

## Acquisition of JPI Group and Directorate Change

Released : 31 December 2020

RNS Number : 3276K  
National World PLC  
31 December 2020

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

### National World plc

("National World," or the "Company")

### Acquisition of JPI Publishing Limited and its Subsidiaries ("JPI Group") and Directorate Change

National World, (LSE:NWOR) is pleased to announce that it has acquired JPI Media Publishing Limited ("JPI") and its subsidiaries ("JPI Group") from JPI Media Limited for £10.2 million with completion on 2 January 2021.

#### Highlights

- The JPI Group is the third largest local news publisher in the UK and its iconic titles and websites include: The Scotsman, The Yorkshire Post, Belfast News Letter, Sheffield Star, Edinburgh Evening News, Portsmouth News and Lancashire Evening Post.
- In the year ending 2 January 2021 the JPI Group is estimated to have revenue of £85.0 million and EBITDA (before exceptional costs) of £6.0 million.
- The JPI Group will provide a platform for National World to implement its strategy of creating a sustainable local online news publishing model. In the year to 2 January 2021 the JPI Group is estimated to have digital revenue of £17.0 million.
- Acquisition of JPI for £10.2 million with £5.2 million satisfied in cash on completion and two deferred payments of £2.5 million each on 31 March 2022 and 31 March 2023.
- The Company will provide £6.5 million working capital facilities to JPI Group post completion.
- National World has funded the acquisition from its own cash resources and by the issue of £8.425 million of loan notes. National World is seeking to issue further loan notes during January 2021 and has also entered a committed obligation with one of its shareholders to issue a further £2.0 million of loan notes during January 2021.
- The loan notes pay interest at 10% and are convertible into shares in National World, subject to certain conditions.
- Trading in the shares of National World will remain suspended until such time as the Company has published a prospectus relating to the JPI Group (approved by the FCA) and the shares are re-admitted to trading on the Standard List of the London Stock Exchange.
- On 1 January 2021, Mark Hollinshead will be appointed Chief Commercial Officer and Daniel Cammiade will be appointed as a non-executive director.

Commenting on the acquisition, National World's Chairman, David Montgomery, said:

*"JPI's historic publishing brands represent the best in journalism and have reliably served their communities and supported local businesses, in some cases for centuries, and never more than in the last year. National World will uphold this tradition and implement modern technology to grow the business across a wider footprint based on high quality, unique content."*

*"I am pleased with the appointment of Mark as Chief Commercial Officer and welcome Daniel to the Board. We have a very experienced Board with extensive knowledge in digital and print publishing to deliver our transformational strategy for growth."*

**For further information please contact:**

**National World plc c/o Montfort Communications**

**+44 (0)77 3970 1634**

David Montgomery  
Vijay Vaghela

**Dowgate Capital Limited - Financial Advisers and Brokers** +44 (0)20 3903 7715  
James Serjeant

**Alvarium MB (UK) Limited - Financial Advisers** +44(0)20 7195 1400  
Zeph Sequeira

**Stanhope Capital LLP - Financial Advisers** +44 (0)20 7725 1800  
Nigel Spray  
Rakesh Sharma  
Emmanuel Daïen

**Montfort Communications - Financial PR & IR**  
Nick Miles +44 (0)77 3970 1634  
Olly Scott +44 (0)78 1234 5205

## **Further information on National World and JPI Group**

### **Introduction**

The Company listed on the standard section of the London Stock Exchange in September 2019 to create a modern platform for news publishing by implementing a new operating model using the latest technology. Its strategy involves consolidation and change by combining digital innovation and traditional print assets to grow revenue by aggregation of audiences and reduce costs via shared services.

On 2 December 2019 the Company announced that it was contemplating several acquisitions and had approached JPI Media Limited following speculation about the sale process for its regional titles. Since that date there have also been discussions involving several potential acquisitions, some of which are ongoing.

On 2 January 2021 the Company will complete the acquisition JPI Media Publishing Limited ("JPI") and its subsidiaries ("JPI Group") from JPI Media Limited.

### **JPI Group**

The JPI Group is the third largest publisher of regional newspapers and websites in the UK with over 100 newspapers including 13 daily newspapers. Iconic brands and websites include: The Scotsman, The Yorkshire Post, Belfast News Letter, Sheffield Star, Edinburgh Evening News, Portsmouth News and Lancashire Evening Post.

In the year ending 2 January 2021 the JPI Group will have estimated revenues of £85 million and EBITDA (before exceptional costs) of £6 million. Estimated digital revenue for the period to 2 January 2021 is £17 million.

The business will be acquired with no debt and has no historic defined benefit pension obligations.

### **Reasons for the acquisition of the JPI Group**

JPI Group provides a portfolio of iconic brands spanning across the UK, which provides a strong base from which to implement the National World strategy of creating a modern platform for news publishing with a new operational model supporting local sites across the entire UK.

### **Financing for the acquisition of JPI**

National World is acquiring JPI for a total consideration of £10.2 million. The consideration is to be satisfied by £5.2 million in cash at completion and two deferred payments of £2.5 million each on the 31 March 2022 and 31 March 2023.

The Company will provide £6.5 million working capital facilities to JPI Group post completion.

National World has funded the acquisition from its own cash resources and by the issue of £8.425 million of loan notes. National World is seeking to issue further loan notes during January 2021 and has also entered a committed obligation with one of its shareholders to issue a further £2 million of loan notes during January 2021

The loan notes:

- pay interest at 10% per annum payable twice annually on 30 June and 31 December;
- are redeemable on 31 December 2023 or on 31 December 2021 and 31 December 2022 at the option of the Company;
- are convertible into ordinary shares of the Company at a conversion price of 11p per ordinary share when trading in the ordinary shares on the London Stock Exchange resumes; and
- on conversion the loan note holders are entitled to receive a bonus payment equal to 10% of the amount of loan notes subscribed

for, payable in ordinary shares in the Company at 11p per ordinary share.

Conversion of the loan notes are conditional, inter alia, upon:

- approval of the shareholders of National World at a general meeting; and
- admission of the ordinary shares to trading on the Official List of the London Stock Exchange.

As conversion of the loan notes may result in one or more of the loan note holders owning more than 30% of the issued share capital of the Company the right to convert the loan notes is subject to the publication of a circular to the shareholders of National World (approved by the Takeover Panel) and the approval of the shareholders of National World at a general meeting.

The £8.425 million of loan notes issued in December 2020 were subscribed for by shareholders of National World. The Company intends to make further issues of loan notes (on the same terms) to provide further capital for its strategy in advance of re-admission of the ordinary shares to trading on the Official List of the London Stock Exchange and may also consider a further issue of ordinary shares at that time.

The loan notes have been subscribed for by:

- the directors of the Company: David Montgomery £100,000; Vijay Vaghela £100,000; Mark Hollinshead £25,000; John Rowe £100,000 and Steve Barber £100,000;
- Mediaforce (Holdings) Limited ("Mediaforce") a company controlled by Malcolm Denmark, £6 million. As part of the agreement to subscribe for loan notes the Company has agreed that Mediaforce may appoint two directors to the board of National World if they have a shareholding of more than 20%; and
- Alasdair Locke £2 million. Alasdair Locke owns 5,000,000 ordinary shares in the Company (9.26% of the issued share capital). Alasdair Locke has also agreed to subscribe for a further £2 million of loan notes during January 2021 should further funding be required.

### **Changes to the Board of Directors**

Following the acquisition of JPI, Mark Hollinshead, who is currently a non-executive director will become Chief Commercial Officer and Daniel Cammiade will be appointed to the Board as a non-executive director.

Daniel Cammiade is the chief executive of Tindle Newspapers Limited. National World confirms that there is no further information to be disclosed under the requirements of Listing Rule 9.6.13 in relation to the appointment of Daniel Cammiade.

### **Trading in the ordinary shares**

Trading in the ordinary shares has been suspended since 2 December 2019. For trading to resume the Company will be required to publish a prospectus, prepared in accordance with the Prospectus Regulation Rules, and setting out information on the JPI Group, the loan notes and any further issue of ordinary shares.

Following publication of the prospectus application will be made for the ordinary shares to be admitted to the standard segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange. Applications will also be made in respect of any future issue of shares in the Company's share capital (including or pursuant to options or otherwise) to be admitted to trading on standard segment of the Official List and to trading on the London Stock Exchange's Main Market.

The Company anticipates that it will publish a prospectus and that trading in the shares will resume in early April 2021. The Prospectus will be available at the Company's website (<https://www.nationalworld.com>) as soon as practicable following its publication.

### **General Meeting**

The Company intends to convene a general meeting prior to the publication of a prospectus to pass resolutions to approve:

- the issue of ordinary shares to the loan note holders on conversion of the loan notes; and
- the issue of further ordinary shares to fund the Company's strategy.

### **Issued Shares and Total Voting Rights**

As at 6.00pm on 30 December 2020 (being the latest practicable date prior to the publication of this announcement) the Company's issued share capital comprised 54,000,000 ordinary shares of £0.10 each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the number of voting rights in the Company as at 6.00pm on 30 December 2020 is 54,000,000.

### **Expected Timetable for issue of Prospectus**

February 2021

- Publication of a shareholder circular and notice of general meeting

March 2021

- General meeting of the Company
- Publication of the prospectus

April 2021

- Re-admission of the ordinary shares to trading.

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU) NO. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of National World is Vijay Vaghela, Chief Operating Officer.

- Ends -

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQLFLFXBLLXFBK