

4 December 2020

**GLI Finance Limited**

**("the Company" or "GLI")**

**Result of Shareholder Meetings and Fundraising**

Further to the Company's announcement of 17 November 2020 in relation to certain proposals for a fundraising, a refinancing of the Company's liabilities and a restructuring of the business, the Board of GLI is pleased to announce that Resolutions in respect of the proposals put to Shareholders at the Meetings held earlier today were duly passed.

**The Issue**

The Company can now confirm that pursuant to the Issue it will issue, in aggregate, 177,777,778 New Ordinary Shares at 2.25 pence per New Ordinary Share, raising approximately £4 million (gross). The split of New Ordinary Shares is as follows:

- 77,777,778 New Ordinary Shares under the Firm Placing, raising gross proceeds of £1.75 million; and
- 100,000,000 New Ordinary Shares taken up under the Open Offer, raising gross proceeds of approximately £2.25 million. Valid acceptances were received from Qualifying Shareholders in respect of 53,714,499 Open Offer Shares under their Basic Entitlements, and for 46,285,501 Open Offer Shares under the Excess Application Facility.

Qualifying Shareholders who are also Independent Shareholders and who have validly applied for Open Offer Shares will receive their full Basic Entitlement and applications made under the Excess Application Facility by any such Shareholders will also be allocated in full.

Application has been made for 177,777,778 New Ordinary Shares to be admitted to trading on AIM and it is expected that Admission will become effective and trading will commence in the New Ordinary Shares at 8.00 a.m. on 7 December 2020.

Following Admission, the Company will have a total of 489,843,477 Ordinary Shares in issue. This figure of 489,843,477 may be used by Ordinary Shareholders as the denominator for the calculations by which they determine if they are required to notify their interest, or a change in their interest, in the issued share capital of the Company.

**The Bond Issue and Warrant Issue**

The Company has received binding commitments for a total of £12.575 million principal of New Bonds pursuant to the Bond Issue. The New Bonds, which will not be listed, will have an interest rate of 7 per cent. per annum (paid quarterly) and a maturity date of 31 December 2025. A total principal amount of £15 million may be issued pursuant to the Bond Issue, during the life of the New Bond. It is expected that the New Bonds will be issued, and the Existing Bonds will be repaid, on or before 31 December 2020.

In connection with the Bond Issue, the Company has executed the Warrant Instrument constituting up to 183,691,304 Warrants to subscribe in cash for new Ordinary Shares at a subscription price of 2.25 pence per Ordinary Share. The Warrants will be exercisable on at least 30 days' notice in the period to 31 December 2025.

Based on the commitments received to date in the Bond Issue, on or before 31 December 2020 the Company expects to grant Warrants exercisable in respect of a total of 153,994,543 Ordinary Shares. Further New Bonds may be issued up to the £15 million total and further Warrants may therefore be issued up to the total set out in the previous paragraph.

**The ZDP Continuation**

Pursuant to the passing of the relevant resolution, the term of the ZDP Shares has been extended to 5 December 2022. In due course the Company intends to announce details of a tender offer for approximately 25% of the ZDP Shares then in issue, to complete on or around 31 March 2021. Although it is the Board's present intention to implement such a tender offer, there can be no guarantee that a tender offer will be made.

### Honeycomb Investment Trust Facility

The Company is also pleased to confirm that the HIT Facility Renegotiation has now completed. The Board has agreed with Honeycomb Investment Trust to extend the HIT Facility for an additional 18 months, in addition to the extension granted in November 2020, such that the facility is now due to expire on 28 January 2024, and to increase the facility to a maximum principal amount of £75 million.

### The Concert Party

Participation in the Issue by Somerston Fintech and Golf will result in an increase in the Concert Party's aggregate shareholding in the Company to 207,675,256 Ordinary Shares, equivalent to 42.40 per cent. of the Company's enlarged share capital following Admission.

Somerston Fintech and Neslo subscribed for £7.7 million and £400,000 of New Bonds respectively. Pursuant to their respective participations in the Bond Issue, Somerston Fintech and Neslo have been issued with Warrants in respect of 94,294,869 and 4,898,435 Ordinary Shares, respectively.

Following exercise of the Warrants held by the Concert Party, the Concert Party's aggregate interest in the Company would further increase to up to 52.10 per cent. of the issued share capital of the Company, as enlarged, assuming exercise in full of such Warrants and no other changes to the share capital following Admission.

The interests of the Concert Party are shown below.

	Ordinary Shares held on Admission	% of issued Ordinary Share capital on Admission	Warrants pursuant to Bond Issue participation	% of issued Ordinary Share capital following exercise of Warrants <sup>(1)</sup>
<b>Concert Parties</b>				
Somerston Group <sup>(2)</sup>	200,349,684	40.90	94,294,869	50.02
Lexo Investments Limited	2,242,829	0.46	Nil	0.38
Neslo Partners No. 2 Limited	4,932,743	1.01	4,898,435	1.67
La Hauteur Investments Limited	150,000	0.03	Nil	0.03
<b>Concert Party's Total</b>	<b>207,675,256</b>	<b>42.40</b>	<b>306,868,560</b>	<b>52.10</b>

(1) Assuming no other changes to the Company's issued share capital between Admission and exercise of the Warrants exercise in full of the Warrants held only by members of the Concert Party

(2) Interest held via Somerston Fintech Limited and Golf Investments Limited

Without a waiver of the obligations under Rule 9 of the Takeover Code, the acquisitions set out above would require the Concert Party to make a general offer for the entire issued and to be issued share capital of the Company not already held by the Concert Party. Included in the Resolutions proposed at the Extraordinary General Meeting was the Waiver Resolution, which sought Independent Shareholder approval for the Panel Waiver. The Waiver Resolution was duly passed on a poll at the Extraordinary General Meeting.

### Use of Proceeds

The net proceeds of the Issue and the Bond Issue will be used to repay the Existing Bonds, to finance the potential Tender Offer of ZDP Shares and to recapitalise the Company following the Business Restructuring.

### Change of name

The focus of the Company's business and strategy will now be changed as set out in the announcement of 17 November 2020. The Board considers that it would be appropriate to change the name of the Company in order to better reflect the refocussed business and expects to put a resolution to Shareholders in that regard at the Company's next annual general meeting.

#### Result of votes cast at the Meetings

	For	Against	Withheld*
<b>The ZDP Class Meeting</b>			
Resolution 1: consent to pass the ZDP Continuation Resolution and the variation of class rights arising from passing of the ZDP Continuation Resolution	5,510,942 votes (98.42%)	88,585 votes (1.58%)	nil
<b>Ordinary Class Meeting</b>			
Resolution 1: consent to pass the ZDP Continuation Resolution and the variation of class rights arising from passing of the ZDP Continuation Resolution	193,542,193 votes (97.35%)	5,270,008 votes (2.65%)	56,830 votes
<b>Extraordinary General Meeting</b>			
Resolution 1: consent from Independent Shareholders for the Panel Waiver	140,626,180 votes (96.38%)	5,276,008 votes (3.62%)	89,008,588 votes**
Resolution 2: authorise the allotment of New Ordinary Shares and the Warrants on a non-pre-emptive basis	229,587,090 votes (97.75%)	5,276,008 votes (2.25%)	47,678 votes
Resolution 3: approve the adoption of the New Articles (and thereby authorise the ZDP Continuation)	236,518,287 votes (97.78%)	5,358,593 votes (2.22%)	53,678 votes

\*a vote withheld is not counted in determining the proportion of votes cast for or against a given resolution.

\*\*As set out in the Circular issued by the Company on 17 November, members of the Concert Party were restricted from voting in respect of Resolution 1 at the Extraordinary General Meeting.

Capitalised terms used but not defined in this announcement have the meanings set out in the announcement of 17 November 2020 entitled 'Proposed Fundraising'

#### Andy Whelan, Chief Executive Officer of GLI Finance Limited, commented:

"I would like to thank the Company's stakeholders; Ordinary & Zero Dividend Preference shareholders; Bondholders and Pollen Street Capital, Managers of the Honeycomb Investment Trust for their support in our capital raising initiative. Clearly it is all the more challenging to complete such a process during an unprecedented global healthcare and economic crisis. We are delighted with its success."

#### Nick Wakefield, Chief Investment Officer of Somerston Group and Non-Executive Director of the Company commented:

"Somerston is pleased that GLI has successfully completed its fund raising with so many stakeholders supporting the Company. With the capital raise completed, the Sancus management team can now focus on executing its business plan. Opportunities for growing the Group's property-backed lending book continue to present themselves as other lenders pull back from the market. Having supported GLI in its capital raising initiative, Somerston hopes that its considerable real estate expertise can now be applied to support the Group operationally."

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation (No 596/2014)

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