



Kin Group PLC - KIN Statement re. Suspension
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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.

Embargoed 07.30a.m., 18 July 2017

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

Statement re suspension

Kin Group Plc (AIM: KIN), the AIM quoted digital wellness provider for corporate organisations, trading as Kin Wellness, hereby announces that, following discussions with Belastock Capital L.P. ("Belastock"), Belastock has informed Kin that, due to the continued recent falls in the Company's share price, Belastock will not proceed with the three further tranches of the Convertible Loan Note, initially announced on 15 May 2017.

On 15 May 2017, the Company announced that it had agreed to issue convertible unsecured loan notes with a term of three years ("Notes"), to raise up to £1.125 million (before expenses) in four tranches, to Belastock, an overseas based institutional investor to fund its general working capital requirements.

The issue of the Notes was subject to the terms and conditions

summarised in the announcement dated 15 May 2017. The first tranche of Notes, with a nominal amount of £350,000 and a subscription price of £315,000 ("Tranche 1 Notes"), were issued on 15 May 2017 with the remaining three tranches due to be issued at 60 day intervals thereafter. The second tranche was due to be issued in mid-July.

One of the conditions attaching to the issue of subsequent Notes, which could be waived by Belastock, is that the closing bid price of the Company's ordinary shares (as reported by Bloomberg) would not fall below £0.001 (0.1 pence) for any five (5) consecutive trading days on or prior to the relevant issue date. The Company noted that this condition was not met at the close of business on 12 June 2017.

On 13 June 2017, the Company announced that, "notwithstanding this breach of the condition the Directors are pleased to report that Belastock has confirmed its ongoing support for the Company and that it is the current intention of Belastock to subscribe for the remaining tranches of the Notes as previously outlined. The second tranche of the Notes, which should raise approximately £255,000 (net of expenses), are due to be issued in mid-July."

This will not now take place and Belastock has indicated that due to the fall in Kin's share price, particularly since 13 June 2017, it has decided that it will not proceed with the remaining tranches of the Notes, which would have raised £765,000 (net) for Kin over the next four months.

As stakeholders are aware, Kin has been in an extended period of turnaround since December 2015 when it changed to its B2B strategy. In its final results for the year to 31 December 2016 which were published in early April 2017, the Group reported that it was experiencing healthy interest in its products from a number of large corporates and this continues to be the case. However, it also stated that that the road to conversion of many of these potential customers from first contact to sales is long. As a result the Group's needs for further development capital, particularly to expand its bandwidth to deal with the many potential opportunities which it is currently experiencing, continue as the sales process continues to develop. The Notes were a key part of the Company's plans for short term development capital and the withdrawal of this support has meant the Company now has a significant, unexpected shortfall in its available working capital.

The Board is seeking to raise additional funding to fill this gap. The Company has been in dialogue with NW1, its largest shareholder and senior secured creditor, and other parties. There is no guarantee that this fundraising will be completed successfully and so the Company has requested suspension of trading in its ordinary shares on AIM pending clarification of its financial position.

Therefore, at the request of the Company, Kin's ordinary shares have been suspended from trading on AIM with effect from 07.30 a.m. this morning.

The Company's ordinary shares will remain suspended from trading on AIM whilst the Board continues its discussions.

The Company will issue further announcements as appropriate.

For further information visit www.kinwellness.com

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