

SAPO plc  
("SAPO" or the "Company")

#### First Day of Dealings for Rural Broadband Investment Company

SAPO Plc (NEX: SAPO), a rural broadband investment vehicle, is pleased to announce that trading in its Ordinary Shares will commence at 8.00 a.m. today on the NEX Exchange Growth Market ("Admission"), under ticker SAPO and ISIN number GB00B16GQJ90.

#### Investment strategy

The Company, previously an AIM Listed property company, is now focused towards investing in the developing market for rural broadband.

In December 2018, OfCom published the "Connected Nations 2018 UK Report". This report included the following statement. "Despite this progress, there are still large parts of the UK that are poorly served by communications services.

- Around 2% of UK premises cannot access a decent fixed broadband service that delivers a download speed of at least 10 Mbit/s and upload speed of at least 1 Mbit/s. However, this has improved from 4% last year.
- While 94% of UK homes and businesses are in areas where superfast, or better, broadband is available, only 45% of homes are subscribing to these services.
- 9% of UK landmass has no good 4G coverage from any operator. This has improved from 21% a year ago but rural areas are still badly affected.
- 23% of homes and businesses do not have good indoor 4G coverage from all operators.
- We also estimate that there are 39,000 homes and businesses that cannot access a decent fixed broadband service or get good 4G coverage."

The UK Government, which recognises that many rural households do not have sufficient access to fast, reliable broadband, has pledged £200m to improve access across the UK.

The Directors believe that the large broadband players are ignoring rural areas and remain focused on cities and that an estimated potential market of 27m customers across Europe will have speeds of less than 4 Mbps.

BT estimates that to reach the final 10% of UK premises with 1Gbps capable Fibre-to-the-Premises (FTTP) broadband ISP technology is likely to require an "outlay of around £4,000 each to pass".

As a result of these factors, the Directors believe that the market for products and services which provide good quality broadband and mobile connections is significant and therefore, the Directors will be principally focused on making investments in private businesses and projects in this sector.

Following a successful placing of shares, on Admission, the Company will have net assets in excess of £0.5 million and will have 166,292,810 Ordinary Shares in issue.

Brief biographical details of the Directors are set out below.

#### Directors

Michael Meyer, Executive Chairman (aged 69)

Michael Meyer has had a 40-year career in the lighting, electrical and manufacturing sectors. He co-founded Emess Lighting in 1976 with £125,000. Emess was listed on the LSE in 1980, valued at £930,000, when it reversed into a shell company. He built it into one of Europe's major lighting companies, operating in 12 countries and supplying 19 out of 25 of the world's largest retailers. In 1999/2000, he masterminded the sale of its principal subsidiaries for £118m.

Michael Meyer has held a number of board positions during his career. Between 1987 - 2001, Michael was a Director of The Henderson Smaller Companies Investment Trust Plc, Royal Sovereign Group Plc & Walker Greenbank Plc. Following the sale of Emess, Michael has chaired Remote Control Lighting, Direct Message plc, Aluminium Shapes and Windmill Extrusions.

Michael Langoulant, Independent Non-Executive Director (aged 62)

Michael Langoulant is a Chartered Accountant, corporate and financial advisor who specialises in providing corporate financial services to public companies. He has over 30 years' experience in public company M&A, corporate administration and fundraising. He has acted as finance director, CFO, company secretary and non-executive director with a number of publicly listed companies. He was previously Chairman of ASX listed, White Cliff Minerals Limited and a director of LSE listed cash shell, LB-Shell plc.

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