



For Immediate Release

23 March 2016

1pm plc
(“1pm”, the “Group” or the “Company”)

ACQUISITION OF BRADGATE BUSINESS FINANCE LIMITED FOR UP TO £2.75M
Second significant strategic acquisition within the current financial year
&
Strong trading momentum maintained across the Group

1pm, the AIM listed independent specialist provider of finance facilities to the SME sector, is pleased to announce the acquisition of Bradgate Business Finance Limited (“BBFL”) for an aggregate consideration of up to £2.75 million, comprising £2.20 million payable in cash on completion and up to a further £0.55 million in shares over the next three years subject to certain performance targets being achieved.

Key points:

- Established in 2006, BBFL is a leading independent specialist provider of ‘hard’ asset finance solutions to clients buying business critical equipment within the construction, recycling and haulage sectors.
- The acquisition of a ‘hard’ asset specialist is complementary to the ‘soft’ asset focus of both 1pm and Academy Leasing and will further expand the SME market sectors served by the Group’s range of products and services.
- BBFL has achieved an effective and profitable balance between writing lease business on its ‘own-book’ and ‘broking-on’ business to a high-quality panel of funders in order to generate cash from commissions, having developed a similar business model to that of Academy Leasing.
- With greater access to capital as part of the 1pm group, BBFL will now have the ability to significantly grow its ‘own-book’ whilst continuing to generate cash from broking activities.
- In its unaudited results for the year ended 31 January 2016 BBFL recorded a profit before tax and after dividends of £0.37 million on turnover of £1.36 million. In addition, at the year-end, the aggregate balance of its loan book stood at £3.45 million, with net assets at that date of £1.20 million.
- Bad debt write-offs during the year to 31 January 2016 amounted to £0.04 million, representing 1.2 per cent. of the book
- Following its acquisition, BBFL will operate as an autonomous business unit within the Group, managed by its existing highly experienced and well-respected management team.
- 1pm has financed the cash consideration for the acquisition from within its existing borrowing facilities. The additional deferred consideration of up to £0.55 million, to be satisfied by the issue of new shares, is conditional on achievement of annual business generation targets in each of the three financial years following completion.

Reasons for the acquisition:

BBFL is a leading independent specialist provider of hard asset finance solutions to a broad range of

largely owner-managed businesses within the construction, recycling and road transport sectors. BBFL's core strength is access to a selected network of panel funders whilst also having the ability to act as a principal funder. It is therefore able to provide its clients with a wide range of competitive financing packages with proven sales and underwriting experience and a record of generating high yields and strong returns on capital investment. Business is generated primarily from end-user lessees, but also via key relationships with equipment suppliers who rely heavily on the sector expertise of the management team and their ability to secure funding of their equipment sales. BBFL has a number of established supplier relationships that can be further leveraged.

Commenting on the acquisition, 1pm CEO, Ian Smith said:

"The Board of 1pm is very pleased to be taking this second significant strategic step forward in the current financial year following the successful acquisition of Academy Leasing in August 2015. This transaction is further proof of the Group's intent to build a significant asset finance and business loans group through a combination of strong organic growth and carefully selected acquisitions. The acquisition of BBFL adds the hard assets category, new SME business sectors and valuable management experience to our existing asset finance offering."

Richard Arnold, Managing Director of BBFL said:

"We are delighted to have this opportunity to take Bradgate Business Finance to the next stage in its development. This transaction will enable the business to grow significantly as part of the 1pm plc group, allowing us to join forces with 1pm and Academy to create a strong combined business, whilst continuing to build on the successful foundations we have laid within our own particular sectors of expertise."

Commenting on the acquisition and current trading, Chairman John Newman, added:

"1pm's trading performance in the first nine months of the current financial year, which includes a six month, contribution from Academy Leasing, continues to be strong and in line with management expectations for the financial year ending on 31 May 2016, This latest acquisition will help to enhance the trend of profitable growth delivered over recent years."

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About 1pm:

The Company was admitted to AIM in August 2006.

1pm plc is an established group of independent finance companies focused on providing SMEs with accessible funding to add value to their businesses. All customers must have good credit histories and proven ability to repay their finance commitments.

Mission Statement – 'Helping the UK economy grow by supporting SMEs'

More information is available on the Company website www.1pm.co.uk.