

27<sup>th</sup> August 2020



## I AM FIRE PLC

IamFire plc  
AQSE: FIRE  
("IamFire" or the "company")

**IamFire plc raise, £5,509,039.48 by way of a Discounted Capital Bond and participate £4,500,000 in £9,000,000 Convertible Loan Agreement with WeShop Limited & enter an Exclusive Subscription Agreement to acquire 10% of WeShop Limited for £2.77m through the subscription for new ordinary shares.**

### **Particulars of the News Release:**

1. WeShop Limited: Background
2. £9,000,000 Convertible Loan Agreement ("CLA") with WeShop Limited.
3. FIRE raises, £5,589,039.48 through a Discounted Capital Bond ("back-to-back-financing")
4. Terms of the Exclusive Subscription Agreement

#### **1. WeShop Limited: Background**

WeShop is a social commerce platform which allows users to seek advice and promote products which they own and love amongst their trusted social networks. To date it has deployed over £10m on the technology and is led by an experienced team including: Non-Executive Chairman and co-founder, Matthew Hammond, currently Managing Director and CFO of mail.ru, listed on the London International Exchange with a market capitalisation of circa \$6.5bn, Chief Executive Officer, Paul Ellerbeck formerly of DMGT group and EasyProperty, along with non-executive directors Baroness Michelle Mone, Leo Mansell and most recently Yoav Keren (CEO of Brandshield).

Commenting Paul Ellerbeck, CEO of WeShop:

*"This funding allows WeShop to initiate a substantial launch and fulfil the enormous potential of this business. There is no doubt whatsoever that friend to friend recommendations are the most trusted source for making purchasing decisions. Questions and advice around products and services are happening every minute of every day all around the world. The biggest problem of any new platform is acquiring and retaining users. In the first instance, acquiring and retaining users is a direct function of marketing budget. WeShop have devised a marketing mechanism which not only will acquire users but keep them engaged and retained in an incredibly cost-effective way – it is a truly unique mechanism which we are going to launch. The social commerce landscape has still not been conquered and there is not a better time as online sales are increasing, and people are spending more time on their electronic devices. This funding will also accelerate a public listing event. We look forward to announcing further updates in relation to the launch, the public listing and the marketing mechanism."*

#### **2. Iamfire plc participate £4,500,000 in £9,000,000 Convertible Loan Agreement ("CLA")**

The Underlying terms of the CLA are as follows;

- Interest rate of 8% per annum for a 36 month period
- Unsecured with no debenture
- Conversion triggers include; an IPO, an exit or further funding rounds
- Conversion would occur at a 20% discount to the price of the conversion event.

**3. FIRE raises, £5,589,039.48 through a Discounted Capital Bond**  
*(“The Back-to-Back Financing with regards the CLA”)*

In order for the company to proceed with the terms of the CLA, after a period of Due Diligence, lamFire plc have successfully raised gross proceeds of, £5,509,039.48 by way of a Discounted Capital Bond (“DCB”). The Discounted Capital Bond has been issued by, Hawk Investment Holdings Limited (“The Bondholder”)

- Issue price of the DCB is, 78.73% resulting in net proceeds of, £4,400,250.78
- The DCB shall have no fixed coupon on the basis that the grossed-up figure has been issued on a discounted basis resulting in, £5,509,039.48 payable upon maturity
- The Bond shall mature on 25<sup>th</sup> August 2023 and during this period shall be secured against the assets of the company by way of a debenture
- The terms of the Bond do not allow for conversion to equity
- lamFire plc shall the right under the terms of the DCB to early redemption during or before the end of the second anniversary

Serviceability of the Discounted Capital Bond (“DCB”)

Appreciating that lamFire plc, is a non-revenue generating business and seeks to generate capital returns from investments, the Board of Directors have considered serviceability in respect of the, Discounted Capital Bond and have proceeded on the following assumptions, in respect of interest payable and not conversion of the CLA;

- The DCB represents a back-to-back financing to satisfy the terms lamFire plc entered with WeShop Limited
- Upon the DCB being redeemed the total payable to the Bondholders (Hawk Investment Holdings Limited) represents, £1,188,788.70 (*“The Discount”*) & £4,400,250.78 (*“The Capital”*) should the company elect to redeem the bond at maturity and not enter the terms of the early redemption
- Under the terms of the CLA entered with WeShop, over the 36-month period to maturity WeShop would have to service a total interest cost, payable to lamFire plc of, £1,080,000

Hawk Investment Holdings Limited (“Hawk”)

Hawk is an investment holding vehicle with multiple positions in both public and private companies across multiple sectors globally. Hawk Investment Holdings Limited is owned by Morton PTC Limited in its capacity as trustee of The Morton Family Trust.

**4. Terms of the Exclusive Subscription Agreement (“ESA”)**

Concurrent to the CLA, lamFire have entered a, 6-month ESA that entitles the company to acquire by way of a subscription for new ordinary shares & warrants, 10% of WeShop Limited under the following terms of investment entered and approved by the Board of WeShop;

- Period of Exclusivity to be 6-months
- lamFire plc shall have exclusivity to subscribe for new ordinary shares at a pre-money valuation of, £25,000,000
- Under the terms of the ESA, lamFire plc shall have the right to acquire an interest through subscription equating to a resulting interest of 10% of the issued share capital of WeShop Limited
- Under the agreement, lamFire plc shall have the entitlement to subscribe for, 526,624 shares at a subscription price of, £5.27 per share for a total consideration of £2,775,308.48
- In electing to subscribe for, 526,624 shares, lamFire plc shall receive 263,312 warrants with a strike price of, £10 and a life to expiry of, 5-years from issue. Should FIRE elect to exercise their warrants in full (100%-Exercise) FIRE shall be awarded a further, 263,312 warrants with a strike price of, £20 per shares and a life to expiry of, 5-years from issue
- Warrant Accelerator: Should WeShop complete a successful IPO, WeShop shall have the right to enforce an accelerated exercise of, 263,312 warrants with a strike price of, £10. FIRE shall have, 45-days to exercise these warrants from date of notice from WeShop
- lamFire plc confirm that they do not have the required capital in the business to exercise this entitlement immediately but have considered the company's; subscriber warrants totalling over, £10,000,000 if all exercised, and can explore various funding options (*as demonstrated in today's announcement*) available in order to proceed if the Board elect to exercise their rights under the ESA
- **Right to maintain a 10% Interest in the issued share capital of WeShop up to a go-public event through an anti-dilution clause**

Burns Singh Tennent-Bhohi, CEO & Executive Director commented,

*"lamFire plc have strategically engineered an investment-transaction whilst also providing the company an Exclusive Right to acquire 10% of WeShop with further financial instruments, protected with an anti-dilution clause as WeShop looks to complete a comprehensive launch, IPO and enter a prolonged period of growth.*

*WeShop have developed a product that formalises the syndication of social networks and e-commerce. This is a theme that is practiced by social networks, but one where none have quite captured its true identity. The very ethos of WeShop from inception has been to aggregate social networks and e-commerce to create a brand, trusted network & marketplace that represents this critical theme in the modern world.*

*lamFire plc have studied this identity and its perceived demand in the global marketplace and strongly believe that it has a global presence as a brand and is an application that the consumer will trust and consistently engage.*

*This is a considerable day for lamFire plc, as we continue to develop our two internal investment divisions creatively and with commercial presence. Furthermore I am delighted to see the interest that is being shown by shareholders and the wider market with regards the developments being made at the AQUIS Stock Exchange and feel that it is an exciting time to be an issuer listed on the AQSE Growth Market Exchange as the AQUIS Stock Exchange enters a period of revitalisation and growth.*

The Directors of the Company accept responsibility for the contents of this announcement

#### Enquiries

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