

**Octagonal PLC**  
**New Business Initiative**RNS Number : 1391A  
Octagonal PLC  
22 March 2017

7.00am on 22 March 2017

**Octagonal plc**

("Octagonal" or the "Company")

**Proposed New Business Initiative**

Octagonal (AIM: OCT), would like to provide Shareholders with an update on a new business opportunity being developed by its wholly owned subsidiary, Global Investment Strategy UK Limited ("GIS"). The opportunity is in line with the Group's strategy of utilising its FCA Permissions to diversify and grow revenues through earnings enhancing projects.

GIS has incorporated Synergis Capital Ltd as a majority owned subsidiary ("SynerGIS") for the purpose of issuing an investment bond (the "SynergisBond") to be issued in tranches by SynerGIS and distributed by GIS. SynerGIS has been established to provide commercial asset backed lending and its operations will be independent on the activities of GIS. It is proposed that the SynergisBond be listed on the Irish Stock Exchange and, as such, a draft Prospectus has now been submitted to the Central Bank of Ireland for review.

The Company has raised third party capital to finance the cost of establishing SynerGIS and launching the SynergisBond; GIS will, however, at all times remain the majority shareholder in SynerGIS. Martin Davison, a Non-Executive Director of Octagonal, who will act as an executive Director of SynerGIS was a co-founder of the business and has been issued 12.5% of the SynerGIS equity (the "Transaction"). This constitutes a related party transaction under the AIM Rules and accordingly, the independent directors of the Company, being the Board excluding Martin Davison, having consulted with the Company's Nominated Adviser, confirm this Transaction is fair and reasonable insofar as the Company's shareholders are concerned.

The Company will update Shareholders when SynerGIS is in a position to publish the Prospectus in connection with the SynergisBond and when matters further progress.

John Gunn CEO commented:

"The submission of the Prospectus to the Central Bank of Ireland is the result of a year's work and analysis by GIS. Substantial due diligence has been undertaken including market, competitor and risk analysis. We have engaged both Solicitors and expert legal Counsel opinion to create a robust and compliant structure for the SynergisBond and the Issuer, SynerGIS. The structure allows investors in the SynergisBond to receive attractive rates of interest for investment grade debt, while GIS will be able to make use of the capital deposited with the Company by SynerGIS to support our existing treasury function and develop other prudent asset backed lending opportunities. This will create a symbiotic relationship between GIS and investors in the SynergisBond, with increased levels of interest for the depositor and enhanced earnings for the Company. The project is true to both the ethos of the Company to serve its clients and its commitment to its shareholders to maintain the strategy of developing new business lines through operational leverage to enhance earnings. We would hope to be able to provide a further update before the end of the financial year."

Grant Roberts, Chairman commented:

"This is a further example of the Company seeking organic growth through utilising pre-existing GIS services to expand our overall product offering into the general commercial lending space and providing additional future revenue stream based on the success of the business. The board and I are very excited by this new business and its potential future prospects; we thank Martin and his team for their efforts to date and wish them every success."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**For further information please visit [www.octagonalplc.com](http://www.octagonalplc.com) or contact:**

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