



15 March 2017

**1pm plc**  
**(the “Group” or the “Company”)**

**ACQUISITION OF INTELLIGENT FINANCING LIMITED FOR UP TO £2.0M**

**ESTABLISHMENT OF £7.5M SECURED LOAN NOTE PROGRAMME  
AND FIRST ISSUE OF £1.1M**

**ESTABLISHMENT OF LOANS DIVISION**

1pm plc (AIM: OPM), the AIM listed independent specialist provider of finance facilities to the SME sector, announces the following:

- The acquisition of Intelligent Financing Limited, trading as Intelligent Loans (“iLoans”), a brokerage engaged in the packaging of secured Bridging loans, Second Charge loans and Commercial Mortgages (the “Acquisition”);
- In accordance with the plans announced on 7 March 2017, establishment of a £7.5m Secured Loan Note Programme (“SLNP”) and completion of the first issue under the SLNP of £1.1m to part-fund the Acquisition; and
- The establishment of a new Loans Division comprising the Group’s existing £14m own-book of loans to SMEs, plus the Acquisition.

### **The Acquisition**

The Company has acquired the entire issued and to be issued share capital of iLoans.

iLoans is an established, FCA regulated, profitable business, with a strong reputation in a growing market for secured Bridging, Second Charge and Commercial Property loans. iLoans earns commission income from a wide panel of lenders and a growing network of approximately 1,200 introducers from whom a significant level of repeat business is generated. In the financial year to 31 January 2017, iLoans completed over 250 commission-earning transactions, recording £1.5m of commission income, an EBITDA of £0.4m and a PBT of £0.3m.

The iLoans business was founded by Alun Winter and Robert Coles who have in-depth sector knowledge and who have both agreed to continue to run the business post-Acquisition from the existing premises in Cardiff. The iLoans business has been built on an efficient, scalable proprietary software technology platform, which focuses on customer management and transaction process flows.

The Acquisition represents an opportunity for 1pm plc to fund selected loans on its own balance sheet, thus extending the Group’s product range into adjacent, complementary sectors, which is part of the Group’s stated growth strategy. The Acquisition consideration of up to a maximum of £2.0m comprises £1.0m in cash and £0.2m in 1pm plc ordinary shares on completion at a price of 56.5p per ordinary share. In addition, further cash payments of up to £0.8m in total may be payable contingent upon the achievement of iLoans’ forecast profits in the period from 1 February 2017 to 31 May 2019.

*An application has been made for 353,982 consideration shares to be admitted to trading on AIM (“Admission”). It is expected that Admission will occur on 20 March 2017.*

*Following Admission, the Company will have 54,877,753 ordinary shares in issue admitted to trading on AIM. This figure may be used by shareholders as the denominator 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 and Transparency Rules.*

## **Secured Loan Note Programme**

As announced on 7 March 2017, the £7.5m SLNP has been established with the flexibility for the Group to issue loan notes with a range of maturities, repayment profiles and interest rates, fixed at the date of issue. The first issue under the SLNP, which was over-subscribed at proceeds of £1.1m and is repayable over three years, has been drawn down to fund the initial cash consideration of the Acquisition.

The proceeds of further issues will be used primarily to meet demand for loans from SMEs, and to provide the flexibility to fund adjacent products, such as the products offered by iLoans and further potential acquisitions as the Company's business develops. The SLNP is secured by general corporate debentures granted by 1pm plc (senior) and 1pm (UK) Limited (second ranking) and by the assignment of receivables from customers funded through the SLNP proceeds.

## **Loans Division**

Since inception of its Loans product in 2014, the Group has successfully grown its own-book of loan receivables, which currently stands at approximately £14m. Establishing a Loans Division enables the Group to combine interest revenue from this book of receivables with commission revenue from iLoans, thus replicating the 'funder and broker' business model successfully operated in the Group's Asset Finance Division comprising Onepm Finance, Academy Leasing and Bradgate Business Finance.

The Group anticipates good cross-selling opportunities within the new Loans Division, for general purpose and property-backed loans to SMEs and also between the Loans and Asset Finance divisions. In pursuit of the Groups' stated strategy of developing its digital capability, the Group will also launch its digital transformation project, "Platform1", within the new Loans Division in order to harness the technology platform in iLoans and to implement further process automation initiatives. Finally, the Group is pleased to announce the promotion of Peter Nolan, previously Head of Underwriting, to the role of General Manager of the Loans Division and the Platform1 project.

### **Commenting on these developments, Ian Smith, CEO, said:**

"We are delighted to continue to deliver on our strategic objectives of building scale, introducing adjacent, complementary products and developing our digital capability. Furthermore, maintaining risk mitigation by being able to replicate our successful 'funding and broking' operating model is vitally important. The acquisition of iLoans helps to achieve these objectives and we anticipate further growth based on this sound platform.

Organising ourselves internally along divisional product lines and establishing relevant funding facilities for each product, such as the Secured Loan Note Programme primarily for loans, will further underpin our ability to grow. It also provides good cross-selling opportunities to an expanding customer base.

We are committed to developing talent and I am particularly pleased to see the promotion of one of our "junior board" to a General Manager position within the Group."

*The information contained within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014.*

**For further information, please contact:**

**1pm plc**

Ian Smith, Chief Executive Officer

01225 474230

**LGB Corporate Finance**

Angus Grierson, Director

0207 518 9892

**Cenkos (NOMAD)**

Max Hartley (NOMAD), Julian Morse (Sales)

0207 397 8900

**Walbrook PR**

Paul Vann

0117 985 8989

07768 807631

[paul.vann@walbrookpr.com](mailto:paul.vann@walbrookpr.com)

**About 1pm:**

The Company was admitted to AIM in August 2006.

1pm plc is a group of established independent finance companies focused on providing SMEs with accessible funding to add value to their businesses. All customers must have good credit histories and proven ability to repay their finance commitments.

Mission Statement – ‘Helping the UK economy grow by supporting SMEs’

More information is available on the Company website [www.1pm.co.uk](http://www.1pm.co.uk)