

21 December 2018

Papillon Holdings Plc ('Papillon' or 'the Company')
Update on Investment & raising up to £500k via a Convertible Loan Note

Papillon Holdings plc, the London listed investment company, is pleased to announce that it has executed a Share Purchase Agreement to acquire a 50% interest in Pace Cloud Limited, the holding company of CarCloud Community (www.carcloudcommunity.co.uk), a fintech company focused on the used car market, which will be executed upon Re-admission.

Additionally, the Company is raising up to £500k via the issue of convertible loan notes ('Loan Notes'), which will be drawn down as required by the Company; to date, £200k has been received. The Loan Notes carry an interest coupon of 10 per cent pa over their minimum term of 12 months, with a conversion price of 1.25 pence per new Papillon ordinary share. The proceeds from the issue of the Loan Notes will be used, in conjunction with existing resources, to finance the costs initially incurred in connection with Pace Cloud Limited.

The Investment constitutes a fundamental change in the business of the issuer. Therefore, the Company will be submitting a full information memorandum to the UK Listing Authority ('UKLA'), which will be published in due course.

The Company continues to review other investments as part of its stated strategy to invest in companies or assets in the industrial and services sectors.

****ENDS****

For further information visit www.papillonholdingsplc.com or contact the following:

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR).