



Kin Group PLC - KIN Update 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.

**For immediate release
23 August 2017**

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

Update re suspension

On 18 July 2017, Kin Group Plc (AIM: KIN), the AIM-quoted digital wellness provider for corporate organisations, requested that trading on AIM in its Ordinary Shares be suspended, pending clarification of its financial position, following the decision by Belastock Capital L.P. ("Belastock"), not to proceed with the three further tranches of the Convertible Loan Note, initially announced on 15 May 2017. The Notes were a key part of the Company's plans for short-term working capital and the withdrawal of this support meant the Company had a significant, unexpected shortfall in its available working capital.

Since that time, the Board has been exploring various avenues to secure replacement funding to continue the business. As announced on 18 July,

the Company has been in dialogue with NW1, its largest shareholder and senior secured creditor, and other parties. Despite there being interest from a number of parties, so far there has been no proposed solution which would enable the Group to continue in its current form.

The unexpected shortfall in the Group's working capital has also meant that Kin Wellness Limited, the Company's principal trading subsidiary, has also been actively seeking purchasers for its business and assets. In order to facilitate a sale of the business as a going concern, the directors of Kin Wellness Limited have, executed a notice of intention to appoint Simon Harris and Ben Woodthorpe of ReSolve Partners Limited as administrators to Kin Wellness Limited. The Board understand that the appointment of administrators by Kin Wellness Limited will result in Kin Group Plc becoming a "Rule 15 Cash Shell" under Rule 15 of the AIM Rules for Companies. Within six months of becoming an AIM Rule 15 cash shell, the Company must make an acquisition or acquisitions which constitute(s) a reverse takeover under Rule 14 of the AIM Rules for Companies. In the event that the Company does not complete a reverse takeover under AIM Rule 14 within six months, the Exchange will suspend trading in the Company's pursuant to AIM Rule 40.

The Directors believe that any offer for the business of Kin Wellness Limited is unlikely to result in a surplus which will be available to Kin Group Plc as there is a secured creditor, NW1.

The Directors are also in discussion with potential investors to raise new equity funds for Kin Group Plc by way of a placing. Such an equity fundraising would require the approval of shareholders in General Meeting. As part of these proposals, the Board expects to issue a proposal for a Company Voluntary Arrangement with its creditors (within the meaning of Part 1 of the Insolvency Act 1986) and has appointed Simon Harris and Ben Woodthorpe of ReSolve Partners Limited to act as Nominees to advise and assist with this process.

At this stage, the Board is continuing to clarify the Company's financial position, and there is no guarantee that either a disposal of the business of Kin Wellness Limited or any new equity fundraising will be completed successfully, and so the suspension of trading in its ordinary shares on AIM will remain in place whilst the Directors continue their discussions.

The Company will issue further announcements as appropriate.

-Ends-

For further information visit www.kinwellness.com

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