



Kin Group PLC - KIN Convertible Loan Note Facility
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RNS ANNOUNCEMENT: The information communicated in this announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

15 May 2017

KIN GROUP PLC ('KIN' OR 'THE COMPANY')

Convertible Loan Note Facility

Kin Group Plc (AIM: FITB), the AIM quoted digital wellness provider for corporate organisations trading as Kin Wellness, is pleased to announce that it has secured up to £1.125 million (before expenses) of additional funding.

The Company has agreed to issue convertible unsecured loan notes with a term of three years ("Notes"), to raise up to £1.125 million (before expenses), to Belastock Capital L.P., an overseas based institutional investor ("Investor"). The Notes have an aggregate nominal value of up to £1.25 million and will be issued at a 10% discount to nominal value in up to four tranches. If the Notes are converted into new ordinary shares in the Company ("Conversion Shares"), the Company will also issue the Investor with one warrant ("Warrant") for each Conversion Share, details of which are set out below.

The issue of the Notes is subject to the terms and conditions as summarised below. The first tranche of £350,000 in nominal value of Notes to raise £315,000 (before expenses) is expected to be issued today. The net proceeds of the first tranche are

expected to be £297,500.

Terms and conditions of the Notes

The Company has entered into agreements relating to the issue of four tranches of Notes and associated Warrants. The Notes will be issued at a 10% discount to their nominal value. The first tranche of Notes has a nominal amount of £350,000 and a subscription price of £315,000 ("Tranche 1 Notes") and the second, third and fourth tranches each have a nominal amount of £300,000 and a subscription price of £270,000 ("Tranche 2 Notes", "Tranche 3 Notes" and "Tranche 4 Notes"). The conditions for the Tranche 1 Notes are satisfied except in respect of the issue of the relevant certificate, which is expected to take place today.

The net proceeds of the Tranche 1 Notes are expected to be approximately £297,500 and the proceeds (net of expenses) of each of the Tranche 2 Notes, the Tranche 3 Notes and the Tranche 4 Notes are expected to be approximately £255,000.

Each of the Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes are expected to be issued 60 days following the issue of the previous tranche of Notes but may be issued earlier by agreement with the Investor.

The issue of each of the Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes is conditional upon, among other things: (i) certain warranties given by the Company remaining true and accurate as at the relevant issue date; (ii) no event of default having occurred on or before the relevant issue date (including there being no material adverse change in the financial position or prospects of the Company and its subsidiaries taken as a whole); (iii) the closing bid price of the Company's ordinary shares (as reported by Bloomberg) not being below £0.001 (0.1 pence) for any five (5) consecutive trading days on or prior to the relevant issue date; and (iv) the Company having sufficient authority for the Directors to issue the Notes and the Warrants and all statutory pre-emption rights in connection therewith having been dis-applied.

The nominal value of each tranche of Notes issued is convertible into Conversion Shares in integral multiples of £25,000 at any time prior to the third anniversary of the relevant Note at a conversion price equal to the lesser of (i) 125 per cent. of closing mid-price on 12 May 2017 and (ii) the lowest closing bid price for the Company's ordinary shares for the three (3) consecutive trading days ending prior to service of the relevant conversion notice.

Notes may be redeemed (a) on the occurrence of a change of control, at a price equal to 110 per cent. of their nominal value or (b) on the occurrence of an event of default at a price equal to 120 per cent. of their nominal value.

The Company is entitled to redeem the Notes on ten trading days notice at a price of 105 per cent. of their nominal value provided the holder of such Notes may elect, within two trading days following receipt of such notice, to convert some or all of such Notes into shares.

Any outstanding Notes are repayable at 100% of nominal value three years following the issue of the relevant tranche.

The Company has undertaken, for so long as the Notes remain outstanding, amongst other things, that the Group shall not create any new encumbrance on its assets or revenues without the prior consent of the Investor, or dispose of any assets on terms resulting in such assets being leased to it or re-acquired primarily as a method of raising indebtedness, or enter into any equity linked financing facilities except with the Investor's consent or where the proceeds received from such equity linked financing facilities are applied to satisfy the Company's payment obligations under the Notes.

Warrant Issue

The terms of the Note provides for one Warrant to be issued for each Conversion Share issued on each conversion (in whole or in part) of the Notes.

Each Warrant may be exercised within three years from the date of issue at the lesser of (a) 90% of the lowest closing bid price for the Company's ordinary shares for the three consecutive trading days ending prior to service of the relevant exercise notice and (b) 125% of the price at which the relevant Notes were converted into Conversion Shares resulting in such Warrant becoming exercisable.

The exercise price of the Warrants and the number of Shares arising on exercise of such Warrants may be adjusted to neutralise the impact of future capital changes.

Use of proceeds of the Notes

The proceeds of this fundraising will be used by the Company for general working capital purposes.

****ENDS****

For further information visit www.kinwellness.com

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Notes

About Kin Wellness

Kin Wellness provides digital wellness solutions that empower employers to create a positive culture of health within their organisation. By helping employees to embrace a healthier way of living, Kin Wellness can help maximise performance, reduce absenteeism, decrease the risk of chronic illness, and lower healthcare costs.

The Company's technological edge allows it to address holistic wellness by engaging both individuals and teams through intelligent, personalised interaction and gamification. This is an opportunity to make incremental behavioural changes that will last a lifetime. The progress of individuals translates to actionable data, meaningful reporting and insights that allow the organisation to monitor the impact of the programme and to refine it in order to achieve success.

Shares are admitted to trading on the London Stock Exchange AIM market under ticker KIN.

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