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Monreal PLC
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Monreal plc
("Monreal" or the "Company")
Proposed admission to trading on the NEX Exchange Growth Market, adoption of an
Investment Strategy and cancellation of the admission of its Ordinary Shares to trading on
AIM

The Board of Monreal today announces that it intends to seek Shareholder approval for, *inter alia*, the proposed admission of the Company's Ordinary Shares to trading on the NEX Exchange Growth Market ("NEX Admission"), the adoption of an investment strategy and cancellation of the admission of its Ordinary Shares to trading on AIM ("AIM Cancellation") (together the "Proposals"). A circular is being prepared and will be published shortly and which will set out the background to the NEX Admission and AIM Cancellation and the reasons why the Directors consider it to be in the best interests of the Company and its Shareholders as a whole and to seek Shareholder approval at a General Meeting to be convened for this purpose (the "Circular").

Background to the Proposals

On 14 November 2017 the Company announced that it had entered into a conditional sale and purchase agreement to dispose of its then operating subsidiary Cogenpower srl (the "Disposal"). Shareholders approved the Disposal at a General Meeting on 1 December 2017 and the Disposal was completed on 4 December 2017. As a consequence, the Company became a Rule 15 Cash Shell and as such the Company is required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 on or before the date falling six months from completion of the Disposal, or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

The Board of the Company continues to work to identify a suitable target for a reverse takeover, and believes that in due course that the Board will identify and conclude a suitable acquisition for shareholders. However, the Company is operating under a relatively short timetable and unless it is able to comply with AIM Rule 15, the Company's Shares will be cancelled from trading on AIM on 5 December 2018. The Board is concerned that there is a risk that shareholders could be left without the ability to trade their shares in the circumstances that the Board has been unable to identify and conclude the acquisition of an attractive opportunity before the relevant AIM deadline.

Accordingly, the Board has considered the other options for developing the Company and providing sufficient time to identify suitable proposals and opportunities and while at the same time maintaining the ability for shareholders to trade their shares. Following completion of this evaluation, the Board believes that the Company should now seek to transfer the trading of its Shares by way of admission to trading on NEX as an Investment Vehicle and adopt a broad investment strategy.

Reasons for the proposed AIM Cancellation

As an NEX Investment Vehicle, should the NEX Admission proceed, the Company would be permitted under the NEX Rules to adopt a broader investment strategy. The AIM Rules however,

require that the Company makes an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 on or before 4 December 2018 or the Company would otherwise be required to raise at least £6 million and be re-admitted as an Investment Company under the AIM Rules.

The Directors believe that there is no certainty that a reverse takeover can be completed within the next six months. In addition, they do not believe that it is a realistic option to raise at least £6 million and be re-admitted as an Investment Company under the AIM Rules. Accordingly, the Board believes that it is in Shareholders' best interests to broaden the potential range of investments and opportunities that the Company could consider under the proposed investment strategy, and alleviate the impending AIM Rule 15 deadline (which would otherwise result in a reverse transaction not yet identified or a delisting of the Company's shares).

The Directors believe that NEX could potentially offer a similar level of liquidity to AIM while enabling the adoption and implementation of a broader and more flexible investment strategy

For these reasons, the Board has concluded that it would be in the best interests of the Company and Shareholders as a whole if the admission of the Company's Ordinary Shares to trading on AIM were to be cancelled and the Company's Ordinary Shares admitted to NEX as an Investment Vehicle with the new investment strategy.

A further announcement will be made shortly.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. The person who arranged the release of this announcement on behalf of the Company was John Treacy.

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A copy of this announcement is available from the Company's website www.monrealplc.com.