



4 July 2016

This announcement contains inside information

**Arria NLG plc**

("Arria NLG" or the "Company")

**Proposed New Zealand Stock Exchange and Australian Stock Exchange listings**

**Arria NLG (AIM: NLG.L)**, a technology leader in Natural Language Generation ("NLG"), is pleased to provide an update on its proposed capital reorganisation which includes listings in New Zealand and Australia.

**Introduction**

Further to Arria's announcement on 10 June 2016, Arria is well advanced in preparing for the listing of the securities of a new holding company ("Arria NLG Group") on the main board of the New Zealand Stock Exchange (the "NZSX") and a secondary listing on the Australian Securities Exchange (the "ASX") (together the "Listings"). Once effected, the group's primary listing will shift from the London Stock Exchange AIM market ("AIM") to the New Zealand Stock Exchange.

To maintain the group's participation in the UK market, concurrent with the Listings, the Arria NLG Group will seek a listing of depository interests (representing shares and warrants) on the standard segment of the Main Market of the London Stock Exchange plc (the "Standard List") and at the same time the Company will seek the cancellation of the admission to trading on AIM of its existing ordinary shares (the "Existing Ordinary Shares") and existing quoted warrants (the "Quoted Warrants").

Arria believes this configuration of a primary listing to the NZSX together with secondary listings on the ASX and the Standard List, will better support Arria's global expansion plans.

Coinciding with the Listings, a fundraising will occur (the "Fundraising"). The Listings and the Fundraising will be subject to certain regulatory and other consents.

Any new capital raised will be used to support Arria's commercial momentum by:

- continuing to add new clients and partners;
- developing Arria's SaaS products, (including a global launching of those products);
- continuing the development of Arria's core technologies; and
- an extension of the Group's existing Intellectual Property program by developing new patents and patent applications in the field of NLG.

The Board of Arria currently anticipate that full details of the Listings and the Fundraising will be announced in the current quarter.

### **Proposed capital reorganisation**

In order to effect the Listings, it is the Company's current intention that Arria NLG Group (a newly incorporated company, registered in New Zealand) would acquire all of the Existing Ordinary Shares by means of a Scheme of Arrangement under sections 895 to 899 of the Companies Act 2006 (the "Scheme"). The structure of the Listings, Fundraising and the Scheme have been developed over recent months and it is anticipated that proposals will be put to holders of the various components of Arria's current capital structure (being the Existing Ordinary Shares, the Quoted Warrants, the existing loan notes and unlisted B warrants, and the employee options and LTIPs) as follows:

#### *Existing Ordinary Shares*

Under the Scheme, holders of Existing Ordinary Shares, as at the Scheme record date, would receive one share in Arria NLG Group (a "Arria NLG Group Share") for each Existing Ordinary Share held. Arria NLG Group Shares are expected to be listed on the NZSX and the ASX and depositary interests representing Arria NLG Group Shares are expected to be listed on the Standard List.

For every 10 Existing Ordinary Shares held in the Company, shareholders would also receive one warrant in Arria NLG Group (a "Bonus Warrant"). The exercise price of each Bonus Warrant will be NZ\$1.00 (approximately £0.53) and the Bonus Warrants would expire on 15 February 2020. The Bonus Warrants are expected to be listed on the NZSX and the ASX and depositary interests representing Bonus Warrants are expected to be listed on the Standard List.

#### *Quoted Warrants*

Holders of the Quoted Warrants will retain their Quoted Warrants but, outside of the Scheme, will be offered the opportunity to exercise prior to, and conditional upon, the Scheme becoming effective. However, the Company will seek cancellation of trading on AIM of the Quoted Warrants and the Company will not be seeking a listing of the current Quoted Warrants on the NZSX, the ASX, the Standard List or any other exchange.

Amendments to the articles of association of the Company will be proposed at a general meeting to provide that any new ordinary shares in Arria NLG issued following the Scheme becoming effective will be subject to the Scheme. Consequently, upon the future exercise of a Quoted Warrant, the holders thereof will be issued with shares in Arria NLG which will then be immediately acquired by Arria NLG Group on the same terms as offered to the holders of the Existing Ordinary Shares. So, on exercise of every ten Quoted Warrants, the holders will receive ten shares in Arria NLG, which will then be immediately acquired by Arria NLG Group for ten new Arria NLG Group Shares and one Bonus Warrant. The expiry date of the Quoted Warrants is expected to be extended from 30 September 2017 to 15 March 2019.

### *B warrants*

Holders of existing unlisted B warrants in the Company (the “B Warrants”) will retain their B Warrants, but, as with the Quoted Warrants, will be outside of the Scheme. The proposed amendments to the articles of association of the Company will provide that any new ordinary shares in the Company issued following the Scheme becoming effective will be subject to the Scheme. Consequently, upon the future exercise of a B Warrant, the holders thereof will be issued with shares in the Company which will then be immediately acquired by Arria NLG Group on the same terms as offered to the holders of the Existing Ordinary shares, as set out above. The expiry date of the B Warrants will remain 11 June 2019 and will not be extended. Holders of B Warrants will also be offered the opportunity to exercise prior to, and conditional upon, the Scheme becoming effective.

### *Convertible loan notes*

Holders of convertible loan notes in the Company (the “Loan Notes”) will retain their Loan Notes. As with the Quoted Warrants and B Warrants, the Loan Notes will be outside of the Scheme and the proposed amendments to the articles of association of the Company will provide that any shares in the Company issued following the Scheme becoming effective will be subject to the Scheme. Consequently, upon a future conversion of the Loan Notes, the holders will be issued with shares in the Company which will then be immediately acquired by Arria NLG Group on the same terms as offered to the Existing Ordinary Shares. So, on conversion, holders of Loan Notes will receive ten shares in the Company for every £4.00 of Loan Notes (based on a current conversion price of 40p, and with fractional entitlements being rounded down), which are then immediately acquired by Arria NLG Group for ten new Arria NLG Group Shares and one Bonus Warrant. The expiry date of the Loan Notes will remain 31 October 2019 and will not be extended. Holders of Loan Notes will be asked to waive their rights to have their Loan Notes acquired and/or repaid upon the Scheme becoming effective. The Loan Notes will not be listed on any exchange.

### *Employee options and LTIPs*

Appropriate proposals will be made to the holders of employee options and LTIPs at the same time as the Scheme being put to shareholders.

Further details of the Scheme will be announced in due course. Should the Scheme become effective, then Arria NLG Group will become the new parent company of the Arria group and the existing parent company, Arria NLG, will become a wholly owned subsidiary of Arria NLG Group. Arria NLG would be re-registered as a private limited company.

### **Proposed Arria NLG Group board members**

It is proposed that on the listing of Arria NLG Group on the NZSX, Stuart Rogers, Chairman and Chief Executive of the Company, will become Non-Executive Chairman of Arria NLG Group, and Matthew Gould will become Chief Executive of Arria NLG Group. Wayne Thornhill will be appointed to the board of Arria NLG Group as Chief Financial Officer. Paul Kidney and Sharon Daniels (both non-executive directors of the Company) will become non-executive directors of Arria NLG Group and Barbara Kendall will be a non-executive director of Arria NLG Group.

Michael Higgins, a non-executive director of the Company, will step down from the Arria NLG board and will not be joining the board of Arria NLG Group.

**Proposed Fundraising**

Arria NLG Group is currently seeking, conditional on the Listings taking place, to raise approximately £8.5 million of new capital through a public offer and subscription by way of the issue of new Arria NLG Group Shares. Pricing is subject to market evaluation and it is anticipated that the offer will consist of a bundle of securities incorporating ordinary shares in Arria NLG Group and listed warrants. The Board anticipates that the expected price of the offer of the securities bundle in the proposed fundraising, will be at a significant premium to the current Arria NLG ordinary share price.

It is the Company’s intention that the Fundraising will be supported by a standby underwriting agreement between Arria NLG Group, the Company and MSL Capital Markets, which in turn will be supported by a series of standby sub-underwriting agreements with certain existing shareholders and new institutional investors. Further details of the proposed underwriting will be announced on completion of the underwriting agreements.

**Commenting, Stuart Rogers, Chairman and Chief Executive of Arria NLG said:** “Arria was founded as a UK company, and when the Company first listed in late 2013, it chose the UK’s AIM market. Many of the Arria’s founders and early investors are residents of New Zealand and Arria recognizes the strength of the equity markets in New Zealand and Australia with their focus on early stage software and technology companies. Further, during its first two years, Arria’s staff were predominately based in the UK, whereas today, the core development staff are more evenly split between offices in the UK and Australia. With the ever-increasing media and marketplace focus on the Artificial Intelligence (“AI”) category, and Arria’s central place within this category which has been recognised in a number of recent technology media articles, Arria is confident that this strategic action of listing Arria NLG Group securities on both the NZSX and ASX exchanges, while maintaining a standard listing on the London Stock Exchange, will better provide the capital platform to support the group’s global expansion plans within the AI category, and best serve the interests of the Company’s shareholders.”

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

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## Arria NLG

Arria NLG's core product is known as the Arria NLG Platform, a form of artificial intelligence software, specialised in extracting information from complex data sources and communicating that information in natural language (i.e. as if written by a human). The scientific foundation for the Arria NLG Platform is based on more than 30 years of research and development by the Arria NLG Data2Text Founders at the University of Aberdeen. For additional information, visit [www.arria.com](http://www.arria.com). Follow Arria NLG on [Twitter](#), [LinkedIn](#), [Google+](#) and [YouTube](#).