



OnTheMarket plc - OTMP Strategic Investment in Glanty Ltd and GBP3m Raise
Released 07:00 23-Dec-2019



RNS Number : 7403X
OnTheMarket plc
23 December 2019

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of the Placing (as defined below) with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

23 December 2019

ONTHEMARKET PLC
("OnTheMarket", the "Group" or the "Company")

Strategic Investment in Glanty Ltd, Entry into Option Arrangements in

Respect of Glanty Ltd, and £3m Net Raise in Placing

OnTheMarket plc, the agent-backed company which operates the OnTheMarket.com property portal, is pleased to announce that it has made a strategic investment for a 20% share in Glanty Ltd ("Glanty"), the owner and developer of 'tecler', an automated portal for the lettings industry, designed to reduce overheads and maximise efficiencies for lettings agents. OnTheMarket has also agreed an option to acquire the remaining 80% of Glanty.

OnTheMarket intends to work with Glanty with a view to offering 'tecler' and, potentially, further technology solutions to its agent shareholders and customers. This strategic investment is the next step in achieving OnTheMarket's mission to deliver a market leading, agent backed alternative to Rightmove and Zoopla.

About Glanty

Glanty is a property technology ("prop-tech") business which specialises in providing solutions to the residential lettings sector. The Glanty team consists of individuals who have previously worked within the estate and lettings agency sector as well as those with experience of defining and delivering software solutions.

Glanty recognised the need for a platform that could support a variety of customer 'journeys' and 'tecler' was brought to the agency market in 2016. Since then, it has successfully gained small, medium and large estate agency groups as customers.

A key benefit of 'tecler' is that it automates a high proportion of the many administrative tasks involved in creating a tenancy and then managing it through to renewal. It also provides online storage and 24-hour access for agents, tenants and landlords to records and documentation relating to their tenancies. 'tecler' is also designed to support compliance with the regulatory requirements surrounding tenancy creation and management, providing an audit trail of transactions.

Glanty charges licence fees to agents that use 'tecler' but also offers agents the opportunity to earn income by directly presenting tenants and landlords with products and services that they can purchase at appropriate points in the tenancy 'journey', which is enabled through API integration with the providers.

Glanty's revenues for the year to 31 December 2018 were £771,365 (2017: £6,209). The investment being made by OnTheMarket is to fund Glanty's working capital requirement until the summer of 2021, when it is envisaged that Glanty will be operating at breakeven.

Subscription and Call Option arrangements

OnTheMarket will initially subscribe for new shares representing a 20% equity stake in Glanty (the 'Subscription Shares') for a cash consideration of £797,000, spread over 10 months from signing (the 'Subscription'). OnTheMarket has the right to appoint a director to the board of Glanty.

Separately, OnTheMarket has been granted a call option (the 'Primary Call Option') under which it has the right, but not the obligation, to enter into a share purchase agreement to acquire the remaining shares in Glanty for an initial consideration of approximately £1.5 million (payable in cash or shares at OnTheMarket's option) plus a revenue and EBITDA based earnout arrangement. OnTheMarket would also be required to repay loans of approximately £1.4 million. The earnout arrangement could result in maximum deferred consideration of up to £12 million (payable in cash or shares at OnTheMarket's discretion) and shall be payable if certain revenue and EBITDA targets are met by Glanty at the end of a 3 year period commencing on exercise of the Primary Call Option.

The Primary Call Option is exercisable for a period of 15 months from 23 December 2019, ending on 23 March 2021. Should the Primary Call Option lapse, OnTheMarket has a put option to sell its shares to an existing shareholder of Glanty for £797,000. The same Glanty shareholder also has a call option to

acquire OnTheMarket's shares for £797,000 in the event that the Primary Call Option lapses. These secondary put and call option arrangements only become exercisable in the event that the Primary Call Option lapses and are exercisable for a period of 6 months from such date.

OnTheMarket has the benefit of warranty and indemnity protection as part of the transaction as well as an anti-dilution provision which ensures that its 20% shareholding will be maintained during the Primary Call Option period.

Placing and Director Dealing

OnTheMarket is pleased to announce that alongside the strategic investment, it has raised a total of £3.4 million through a Placing of 4,857,143 new ordinary shares of £0.002 each (the 'Placing Shares'), at a price of 70p, representing a discount of 7.9% to the closing mid-market price on 20 December 2019, being the latest practicable date prior to this announcement.

The shares have been placed with a combination of existing and new investors. The Placing is being undertaken under authorities approved at the Company's Annual General Meeting on 16 July 2019 and does not require shareholder approval. The proceeds of the Placing will be used to fund the consideration for the Subscription, the initial consideration payable under the Primary Call Option, should it be exercised, and the fees associated with the Subscription, Primary Call Option and Placing. The Company has chosen to scale back demand and to limit the size of the fundraising undertaken at this time to £3.4 million given the current share price discount to the IPO share price and anticipates that after the fees referenced above have been paid the net amount receivable by the Company will be approximately £3 million.

OnTheMarket's Chairman, Christopher Bell, has agreed to participate in the Placing and to subscribe for 14,285 Placing Shares. Following this subscription, Christopher Bell has an interest in 44,588 ordinary shares of £0.002 each, representing approximately 0.06% of the enlarged share capital immediately following the Placing.

Application has been made for the 4,857,143 Placing Shares of £0.002 each to be admitted to trading on AIM, and it is expected that admission will become effective on or around 30 December 2019.

Following admission, the total number of ordinary shares and voting rights in the Company will be 69,675,091. The Company does not hold any shares in treasury.

The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Outlook

OnTheMarket is pleased to reiterate its previous guidance, as set out in the announcement of 26 September 2019, that the Company expects to achieve a broadly breakeven adjusted EBITDA position for the financial year to 31 January 2021 with monthly breakeven achieved in Q2/Q3. The Company continues to believe that implementing its current strategy will achieve the strong growth that the Board anticipates over the medium term for the benefit of all stakeholders.

The Company continues to make progress in converting and signing up agents to paying contracts, and, as announced on 10 December 2019, it has now signed up over 3,000 more agents on paying contracts since the time of the Company's admission to AIM. The Company has also maintained over 12,500 agent offices listing on the OnTheMarket portal.

ENDS

For further information, please contact:

OnTheMarket
Ian Springett, CEO
Clive Beattie, CFO

0207 930 0777

TB Cardew (Financial PR adviser)
Ed Orlebar
Alycia MacAskill

0207 930 0777 / onthemarket@tbcardew.com
07738 724 630
07876 222 703

Zeus Capital (Nominated Adviser/Joint Broker) **0203 829 5000**

Jamie Peel, Martin Green, Daniel Harris
(Corporate Finance)
John Goold, Benjamin Robertson (Broking)

Shore Capital (Joint Broker)
Daniel Bush
Fiona Conroy

0207 408 4090

**NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS
BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES
AND PERSONS CLOSELY ASSOCIATED WITH THEM**

1	Details of the person discharging managerial responsibility / person closely associated	
a)	Name	Christopher Bell
2	Reason for the notification	
a)	Position/status	Non-Executive Chairman
b)	Initial notification/amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	OnTheMarket plc
b)	LEI	213800UNVSN2LXD4W113
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	
a)	Description of the financial instrument, type of instrument	Ordinary Shares of £0.002 each
	Identification code	Ordinary share ISIN : GB00BFN3K335
b)	Nature of transaction	Placing Participation

c)	Price(s) and volume(s)	Price(s)	Volume(s)
		70p	14,285
d)	Aggregated information		
	Aggregated volume	N/A	
	Price	N/A	
e)	Date of transaction	23 December 2019	
f)	Place of transaction	UK, London Stock Exchange	

Background on OnTheMarket:

OnTheMarket plc, the agent-backed company which operates the OnTheMarket.com property portal, is the third biggest UK residential property portal provider in terms of traffic. It aims to deliver a market-leading, agent-backed alternative to Rightmove and Zoopla, offering a first-class service to agents at sustainably fair prices and becoming the go-to portal for serious property-seekers.

OnTheMarket plc was admitted to AIM in February 2018 with £30 million in new capital in order to support a new growth strategy for the business.

At its IPO in February 2018, OnTheMarket was 70% owned by over two thousand agent firms. As part of its growth strategy, the Company is authorised to issue agent recruitment shares to agent firms which sign long term full tariff listings contracts. As a result of implementing this approach over the period since IPO, more than 3,000 firms with over 6,000 offices are now part of the ownership group.

With backing from its agent owners, OnTheMarket has developed unique sources of competitive advantage such as the thousands of "New & exclusive" property listings it receives every month from its agents to display 24 hours or more before they are on Rightmove or Zoopla.

OnTheMarket carries listings from over 12,500 agent offices, up from 5,500 at Admission. As at 26 September 2019, its UK residential property stock was approximately 65% of Rightmove's and 86% of Zoopla's. In September 2019, traffic to OnTheMarket reached a new monthly record of 27.2 million visits*. As an indication of strongly increasing consumer engagement with OnTheMarket.com, almost 1.2 million people were using the portal's property alerts service as at 30 September 2019 and OnTheMarket sent over 100 million instant alert emails in the month. To place this in context, in its 2018 results announcement, Rightmove reported that it had sent an average of 65 million instant alert emails per month during the year.

OnTheMarket has recently begun offering portal listing to new homes developers, announcing on 11 September 2019 that its first such advertiser would be the UK's largest home builder, Barratt Developments. On 12th November 2019, the Company announced that Persimmon, another major home builder, had entered a portal listing contract. Further small and medium housebuilders have also joined the portal, having been recruited by OnTheMarket's new, dedicated new homes sales team.

*Visits comprise individual sessions on OnTheMarket.com's web based portal or mobile applications by users for the period indicated as measured by Google Analytics.

** Zoopla listed 753,422 UK residential properties as at 25 September 2019. Rightmove, in its August 2019 House Price Index, stated that it "at any time displayed a stock of over one million properties to buy or rent".

IMPORTANT INFORMATION

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, OnTheMarket's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which OnTheMarket operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: conditions in the public markets; the market position of OnTheMarket; the earnings, financial position, cash flows and operating margins of OnTheMarket; the anticipated capital expenditures of OnTheMarket; changing business or other market conditions; changes in political or tax regimes and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the AIM Rules or other applicable legislation or regulation, none of OnTheMarket, Zeus Capital or Shore Capital undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

No statement in this announcement or incorporated by reference into this announcement is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for OnTheMarket.

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