadening appeal and commercial potential of the Elite Series, such that it achieves breakeven in 2019;
- Invest in the marketing and growth of Gfinity's "Tribe" community - £0.8 million; building the connected Gfinity "Tribe" community;
- General working capital to support growth - £2.3 million.

Details of the proposed Placing

The Placing Price of 8p represents a less than 2 per cent. discount to the closing middle market price of an ordinary share of 8.15 pence on 19 October 2018, being the latest practicable date prior to the announcement of the Placing.

The Placing Shares will represent, in aggregate, approximately 21 per cent. of the Company's issued ordinary share capital as enlarged by the issue of the Placing Shares.

The allotment of the Placing Shares is conditional, *inter alia*, upon the Company obtaining approval of shareholders of the resolutions to be proposed at a general meeting to provide sufficient authority to enable the allotment of the Placing Shares and disapply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares. Accordingly, the Company will be proposing such resolutions at a general meeting to be convened for 10.00 a.m. on 8 November 2018 at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG (the "**GM**"). If the resolutions are not passed by shareholders at the GM, the Placing as currently envisaged will not proceed. The notice of GM is set out at the end of a Circular to be posted to shareholders by tomorrow, a copy of which will be available tomorrow on the Company's website.

The Placing is also subject, *inter alia*, to admission of the Placing Shares to trading on AIM ("**Admission**"). Application will be made for the Placing Shares to be admitted to trading on AIM and it is expected that Admission, should the resolutions be passed at the GM, will take place on 9 November 2018.

The Company has entered into a Placing Agreement with Allenby Capital and Pareto Securities Limited ("Pareto") under which Allenby Capital and Pareto have, on the terms and subject to the conditions set out therein (including Admission), undertaken to use their reasonable endeavours to procure subscribers for 17,678,240 Placing Shares at the Placing Price. A further 57,321,760 Placing Shares are being subscribed for directly with the Company, conditional, *inter alia*, on Admission. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Allenby Capital and Pareto. The Placing is not being underwritten by Allenby Capital, Pareto or any other person. The Placing is conditional, *inter alia*, upon the Placing Agreement not being terminated prior to Admission (and in any event no later than 8.00 a.m. on 23 November 2018).

Substantial shareholders and Director subscriptions

Garry Cook, Executive Chairman, and Graham Wallace, Global Chief Operating Officer, have subscribed in the Placing at the Placing Price as to £100,000 and £25,000 respectively. Accordingly, on Admission Garry Cook will hold 1,990,741 ordinary shares in the Company, representing 0.55 per cent. of the then issued share capital, and Graham Wallace will hold 312,500 ordinary shares in the Company, representing 0.09 per cent. of the then issued share capital. The subscriptions by Garry Cook and Graham Wallace in the Placing are, in aggregate, deemed to be related party transactions pursuant to rule 13 of the AIM Rules for Companies. Accordingly, the Independent Directors consider, having consulted with the Company's nominated adviser,

Allenby Capital, that the terms of subscription to the Placing Shares by Garry Cook and Graham Wallace are fair and reasonable insofar as Shareholders are concerned.

Assuming completion of the Placing, the Company is aware of the following persons that will be interested in three per cent. or more of the issued share capital of the Company on Admission:

Name	Ordinary shares currently held	Ordinary shares on Admission	Percentage of enlarged share capital on Admission
Charles Street International	85,269,444	107,644,444	29.66%
Nigel Wray	32,048,325	32,048,325	8.83%
Canaccord Genuity	16,587,985	21,650,485	5.97%
Neville Upton	14,877,245	14,877,245	4.10%
Alden AS	11,273,148	14,210,648	3.92%
ION Asset Management	-	1,015,000	3.50%

Charles Street International Holdings Limited ("Charles Street") is subscribing for 22,375,000 Placing Shares at the Placing Price and as Charles Street currently holds more than 10 per cent. of the Ordinary Shares, the subscription by it of Placing Shares is deemed to be a related party transaction pursuant to rule 13 of the AIM Rules for Companies. Accordingly, the Directors of Gfinty consider, having consulted with the Company's nominated adviser, Allenby Capital, that the terms of subscription to the Placing Shares by Charles Street are fair and reasonable insofar as Shareholders are concerned.

Total Voting Rights

On Admission, the Company will have 362,897,087 ordinary shares of 0.1p each in issue, each with one voting right. There are no shares held in treasury. Therefore, the Company's total number of ordinary shares and voting rights is 362,897,087.

The above figure of 362,897,087 may be used by shareholders from Admission as the 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, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Garry Cook, Executive Chairman of Gfinty, said: "The net proceeds of the proposed Placing will strengthen the Company's financial position and support continued investment in its strategic priorities to generate future growth. In addition to strengthening working capital, the net proceeds will be used to expand the commercial delivery team for new opportunities in managed services and the further development of the Company's technical platform to support increased owned and operated properties.

Gfinty continues to be the partner of choice for many of the world's leading sports rights holders, game publishers and global brands. Within managed services, we have grown the value of the Formula 1 account, been appointed Tournament Operator by the Premier League for the inaugural ePremier League competition and deepened existing relationships with major publishers, including Microsoft and EA. In addition, we have added Facebook as a content partner and Domino's as a presenting partner of the owned and operated Gfinty Elite Series. We have momentum, and this is a testament to the high-quality team that we are continuing to build and invest in."

Enquiries:

Garry Cook, Executive Chairman

Via Walbrook PR

Allenby Capital Limited – Nominated Adviser and Broker

Tel. +44 (0)20 3328 5656

Jeremy Porter / John Depasquale / Nick Chambers

Walbrook PR (Media & Investor Relations)

Tel: +44 (0)20 7933 8780

Paul Cornelius / Sam Allen

or gfinity@walbrookpr.com

About Gfinty

Gfinty (AIM: GFIN) is a world-leading esports solutions provider. Its business to business platform, "Powered by Gfinty", delivers managed services to game publishers, sports rights holders, commercial partners and media companies. Gfinty creates bespoke solutions, including competitions and industry leading content production, connecting its partners with the esports community in authentic and innovative ways. Partnerships include EA SPORTS, Premier League, F1 Esports Series, Halo World Championship and the Forza Racing Championship.

Gfinty connects directly with competitive gaming consumers through its owned competition platform, the "Gfinty Elite Series". The Series enables competitive gamers to be part of the Gfinty community, testing themselves and developing new skills, while providing a pathway for those who aspire to a career in esports to join a leading professional team. "Gfinty Elite Series" content is distributed through linear and digital channels and is enjoyed by tens of millions of esports fans around the world.

All Gfinty managed service solutions and owned competitions are underpinned by its proprietary technology platform delivering a level playing field for all competitors and supporting scalable multi-format leagues, ladders and knock out competitions.

More information about Gfinty is available at www.gfintyplc.com. See the latest company presentation here: <https://cdn.gfintyplc.com/app/uploads/2018/10/19161817/Gfinty-Company-Presentation-October-2018.pdf>