

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the General Meeting of Gfinity plc (“Gfinity” or the “Company”) to be held on 06 March 2023. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The Directors of Gfinity, whose names appear on page 9 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of 0.1p each in the capital of the Company (“Ordinary Shares”), please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of General Meeting as set out at the end of this document. The whole text of this document should be read.**

Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“AIM”). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after admission. No application has been made or is currently intended to be made for the New Ordinary to be admitted to trading or dealt on any other exchange.

Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the Placing Shares and Subscription Shares will commence at 8.00 a.m. on or around 07 March 2023.

GFINITY PLC

(Incorporated in England and Wales with registered number 08232509)

**Placing and Subscription of up to 1,333,333,334 New Ordinary Shares
at a price of 0.15 pence per share**

and

Notice of General Meeting



Nominated Adviser and Broker

Notice of a General Meeting of Gfinity to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 06 March 2023 is set out at the end of this document. You will not receive a form of proxy for the General Meeting in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so (see notes at the end of the Notice of General Meeting). You will still be able to vote in person at the General Meeting, and may request a hard copy proxy form directly from the registrars, Link Group, 10th floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (**telephone number: 0371 664 0391**).

Canaccord Genuity Limited (“Canaccord”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing and the proposed admission of the New Ordinary Shares to trading on AIM and the proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of Canaccord or for providing advice in relation to such proposals. Canaccord has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Canaccord for the accuracy of any information or opinions contained in this document or for the omission of any information. Canaccord as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders or any other person.

The New Ordinary Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. There will be no public offer of the New Ordinary Shares in the United States, the United Kingdom or elsewhere. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the New Ordinary Shares in the United States or to a US Person may constitute a violation of US law or regulation.

The distribution of this document and the offering or sale of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Canaccord that would permit an offering of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material relating to the New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Company and Canaccord to inform themselves about and to observe any such restrictions.

This document is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as “Relevant Persons”). This document must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this document are available free of charge on the Company’s website: www.gfinityplc.com.

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DEFINITIONS

“Act”	the Companies Act 2006 (as amended);
“Admission”	the admission of the Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM Rules”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
“Articles”	the articles of association of the Company at the date of this Circular;
“Business Day”	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK;
“Canaccord” or the “Bookrunner”	Canaccord Genuity Limited, the Company’s nominated adviser and broker pursuant to the AIM Rules;
“Circular”	this document;
“Company” , “Group” or “Gfinity”	Gfinity plc;
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK and International Limited in accordance with the CREST Regulations;
“CREST member”	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations);
“Directors” or “Board”	the directors of the Company as at the date of this document;
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission (excluding any new Ordinary Shares that may be issued via the exercise of an Existing Warrant);
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the 1,315,696,579 existing Ordinary Shares as at the date of this Circular;
“Existing Warrants”	the warrant instruments over 216,000,000 Ordinary Shares dated on or around 14 March 2022, granting warrant holders the right to subscribe for new Ordinary Shares in the Company for 12 months.
“FCA”	the Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	the Placing and Subscription;
“Fundraising Warrants”	warrant instrument to be dated on or around 07 March 2023, granting subscribers for New Ordinary Shares one warrant in respect of each New Ordinary Shares subscribed for by such person to subscribe for one new Ordinary Share in the Company at a premium of 50 per cent. to the Issue Price for 12 months, commencing 6 months after Admission subject to the approval of the Resolutions at the GM;

“General Meeting” or “GM”	the general meeting of Shareholders to be held as stated in the Notice of General Meeting;
“Introducer Warrants”	has the meaning given to it in paragraph 6.
“ISIN”	International Securities Identification Number;
“Issue Price”	0.15 pence per New Ordinary Share;
“Last Practicable Date”	10 February 2023;
“Link” or “Link Group”	a trading name of Link Asset Services Limited, registrar to the Company;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the Placing Shares and the Subscription Shares;
“New Warrants”	the Fundraising Warrants and the Introducer Warrants;
“Notice of General Meeting”	the notice of General Meeting set out at the end of the Circular;
“Ordinary Shares”	the ordinary shares of 0.1p each in the capital of the Company;
“Placees”	the persons who have conditionally agreed to subscribe for the Placing Shares;
“Placing”	the placing of the Placing Shares at the Issue Price as described in this Circular;
“Placing Shares”	the 907,166,673 new Ordinary Shares which have been conditionally placed by Canaccord with institutional and other investors pursuant to the Placing;
“Placing Agreement”	the conditional agreement dated 13 February 2023 between the Company and Canaccord relating to the Placing;
“Registrars”	Link Group;
“Resolutions”	the resolutions numbered 1 and 2 set out in the Notice of General Meeting to be proposed at the General Meeting;
“Restricted Jurisdiction”	each and any of the United States of America, Australia, Canada, Japan, New Zealand, Russia, and the Republic of South Africa and any other jurisdiction where extension or availability of the Placing would breach any applicable law or regulations;
“Shareholder(s)”	holder(s) of Existing Ordinary Shares;
“sterling”, “pounds sterling”, and “£”, “pence” or “p”	the lawful currency of the United Kingdom;
“Subscription”	the subscription of the Subscription Shares at the Issue price as described in this Circular;
“Subscription Shares”	the 426,166,661 new Ordinary Shares to be subscribed for by persons who have entered or intend to enter into subscription letters with the Company; and
“US Securities Act”	the United States Securities Act of 1933 (as amended).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	13 February 2023
Circular published and sent to Shareholders	14 February 2023
Admission and commencement of dealings in the Placing Shares and Subscription Shares on AIM (“Admission”)	07 March 2023
CREST member accounts expected to be credited for the Placing Shares and Subscription Shares in uncertificated form (where applicable)	07 March 2023
Despatch of definitive share certificates for Placing Shares and Subscription Shares in certificated form (where applicable)	by 08 March 2023
Latest time and date for receipt of voting instruction for the GM	10.00 a.m. on 03 March 2023
General Meeting	10.00 a.m. on 06 March 2023
Result of General Meeting announced	06 March 2023

Notes:

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company.

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to shareholders by announcement through a Regulatory Information Service. References to time in this Circular are to London time except when otherwise stated.

All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting

PLACING STATISTICS

Issue Price	0.15 pence
Number of Existing Ordinary Shares prior to Admission of any of the Placing Shares or Subscription Shares	1,315,696,579
Number of Existing Warrants prior to Admission	216,000,000
Total number of Placing Shares issued by the Company pursuant to the Placing	907,166,673
Total number of Subscription Shares issued by the Company pursuant to the Subscription	426,166,661
Total number of New Warrants issued by the Company	1,373,053,334
Gross proceeds received by the Company from the Placing	£1,360,750
Gross proceeds received by the Company from the Subscription	£639,250
Total gross proceeds of the Fundraising	£2 million
Enlarged Share Capital following the Fundraising	2,649,029,913
Percentage of the Enlarged Share Capital comprised by the New Ordinary Shares	50.3 per cent.
Total number of Warrants in issue post Admission	1,589,053,334
Estimated net proceeds of the Fundraising	£1.894 million
ISIN	GB00BT9QD572
SEDOL	BT9QD57

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Neville Upton (<i>Executive Chairman</i>) Jonathan Hall (<i>Chief Operations Officer</i>) Leonard Rinaldi (<i>Non-Executive Director</i>) Hugo Drayton (<i>Non-Executive Director</i>)
Registered Office	Gfinity PLC 16 Great Queen Street London WC2B 5AH
Company Secretary	Jonathan Hall ACA
Nominated Adviser and Broker	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Legal Advisers to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Legal Advisers to the Nominated Adviser	DWF Law LLP 20 Fenchurch Street London EC3M 3AG
Registrars	Link Group 10th Floor, Central Square 29 Wellington Street Leeds LS1 4DL

GFINITY PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 08232509)

Neville Upton (*Executive Chairman*)
Jonathan Hall (*Chief Operations Officer*)
Leonard Rinaldi (*Non-Executive Director*)
Hugo Drayton (*Non-Executive Director*)

Registered office:
16 Great Queen Street
London
WC2B 5AH

14 February 2023

Dear Shareholder,

**Placing and Subscription of up to 1,333,333,334 New Ordinary Shares
at a price of 0.15 pence per share
and
Notice of General Meeting**

1. Introduction

The Company announced on 13 February 2023 that it proposed to raise a minimum of £1.5 million (before expenses) by way of a conditional Placing and Subscription of New Ordinary Shares at 0.15 pence per New Ordinary Share. On 14 February 2023 it announced that this Placing and Subscription was over-subscribed and that as a result, the Company proposed to raise a total of £2.0 million (before expenses).

The allotment of the Placing Shares and Subscription Shares is conditional, *inter alia*, on the Company obtaining the approval of shareholders of the Resolutions to be proposed at the General Meeting.

The Directors intend for the Fundraising to be accompanied by the issue of one New Warrant for every one New Ordinary Share subscribed for. The exercise price for the warrants will be at a premium of 50 per cent. to the Issue Price. The warrants will have an exercise period of 12 months, commencing 6 months following Admission and finishing 18 months following Admission.

The Notice of General Meeting is set out at the end of this Circular. You will not receive a form of proxy for the General Meeting in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so (see notes at the end of the Notice of General Meeting). You will still be able to vote in person at the General Meeting and may request a hard copy proxy form directly from the registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (telephone number: 0371 664 0391).

The Placing Shares and Subscription Shares to be issued pursuant to the Placing and Subscription are to be admitted to trading on AIM, which, should the Resolutions be passed at the General Meeting, is expected to take place on 07 March 2023.

By raising a minimum of £2.0 million (gross), via the Placing and Subscription, the Directors believe the business will have sufficient working capital headroom to complete a proposed corporate restructuring, secure planned external investment into Athlos (the Group's esports technology platform) by May 2023 and take the business through to cash break-even on an ongoing basis. **In the event that the Fundraising is not completed in the timeframe proposed in this Announcement, the Directors would need to consider significantly reducing the operational costs of the Company and/or selling or closing parts of the Gfinity business which is unlikely to reflect the value the Directors believe such divisions are worth.**

Shareholders should be aware that assuming the Fundraising does complete and the net proceeds of the Placing and Subscription are received, the Company will still only have sufficient working capital for the next 12 months on the basis that sufficient external investment in Athlos is secured by May 2023. In the event that either external investment in Athlos is not secured by May 2023 or such investment is not of a sufficient quantum to significantly reduce the ongoing

funding requirements of Athlos to the Company, the Company will need to seek further external funding, sell or close parts of its business or significantly reduce its ongoing costs over and above that currently envisaged by the Directors.

Shareholders should be aware that funding discussions on Athlos remain ongoing and there is no certainty on the outcome, the timing or the terms of these discussions. In the event that external funding in Athlos was not forthcoming within the timeframe set out above, the Company would look to secure a trade sale for the technology.

The purpose of this letter is to explain to Shareholders the background to and reasons for the Fundraising and to recommend that Shareholders vote in favour of each of the Resolutions required to be passed to implement the Placing and Subscription. Accordingly, the Company is seeking the approval of Shareholders to the Resolutions which are to be put to the General Meeting of the Company to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 06 March 2023. If the Resolutions are not passed by Shareholders at the General Meeting, the Placing and Subscription as currently envisaged will not proceed. In the event that the Company does not raise sufficient new working capital, the Directors of the Company will have to revise its intended growth strategy.

2. Business and strategy overview

Gfinity is a market leading digital media publisher and technology company in the rapidly growing esports and competitive gaming entertainment industry sector.

The Company is trusted and consistently chosen by global brands to design and deliver programmes as a result of its deep expertise, strong relationships, tech IP and its proven ability to build and connect directly with gamers. Globally there are approximately three billion gamers, creating a gaming market worth an estimated \$175.8 billion.

There are three principal pillars to Gfinity's business:

1. *Gfinity Digital Media Group*: the digital home for gamer lifestyles. A network of Gfinity owned and operated websites, driving over 13 million visitors per month to Gfinity owned and operated sites. Creating monetisation opportunities through advertising, brand partnerships and eCommerce activities. Including related social platforms, these allow Gfinity to reach more than 75m gamers per month.
2. *Athlos Game Technologies*: Gfinity's proprietary esports technology, enabling competitive gaming functionality to quickly and seamlessly deployed directly into games, delivering significantly increased level of engagement and revenue per user for game publishers. Licensed on a SaaS basis.
3. *Esports Solutions*: Consultancy and delivery of end to end esports programmes, with a particularly competitive advantage in the football and digital motorsports sectors. Programmes are delivered on behalf blue-chip clients both on a fee basis and under commercial partnerships, which see Gfinity share in the commercial rights to the properties created.

3. Recent board changes

As announced on 09 February 2023 the following changes have been made to the board of directors with immediate effect:

1. Neville Upton, current non-Executive Chairman, has taken on the role of Executive Chairman; and
2. John Clarke, current Chief Executive Officer, has stepped down from his role and has ceased to be employed by the Company.

4. Current Trading

Financial Highlights:

On 23 December 2022, the Company announced its final year results for the year ended 30 June 2022. These results reported a reduction in adjusted operating loss of 28 per cent. to £2.0 million and a closing year end cash position of £2.1 million.

The Company intends to publish its unaudited financial results for the six months ended 30 December 2022 during March 2023. Based on management accounts the Company expects to report:

- Revenue of £4.1 million; an increase of 26 per cent. on H1 FY22 and a 106 per cent. improvement on the previous 6 months.
- Adjusted operating loss of £0.8 million, an increase of 102 per cent. on H1 FY22; however, this is an improvement of 47 per cent. on the previous 6 months.

Operational Highlights:

Athlos

Over the past 12 months Gfinity has made a significant investment to productise its competitive esports technology platform under the Athlos brand, allowing this technology to be deployed at scale, directly into publishers' games. This technology allows publishers to easily deploy competitive functionality into their games. Gamers who participate in competitive play are proven to spend significantly more time and money in-game than casual gamers, enabling publishers to drive significant increases in revenue per user.

Athlos, has delivered a highly successful beta programme with one of the world's largest mobile game publishers and was successfully integrated into 2 further betas in FY23. It has now been integrated into 8 games. In January 2023, Athlos exited its beta phase with the announcement of a deal with another global top ten mobile game developer.

The board believes that Gfinity has first mover advantage in a market worth over £800 million. The Athlos platform delivers an extremely attractive value proposition to video game developers and publishers. The platform has proven, during its beta programme, to deliver deep player engagement, the key to driving increases in a game's live service revenue. As the only SAAS tournament platform that is integrated directly into a video game, the player experience is seamless. All other competitors require players to engage outside the game creating a very poor player experience. Athlos can be deployed technically within days and operationally within weeks setting itself apart from competitors. As a result, there is little reason for a developer to develop their own competitive technology as it would require scarce development resources to be deployed, at a significant cost, over many years. With the industry transition over the last few years to free to play, live service business models built on in-game monetization, the Athlos platform is a critical service to dramatically improve player engagement and publisher revenue.

To accelerate growth and to solidify Athlos' first-mover advantage, Gfinity is seeking outside investment. The Company is in discussions with several parties, with a view of taking a direct investment in the Athlos platform and thereby reducing the cash cost to Gfinity. The Directors currently expect the pre-money valuation that will be ascribed to Athlos upon external investment to be at a significant premium to Gfinity's investment cost. Gfinity expects to retain a significant stake in the platform, but the venture would benefit from the additional capital to complete further product enhancements and scale the marketing, sales and customer support functions to the substantial business opportunity.

Gfinity Digital Media ("GDM")

The Gfinity Digital Media business continues to represent a valuable asset for the Company, with an average of 13.1m monthly active users (MAUs) visiting Gfinity's owned and operated platforms in H1.

A Google algorithm update impacted our SEO traffic in September of 2022, along with many of the largest publishing companies; however, the team has made significant progress to recover and improve GDM's rankings across sites, with latest audience levels across our network (in January) returning to 13m monthly unique visitors.

External economic factors have impacted advertising rates across the whole sector over the past 6 months, but GDM still delivered revenue of £1.5 million in H1 of FY23, a decrease of 11 per cent. on H1 of FY22, but an increase of 20 per cent. on the previous 6 months.

Esports Solutions

Esports Solutions delivered revenue of £2.5 million in H1 of FY23, representing an increase of 71 per cent. on H1 of FY22; and an increase of 323 per cent. on the previous 6 months. Gfinity has enjoyed success in supporting clients from the traditional sports sector in the development of their esports and gaming strategies and business plans, then supporting the roll-out of these plans - leveraging Gfinity's capability to build digital communities and deploy market-leading esports technology.

The Directors are conscious, however, of the inconsistent nature of service delivery work, and also the high cost to the Company of delivering a true end-to-end esports solution; and the resources required to support clients in their activations around the globe. To that end, Gfinity has partnered with a US esports business to jointly deliver solutions on a profit-share basis and no fixed cost. This deal gives Gfinity access to a state-of-the-art US based esports arena as the new home for any production and live events. As a result, effective immediately, Gfinity has decided to close the Gfinity Arena in Fulham, further reducing the Company's fixed cost base.

5. Use of Proceeds

The net proceeds raised are intended to facilitate the following key activities across Gfinity's three business units.

- **Athlos:** Provide 6 months of working capital to Gfinity, during which period the Directors expect to secure a strategic investment partner to acquire a material stake in the Athlos Game Technologies business, or to deliver a trade sale of this technology.
- **Gfinity Digital Media:** Provide working capital to enable the transition to a new commercial partner and increase growth in both audience numbers and engagement. The Directors believe Gfinity Digital Media can achieve cash break even and reach an audience of 15m plus monthly active users visiting Gfinity's owned and operated channels, within a short period of time.
- **Esports Solutions:** Facilitate the restructuring of the Gfinity Esports Solutions business to deliver a reduced fixed cost base, including the release of the Gfinity Arena. The Directors will seek to retain a core expertise in the support of clients, particularly in the football and motorsport sectors to develop and deliver competitive gaming properties, working with trusted partners to deliver live events and productions as required under a variable cost model.

6. Details of the Fundraising

The Company proposes to raise £2.0 million (before expenses) through the Placing and Subscription at the Issue Price.

The Issue Price of 0.15 pence per New Ordinary Share represents a discount of 36 per cent. to the previous day closing share price of 0.235 pence per share on 10 February 2023 (being the Last Practicable Date prior to the announcement of the Fundraising).

Canaccord has entered into a Placing Agreement with the Company under which Canaccord has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Canaccord. The Placing is not being underwritten by Canaccord or any other person.

The Company and the Subscribers intend to enter into subscription letters relating to the Subscription pursuant to which, subject to certain conditions, the subscribers shall subscribe for, in aggregate the Subscription Shares to be issued by the Company at the Issue Price.

The Placing and Subscription will be subject to shareholder approval of related resolutions at a General Meeting. The Placing is conditional on all monies being received under the Subscription before Admission.

New Warrants and Introducer Warrant

In addition to the Fundraising, for every New Ordinary Share, subscribers in the Fundraising will be issued with one warrant to subscribe for one Ordinary Share at a 50 per cent. premium to the Issue Price.

The New Warrants may be exercised no earlier than 6 months following the date of Admission and no later than 18 months following the date of Admission. The Warrants shall not be admitted to trading on AIM or any other stock market and are not transferable. The issuance of the Warrants will be subject to the passing of the Resolutions.

The Company has agreed to also issue introducer warrants ("**Introducer Warrants**") to a third-party company that has assisted the Company in raising funds under the Subscription. The Introducer Warrants can be exercised no earlier than 6 months following the date of Admission and no later than 18 months following the date of Admission. The exercise price of the Introducer Warrants is the Issue Price. The final number of warrants to be issued under the Introducer Warrant will be determined by the final amount raised under the Subscription which will be announced in due course.

Director and Corporate Participation

As part of the Subscription, certain Directors intend to subscribe for New Ordinary Shares at the Issue Price. Details of the New Ordinary Shares, and the New Warrants to be granted alongside the New Ordinary Shares, for which the Directors and their persons closely associated will be subscribing and their resultant shareholdings are displayed below.

<i>Name</i>	<i>Number of Ordinary Shares currently held</i>	<i>Percentage of current issued share capital currently held</i>	<i>Number of New Ordinary Shares being acquired</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Number of New Warrants being acquired</i>	<i>Number of Existing Warrants held</i>
Neville Upton	14,877,245	1.13%	6,666,666	21,543,911	6,666,666	–
Jonathan Hall	3,472,222	0.26%	6,666,666	10,138,888	6,666,666	2,000,000
Hugo Drayton	1,600,000	0.12%	6,666,666	8,266,666	6,666,666	1,600,000
Len Rinaldi	2,000,000	0.15%	6,666,666	8,666,666	6,666,666	2,000,000
Total	21,949,467	1.67%	26,666,664	48,616,131	26,666,664	5,600,000

7. Existing Warrants

During the 2022 placing and subscription, the Company issued one warrant to each placee and subscriber that subscribed for one Ordinary Share at the Issue Price of 1.25 pence per Ordinary Share. The Existing Warrants were only exercisable for 12 months from the date of issuance, such date being on or around 04 April 2023.

The Directors recognise that the Existing Warrants are unlikely to be exercised based on the Issue Price of the Existing Warrants and the current share price. The Directors therefore believe it is appropriate to reduce the Issue Price of the Existing Warrants to 0.15p, being the Issue Price, for the remaining period of time during which the Existing Warrants can be exercised.

The following Directors are holders of Existing Warrants by virtue of subscribing in the 2022 placing and subscription:

<i>Director</i>	<i>No. of Existing Warrants held</i>
Len Rinaldi	2,000,000
Hugo Drayton	1,600,000
Jonathan Hall	2,000,000

8. Admission and Settlement

The issue of the New Ordinary Shares is being made on a non pre-emptive basis.

Application will be made to the London Stock Exchange for the Placing Shares and the Subscription Shares, being issued pursuant to the Placing and Subscription, to be admitted to trading on AIM. Admission of the Placing Shares and the Subscription Shares is expected to become effective on or around 8.00 a.m. on 07 March 2023 (or such later date as the Company and Canaccord may agree, being no later than 21 March 2023).

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of 0.1p each of the Company in issue and therefore will rank equally for all dividends or other distributions declared, made or paid after admission.

The Directors have received an opinion letter confirming that it is expected that any eligible investments would qualify for EIS/ VCT relief.

9. General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 06 March 2023 is set out at the end of this Circular. At the General Meeting, the following Resolutions will be proposed:

- 9.1. Resolution numbered 1 will be proposed as an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to an aggregate nominal amount of £3,589,397. This resolution will give the Directors sufficient authority to allot the New Ordinary Shares pursuant to the Fundraising and grant the New Warrants plus a further number of Ordinary Shares equivalent to approximately one third of the Enlarged Share Capital (there being no current intention to use this further authority); and
- 9.2. Resolution numbered 2 will be proposed as a special resolution to dis-apply statutory pre-emption rights in respect of the allotment of up to 3,103,741,155 Ordinary Shares for cash. This number represents the New Ordinary Shares, the grant of the New Warrants and up to a further 397,354,487 Ordinary Shares, which is equivalent to approximately 15 per cent. of the Enlarged Share Capital (there being no current intention to use this further authority).

10. Action to be taken by Shareholders

You can submit your proxy electronically through the website of our registrar, Link Group, at www.signalshares.com. The electronic submission of proxy must be received at least 48 hours before the time of the General Meeting. To vote online you will need to log in to your share portal account or register for the share portal if you have not already done so and you will require your investor code. Once registered, you will be able to vote immediately. Voting by proxy prior to the General Meeting does not affect your right to attend the General Meeting and vote in person should you so wish. **Further information regarding the appointment of proxies and online voting can be found in the notes to the Notice of General Meeting.**

Instructions for voting by proxy through CREST are set out in paragraph 9 of the notes to the Notice of General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

In order for the Placing and Subscription to proceed, Shareholders will need to approve all of the Resolutions set out in the Notice of General Meeting. If the Resolutions are not passed at the General Meeting, the Placing and Subscription will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Placing and Subscription will not become available.

Accordingly, it is important that Shareholders vote in favour of the Resolutions, in order that the Placing and Subscription and therefore the Fundraising can proceed as envisaged.

11. Directors' Recommendation

The Board of Gfinity considers the Fundraising to be in the best interests of the Company and its shareholders as a whole and therefore the Directors will be unanimously recommending at the General Meeting that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own shareholdings of, in aggregate, 21,949,467 Ordinary Shares (representing approximately 1.7 per cent. of the Company's existing issued share capital).

Yours faithfully,

Neville Upton

Chairman

GFINITY PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 08232509)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Gfinity plc (“**Gfinity**” or the “**Company**”) will be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 06 March 2023 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

Resolution 1 – ordinary resolution

That the Directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies 2006 Act (the “**CA 2006**”) to exercise all powers of the Company to allot ordinary shares of 0.1p each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal amount of £3,589,397 provided this authority shall expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 31 March 2024. This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Resolution 2 – special resolution

That, conditional on the passing of Resolution 1 above, the Directors be and they are empowered pursuant to Section 571 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal amount of £3,103,741 and will expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 31 March 2024. This authority revokes and replaces all such unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

By order of the Board of Directors,

Jonathan Hall
Company Secretary

14 February 2023

Registered Office
16 Great Queen Street
London
WC2B 5AH

Notes to the notice of General Meeting

The following notes explain your general rights as a shareholder and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 03 March 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
2. Shareholders, or their proxies, intending to attend the General Meeting in person are requested, if possible, to arrive at the General Meeting venue at least 20 minutes prior to the commencement of the General Meeting at 10.00 a.m. (UK time) on 06 March 2023 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
6. You can vote either:
 - by logging on to www.signalshares.com and following the instructions;
 - you may request a hard copy form of proxy directly from the registrars, Link Group (previously called Capita), on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com . CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 03 March 2023. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as adopted in the United Kingdom and amended by the European Union (Withdrawal) Act 2018).
12. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
13. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

14. As at 14 February 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 1,315,696,579 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 February 2023 are 1,315,696,579.
15. Any shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.gfinityplc.com.

