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Conduity Capital PLC  
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**For immediate release**

## **CONDUITY CAPITAL PLC**

("Conduity" or "the Company")

### **Proposed reverse takeover of Smarttech247**

#### **AIM Rule 15 update**

The Company is pleased to announce that Conduity and Smarttech247, incorporated in the Republic of Ireland as Zefone Limited, have entered into a non-binding heads of agreement to work towards the possible acquisition of Smarttech247 by the Company for a total consideration of £33.5 million, to be satisfied by the issue of new ordinary shares in Conduity. ("**Proposed Acquisition**"). Smarttech247 is an established global artificial intelligence ("**AI**") based cybersecurity business specialising in automated managed detection and response. Should such a transaction proceed on the currently envisaged terms, it would be classified as a reverse takeover in accordance with the AIM Rules for Companies ("**RTO**").

The Proposed Acquisition remains subject to contract and satisfactory completion of the necessary due diligence and, at this stage, there is no guarantee that the Proposed Acquisition will complete.

#### **Information on Smarttech247**

Smarttech247 is an established company in automated managed detection and response cybersecurity - a managed security service that provides threat intelligence, threat hunting, security monitoring, incident analysis, and incident response with a significant AI overlay - with a successful track record of revenue growth and profitability and is positioned at the intersection of three major cybersecurity growth markets:

- Security threat incidents;
- Growth of cloud adoption amongst both large and small-medium enterprises; and
- Proliferation of cyber-security data generation that needs to be integrated.

Smarttech247 has over 100 technology partners, including Tanium and CrowdStrike, and 50 clients based in Europe and the US. Smarttech247 has contracts with enterprises that include the Institute of Cancer Research UK, Aryzta Global and the Royal College of Surgeons Ireland.

On 23 June 2021, Smarttech247 also announced that it had been awarded a multi-year contract for managed cybersecurity services by a Fortune Global-1000 advanced manufacturing company, employing over 100,000 staff. Furthermore, Smarttech247 has just been awarded a purchase order under this contract to the value of €6 million for plant level operational technology cybersecurity services.

For the period ended 31 July 2020, Smarttech247 reported audited profits before taxation of €829,000, revenue of €4.8 million and had net assets of €712,084. These figures represent a significant increase compared to the previous year and the management of Smarttech247 believe that the current year to 31 July 2021 will demonstrate further substantial progress as they build on the stable of internally developed automated security products currently consisting of the successful ThreatTub (threat and vulnerability modelling and management) and NoPhish (an AI driven phishing response solution to threat emails).

More information on Smarttech247 can be found on its website at [www.smarttech247.com](http://www.smarttech247.com) .

### **Information on the cybersecurity industry**

There is currently a high level of cyber security threat incidents which is creating a need for new and better security products and services. Furthermore, cloud migration means that companies need to redesign their existing systems which is generating new cybersecurity requirements.

Cybersecurity applications are also being re-engineered to include cybersecurity reporting which is increasing the generation of cybersecurity data. A shortage of qualified specialist skills and associated cost is leading companies to adopt external automated cyber-security platforms. These trends are

creating increasing demand for AI based cloud cybersecurity platforms which can be provided by Smarttech247. Fortune Business Insights currently value the cybersecurity market at US\$153 billion, which is growing at 12% per annum and therefore projected to be worth US\$366 billion by 2028.

### **AIM Rule 15**

On 2 October 2020, Conduity became an AIM Rule 15 cash shell and as such is required to make an acquisition or acquisitions which constitutes a RTO under AIM Rule 14, or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million), on or before the date falling six months from completion of the Disposal; failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. As no RTO had been completed, the London Stock Exchange suspended trading in the Company's ordinary shares on AIM, pursuant to Rule 15 of the AIM Rules, at 7.30 a.m. on Tuesday, 6 April 2021.

Shareholders should note that, in the event that no RTO, or conversion to an AIM Rule 8 Investing Company, is completed in the six months from 6 April 2021, the London Stock Exchange will cancel the admission of the Company's ordinary shares to trading on AIM ("**Cancellation**").

Given the status of the Company's progress with the Proposed Acquisition and the time needed to complete the necessary due diligence and relevant documentation to effect a RTO, even if it decided to proceed, it may not be able to complete this process before Cancellation. In these circumstances, the Directors may decide to complete the Proposed Acquisition after Cancellation and seek to re-apply to join AIM.

#### ***Greg Collier, Chairman of Conduity, said:***

"Cybersecurity is a fast-growing market, with threats to organisations increasing on a daily basis. We are therefore very excited to be working with Smarttech247 towards a RTO which we believe would be transformational for Conduity. Smarttech247 is already an established company in the sector with a successful track record of growing revenue and profitability. Going forward, we firmly believe that both the company and the sector are poised for further significant growth."

#### ***Ronan Murphy, Chief Executive of Smarttech247, said:***

"We are very pleased to have been introduced to Conduity by our advisers, Fortified Advisory, as a potential party to help achieve a listing for Smarttech247 via a RTO. We are therefore very much looking forward to working with the Board of Conduity towards the completion of the transaction which, I believe, will enable us to continue to drive the business forward to the next level."

We believe that the Smarttech247 business is well placed to become a global leader in the automated managed detection and response space. We have a proven track record, strong revenues and growth

plans and a fantastic book of clients and we believe that working now with Conduity will help us to achieve our business goals."

Further announcements will be made as appropriate.

~ End ~

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