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7 June 2024

**SysGroup plc**  
("SysGroup", the "Group" or the "Company")

### **Result of Oversubscribed Placing and Subscription**

SysGroup (AIM:SYS) the technology partner for delivery and management of cloud, data and security to power Artificial Intelligence ("AI") and Machine Learning ("ML") transformation, announces that, further to the announcement at 5:11 p.m. on 6 June 2024 (the "Announcement"), it has successfully conditionally completed and closed the conditional oversubscribed Placing and Subscription to raise gross proceeds of £11.0 million.

The Placing has conditionally raised gross proceeds of £8.9 million through the placing of 26,939,427 new Ordinary Shares to certain institutional and other investors. The Subscription has raised a further £2.1 million through the subscription of 6,242,423 new Ordinary Shares by Directors, a PDMR and certain sophisticated investors directly with the Company, in each case at the Issue Price of 33 pence per share.

In addition to the Placing and Subscription, the Company is providing all shareholders with the opportunity to subscribe for an aggregate of up to 1,515,151 Retail Offer Shares at the Issue Price, to raise up to approximately £0.5 million. No part of the Placing or Subscription is conditional on the Retail Offer proceeding or on any minimum take-up on the Retail Offer.

The Fundraising is conditional upon, *inter alia*, the approval by the Shareholders of the Fundraising Resolutions to be proposed at the General Meeting to be held at 1:00 p.m. on Monday 24 June 2024. A circular, containing further details of the Fundraising, Notice of General Meeting, proxy form and Application Form (together the "Circular") will be despatched to Shareholders today and will be available on the Company's website at <https://www.sysgroup.com/about-us/investor-relations/>.

It is expected that Admission will occur, and that dealings will become effective on or around 8:00 a.m. on Wednesday 26 June 2024. The Placing Shares, the Subscription Shares and the Retail Offer Shares (together, the "Fundraising Shares") will be issued fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared in respect of such shares.

**Heejae Chae, Executive Chairman, commented:** *"We are pleased with the level of support from our existing shareholders and are delighted to welcome a number of new investors to the register who share our vision for the business in its next stage of growth. We trust that the Retail Offer provides smaller shareholders the opportunity to participate also."*

### **Background to and reasons for the Placing and Subscription**

As set out in the Announcement, SysGroup aims to become partner of choice for SMEs in their AI and digital transformation.

The Board is confident that the Company is well positioned to fill the existing gap in the market and, with a strong AI offering and a large customer base, expects the new management team to continue accelerating sales growth and

expand margins.

Approximately £2 million of the proceeds of the Fundraising is intended to be used to fund an internal transformation project to provide the Group with systems utilising AI driven technologies. This will enable the Company to be a true AI adopter and innovator, acting as a live real case study of best practice to customers. Rather than drawing the Group's existing Bank facility, a further £2 million will be used to meet the contingent earnout payment due in August 2024 in relation to the acquisition of Truststream Security Solutions Limited ("Truststream"). The remainder of the Fundraising proceeds will strengthen the balance sheet to provide for ongoing working capital requirements as the business continues to drive growth, as well as liquidity for M&A opportunities, whilst ensuring that the Company remains compliant at all times with its obligations under its existing financing arrangements.

## Working Capital

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the anticipated net proceeds of the Placing and Subscription and the existing cash resources available to the Company, the Company has sufficient working capital for its present requirements, that is for at least 22 months from the date of Admission.

## Related Party, Director and non-Board PDMR participation in the Fundraising

Each of the Directors and Company Secretary have subscribed for New Ordinary Shares pursuant to the Fundraise. Details of their participation are outlined below:

<i>Director / PDMR</i>	<i>Position</i>	<i>Existing beneficial interest in Ordinary Shares</i>	<i>% of current share capital</i>	<i>New Ordinary Shares subscribed for</i>	<i>Ordinary Shares after Fundraise</i>	<i>% of Enlarged Share Capital<sup>1</sup></i>
Heejae Chae	Executive Chairman	6,950,000	14.2	757,575	7,707,575	9.2
Owen Phillips	Chief Finance Officer	-	-	60,606	60,606	0.1
Paul Edwards	Non-Executive Director	-	-	151,515	151,515	0.2
Mike Fletcher	Non-Executive Director	77,193	0.2	45,454	122,647	0.1
Mark Reilly	Non-Executive Director	-	-	45,454	45,454	0.1
Wendy Baker <sup>2</sup>	Company Secretary	-	-	181,818	181,818	0.2

<sup>1</sup> Assuming the Retail Offer is taken up in full, and excluding shares held in treasury

<sup>2</sup> Shares will be registered in the name of Wendy Baker & Organon Pension Trustees Limited as Trustees of the Organon SIPP re W Baker

It was announced by the Company on 3 June 2024 that Davin Cushman is to be appointed as a Non-Executive Director with effect from 10 June 2024 and Davin Cushman has agreed to participate in the Fundraise, subscribing in aggregate for £100,000. Senior management have also participated in the Subscription in aggregate for £120,000.

Each of the Directors has agreed to participate in the Fundraising, subscribing in aggregate for 1,060,604 New Ordinary Shares (the "Directors' Participation"), which constitutes a related party transaction under the AIM Rules. Each Director is deemed to be independent of the undertakings by other Directors to participate in the Fundraise. Accordingly, the directors deemed to be independent in relation to each respective related party transaction (for the purposes of AIM Rule 13) consider, having consulted with the Company's nominated adviser, Zeus, that the terms of the Participating Employees' participation in the Fundraising is fair and reasonable insofar as Shareholders are concerned.

Gresham House Asset Management Limited, Canaccord Genuity Group Inc and Mr Darren Carter each hold an interest in more than 10 per cent. of the Company's Existing Ordinary Shares and are therefore considered related parties of the Company under the AIM Rules. Gresham House Asset Management Limited, Canaccord Genuity Group Inc and Mr Darren Carter have conditionally agreed to subscribe for 8,816,400 Placing Shares, 1,360,000 Placing Shares and 750,000 Placing Shares respectively.

In the case of participation by Gresham House Asset Management Limited and Canaccord Genuity Group Inc, all the

Directors are considered to be independent for the purposes of AIM Rule 13. Having consulted with the Company's nominated adviser, Zeus, the Directors consider that the terms of the participation in the Placing by Gresham House Asset Management Limited, Canaccord Genuity Group Inc and Mr Darren Carter are fair and reasonable insofar as Shareholders are concerned.

### Posting of Circular

The Company expects to post a Circular to Shareholders today, 7 June 2024, containing a Notice of General Meeting, proxy form and full details of the Open Offer including the Application Form. The Circular will also be available on the Company's website at <https://www.sysgroup.com/about-us/investor-relations/>.

### Investor presentation

The Company will provide a live presentation and Q&A for investors and any other interested parties on Investor Meet Company at 11:00 a.m. on 10 June 2024. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9:00 a.m. on 9 June 2024 or at any time during the live presentation.

Interested parties can register for the presentation for free at and add to meet SysGroup plc via:

<https://www.investormeetcompany.com/sysgroup-plc/register-investor>

Investors who already follow the Company on the Investor Meet Company platform will automatically be invited.

### General Meeting

The Fundraising is subject to, *inter alia*, shareholder approval at the General Meeting to be held at the offices of Hill Dickinson LLP at 50 Fountain Street, Manchester, M2 2AS 1:00 p.m. on Monday 24 June 2024

### Admission

Application will be made to the London Stock Exchange for admission of the Fundraising Shares to trading on AIM ("Admission"). It is expected that, subject to the necessary resolutions being passed at the General Meeting, Admission will become effective and dealings in the Fundraising Shares will commence at 8:00 a.m. on 26 June 2024.

Admission is conditional, *inter alia*, upon Admission becoming effective, the Placing Agreement not having been terminated and becoming unconditional, and upon the approval of Shareholders at the Company's forthcoming General Meeting to be held on or around 24 June 2024.

*Capitalised terms used but not defined in this announcement have the meanings given to them in the Company's announcement released at 5:11 p.m. on 6 June 2024 in respect of the Placing and Subscription unless the context provides otherwise.*

### For further information, please contact:

#### SysGroup plc

Tel: 0333 101 9000

Heejae Chae, Executive Chairman

Owen Phillips, Chief Financial Officer

#### Zeus (Nominated Adviser and Broker)

Tel: 0161 831 1512

Jordan Warburton

Nick Cowles

Alex Campbell-Harris

Nick Searle

*Certain statements in this Announcement are forward-looking statements with respect to the Company's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward-looking statements. Any statements contained in this Announcement that are not statements of historical fact are, or may be deemed to be,*

forward-looking statements. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect", "may", "plan", "project" or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by any of these forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place specific reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Announcement. Each of the Company and Zeus expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required to do so by applicable law or regulation.

## About SysGroup

SysGroup plc was incorporated in 2007 and is a technology partner specialising in the delivery and management of cloud, data and security services to power Artificial Intelligence ("AI") and Machine Learning ("ML") transformation. The Group offers an integrated set of modern technologies that collectively meets customers end-to-end data needs including connectivity, cloud hosting, delivery, analytics and governance of customer data, as well as a security layer for users and applications.

The Group has offices in Manchester, Edinburgh, London, Bristol and Newport.

For additional information please visit [www.sysgroup.com](http://www.sysgroup.com)

## Notification and public disclosure of transactions by Persons Discharging Managerial Responsibilities ("PDMR") and persons closely associated with them ("PCA")

<b>Notification of a Transaction pursuant to Article 19(1) of Regulation (EU) No. 596/2014</b>		
<b>1 Details of the person discharging managerial responsibilities/person closely associated</b>		
a.	Name	1. Heejae Chae 2. Owen Phillips 3. Mike Fletcher 4. Paul Edwards 5. Mark Reilly 6. Wendy Baker
<b>2 Reason for notification</b>		
a.	Position/Status	1. Executive Chairman 2. Chief Financial Officer 3. Non-Executive Director 4. Non-Executive Director 5. Non-Executive Director 6. Company Secretary
b.	Initial notification/ Amendment	Initial Notification
<b>3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>		
a.	Name	SysGroup plc
b.	LEI	213800D18GPZZJR9SH55
<b>4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
a.	Description of the financial instrument, type of instrument	Ordinary Shares of 1p each

	Identification Code	ISIN: GB00BYT18182			
b.	Nature of the transaction	1. Purchase of Ordinary Shares of 1 pence each in the Company			
c.	Price(s) and volume(s)	Transaction	Price(s)	Volume(s)	
		1. Heejae Chae- Placing Shares	33p	1. 757,575	
		2. Owen Phillips- Subscription Shares		2. 60,606	
		3. Mike Fletcher- Placing Shares		3. 45,454	
		4. Paul Edwards- Placing Shares		4. 151,515	
		5. Mark Reilly- Placing Shares		5. 45,454	
		6. Wendy Baker- Subscription Shares		6. 181,818	
d.	Aggregated information	Shares: 1,242,422 Price: 33 pence per New Ordinary Share Aggregated total: £409,999.26			
e.	Date of the transactions	7 June 2024			
f.	Place of the transaction	London Stock Exchange, AIM			

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