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25 January 2022

SIVOTA PLC

("Sivota," or the "Company")

Conditional Acquisition of Majority Stake in Apester

Further to its announcement of 7 December 2021, Sivota, the special opportunities investment vehicle focused on "under the radar" Israeli technology-related companies, announces it has entered into a conditional share purchase agreement with Apester, a digital marketing engagement platform, (the "**Transaction**") to acquire a majority stake in the business (the "**SPA**").

Sivota is a platform which leverages the significant technology investment potential between the UK and Israel, identifying unique opportunities and then leveraging the Company's experience to introduce change and growth.

Apester will be Sivota's first acquisition, and is closely aligned with Sivota's strategic principals. Sivota is keen to leverage Apester's existing assets whilst applying forward thinking leadership and insight in order to increase value for the Company's investors over time

About Apester

Apester is a digital experience end-to-end software platform that enables brands to engage and understand customers across all digital media channels, in turn increasing lead generation, brand uplift, conversion and sales for its customers.

Developed over seven years and with c. \$36 million invested in its technology to-date, Apester employs 35 people worldwide, generated revenues of \$9.2 million¹ in 2021 (2020: \$7.2 million), and services c. 143 global customers including renowned brands such as CNN, RollingStone, The Independent, IKEA, Australian Football League and more.

Apester facilitates businesses to better understand their customers across all digital channels including websites, apps and social media. Its platform provides tools to create a range of personalised interactive experiences and applications, including customer surveys, mobile landing pages, onboarding forms, interactive videos, polls, quizzes, custom applications and web stories.

Apester's suite of software applications also includes a Data Management Platform that allows customers to collect, store and 'own' Zero Party and First-Party engagement data generated from experiences and applications created on Apester while adhering to compliance and privacy regulations. AI analytics help to create valuable insight into customer trends, sentiment and preferences, enabling brands and publishers to better understand their customers and to accelerate their business performance.

The Digital Experience Platform (DXP) market size is projected to reach \$43.43 billion by 2028, growing at a CAGR of 13.4% from 2021 to 2028². This growth is underpinned by key trends including the acceleration of the digital economy as a result of Covid-19 and customers increasingly wanting to maximise engagement to deliver meaningful ROI. Apester's self-serve, scalable and customer-friendly platform is well-placed to capitalise on this significant market growth.

Following completion of the Transaction, Sivota will focus on the following key growth priorities:

- **Market focus and client segmentation:** concentrate on small- to medium-sized brands/e-commerce businesses and publishers; and identify potential customers with business cases similar to proven case studies
- **Sales and marketing capabilities:** align sales and marketing teams to drive change
- **Enhance self-serve platform:** continued development of the technology
- **Business model:** shift focus from usage-based model to a SaaS business
- **Financial model management:** setting new financial plans and KPIs; tight control over ROI, cash flow and models
- **Operational processes:** optimise delivery processes to improve margins with existing clients and scale capabilities

Ziv Ben-Barouch, Chief Executive Officer of Sivota, commented:

"We believe Apester ideally fits our profile of investing in overlooked, high potential technology-backed businesses. The strength of Apester's technology stack and the marketplace within which it operates, coupled with our own track record in value creation represents a significant growth opportunity."

"We look forward to providing further updates as we implement our strategy for Apester, alongside broadening our investment portfolio."

About the Transaction

The SPA is conditional upon, inter alia, the completion of a placing by Sivota, publication of a prospectus approved by the Financial Conduct Authority ("**FCA**") and readmission of Sivota's enlarged issued share capital to trading on the Main Market of the London Stock Exchange ("**Readmission**"). In addition, Sivota is required to obtain shareholder authorities to enable the completion of the placing and an announcement regarding the general meeting will be made shortly. The Company has submitted a draft prospectus to the FCA for review.

On completion of the SPA, the Company will receive 14,947,409 Preferred Seed Shares in the capital of Apester for an aggregate price of US \$12 million. This reflects a pre-money valuation of Apester of \$16 million on a fully diluted basis. The issue of the Preferred Seed Shares will provide the Company with 57.5 per cent. of Apester's voting rights. The investment proceeds are to be used by Apester for its working capital requirements as set out in its business plan and budget as well as for specific repayment of certain liabilities agreed by Sivota as set out in the SPA.

The SPA sets out various representations and warranties from Apester in favour of the Company, including without limitation, its business and assets its contracts and trading, its compliance with laws, and its employees. In addition, Apester and its founders have agreed to indemnify the Company against any losses resulting from, arising out of, in connection with a breach of, or any misrepresentations in, the agreement. The liability of Apester is limited to the aggregate amount invested by the Company. Apester has also agreed to run Apester in the ordinary course of business to completion.

Conditional upon completion of the Transaction, Apester has agreed to contribute up to USD 420,000 for the Company's legal and other fees in connection with the Transaction.

Sivota and Apester have also agreed to enter into a Management Services Agreement To take effect from Readmission, which will sets out the terms on which Sivota shall provide certain management services to Apester and the related annual fee, calculated as 2 per cent. of the total investment made by Sivota into Apester. The agreement will continue for up to five years from Readmission.

Further, Sivota has been granted certain veto and consent rights, conditional on completion of the Transaction pursuant to the amended and restated articles of association of Apester. In particular, Sivota will be granted the right to appoint a majority of directors to the Apester Board of Directors, which it intends to exercise immediately following completion

In addition, Sivota has entered into two conditional convertible loan assignment agreements with lenders to Apester, pursuant to which \$1,575,000 in convertible loan (plus interest) will be assigned to Sivota, for consideration equal to the aggregate outstanding principal and interest accrued until the date of completion of the Transaction. The assignment agreements are subject to completion of the Transaction. Sivota has renegotiated the terms of the underlying convertible loans with Apester and following the completion of the Transaction, the convertible loans will bear interest at a rate of 6% per annum and will be capable of conversion by Sivota into Preferred Seed Shares in Apester. If converted in full, the Preferred Seed Shares would represent immediately after the completion of the Transaction approximately 5.6 per cent of Apester's share capital on a fully diluted basis. If the convertible loans are not so converted, Apester will be required to repay all outstanding principal and interest on the loans in full in 24 monthly instalments starting February 2024 .

Further announcements will be made in due course.

¹ Unaudited

² <https://www.prnewswire.com/news-releases/digital-experience-platform-market-size-worth--43-43-billion-globally-by-2028-at-13-4-cagr-verified-market-research-301432876.html>

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