

23 September 2019

Maestrano Group PLC ("Maestrano" or the "Company" or the "Group")

Conditional acquisition of Airsight Holdings Pty Limited

Maestrano Group PLC (AIM: MNO), the open platform for master data management and business analytics, is pleased to announce the signing of a sale and purchase agreement to acquire, subject *inter alia* to Shareholder consent, the entire issued share capital of Airsight Holdings Pty Ltd ("Airsight") ("Acquisition"). The Company's announcement of the signing of a term sheet, on 15 July 2019, referred to this transaction.

Background to Airsight

Airsight was founded in 2012, offering engineering surveying services with digital recording devices. They developed specialised Light Detection and Ranging ("LiDAR") technology particularly suited to recording data in transport corridors, such as rail and road networks. The need to analyse this data led to the development of a "deep machine learning" software platform, launched as Corridor.ai in 2019. (www.corridor.ai)

Corridor.ai offers automated hardware and software solutions on a per kilometre, per asset basis that enable any road, rail or energy network owner to automate inspections, predict failures and dramatically improve asset management. The software performs a similar function to that of Maestrano, capturing, analysing and reporting on large datasets, but with the addition of sophisticated artificial intelligence capabilities. The sales cycle is also similar, being sales to large enterprises. To date, these include rail networks and road maintenance companies in Australia and a successful trial by a Japanese rail network. Since 1 July 2019, Japan has also been the most significant market for the Corridor.ai LiDAR devices.

Synergies between the two companies include an enhanced product range and the complementary expertise and skill sets of the two companies' staff. Corridor.ai provides Maestrano with an additional vertical market and Maestrano provides Corridor.ai with 3rd party application integration and presentation dashboards, needed to connect to transport asset management and ERP systems. Maestrano's sales and marketing and enterprise project delivery experience will also help accelerate Corridor.ai revenue growth.

Particulars of the transaction

Maestrano is acquiring the entire issued share capital of Airsight, in an equity-only transaction which is planned to close on or around 31 October, 2019. This will include all the property, including Intellectual Property and assets owned by Airsight and used in conducting its business, which is automated hardware and software solutions to automate inspections, predict failures, and transform corridor insights. Airsight revenue for the year to 30 June 2019 was A\$1,044,900 and Net Loss before taxation amounted to A\$745,600 after Research & Development costs of A\$765,219. Net liabilities at 30 June 2019 were A\$(1,524,000); however, a signed agreement for forgiveness of director loans, together with an Australian Government R&D grant received in September, leads to a forecast Net liabilities position at 31 October 2019 of A\$(60,786).

The Company will issue up to 73,383,375 new Maestrano ordinary shares of £0.01 each ("Ordinary Shares") to the shareholders of Airsight (the "Consideration Shares"), as full consideration for the

Acquisition. 66,045,038 Ordinary Shares will be issued upon agreement completion, following approval of the Acquisition by shareholders of Maestrano ("Shareholders"). On 30 September 2020, up to a further 7,338,337 Ordinary Shares will be issued, with the exact number to be issued calculated pro-rata against a revenue target for Corridor.ai of A\$1.5 million for FY2020. Based on the last closing price for the Ordinary Shares of £0.0165 on 20 September 2019, this values Airsight at up to £1,210,826 which is approximately two times Airsight prior year revenue and will represent 47.83% of the enlarged share capital of the Company (of 153,423,706 Ordinary Shares) assuming the issue of the full number of 73,383,375 Consideration Shares.

The shareholders of Airsight are Nicholas Smith, Aaron Hoyer, Ashley Cox, David Israel and Ian Buddery (Chairman of Maestrano), each of whom has undertaken to the Company that for one year from the date of completion of the Acquisition they will not dispose of any of their Consideration Shares.

On completion of the Acquisition, it is envisaged that Nicholas Smith will join the board of Maestrano and be employed as Vice President Global Sales, with a base salary of £84,000, plus commissions based on sales results. He will not be paid additional fees for his director duties.

Rule 9 waiver

The shareholders of Airsight (the "Concert Party") are presumed to be acting in concert for the purposes of the UK Takeover Code ("the Code"). Under the terms of the Acquisition agreement, the Concert Party will hold in aggregate up to a maximum of 75,583,476 Ordinary Shares, including 2,200,101 already held by Ian Buddery and associated parties, representing 49.26% of the enlarged share capital of the Company assuming the issue of the full number of 73,383,375 Consideration Shares.

Consequently, the Acquisition is conditional, *inter alia*, on the receipt of a waiver of the obligations under Rule 9 of the City Code on Takeovers and Mergers (the "Code") which would otherwise oblige the Concert Party to make a general offer to shareholders under Rule 9 of the Code ("Rule 9 Waiver"). There can be no guarantee that independent shareholders of Maestrano will pass the Whitewash resolution necessary to approve the Rule 9 Waiver or that the Takeover Panel will grant the Rule 9 Waiver.

Mr Buddery excused himself from the negotiation and evaluation of the transaction.

Circular to Shareholders

The Company is in the process of preparing a shareholder circular ("Circular") containing full details of the Acquisition in order to convene a general meeting at which Shareholders will be asked consider and, if appropriate, pass the necessary resolutions to effect the Acquisition, including a resolution of independent shareholders to approve the Whitewash and a resolution to approve the allotment of the Consideration Shares.

Conclusion of the Acquisition remains subject to these approvals. All efforts will be made to complete the necessary steps as soon as possible. Further announcements will be made in due course.

Related Party Transaction

Ian Buddery, Chairman of Maestrano, is a shareholder of Airsight and owns 1,053 Airsight shares, representing 7% of its issued share capital. Subject to completion of the Acquisition and a subsequent maximum payment under the further consideration arrangement, Mr Buddery will receive a maximum of 5,133,375 Ordinary Shares as consideration for his Airsight shares. As Mr Buddery is a director of Maestrano, the issue of these Ordinary Shares on a non-pre-emptive basis (the "Transaction") constitutes a Related Party Transaction under Rule 13 of the AIM Rules for Companies.

The independent directors of Maestrano (being all directors excluding Mr Buddery) consider, having consulted with the company's nominated adviser, that the terms of the Transaction are fair and reasonable insofar as Maestrano's shareholders are concerned.

The consideration of the independent directors is only in respect of the non-pre-emptive issue of shares to Mr Buddery in the event that Shareholders approve the Acquisition and the Acquisition completes. The Circular will contain an opinion in respect of the Acquisition itself and Shareholders should base their assessment of the Acquisition on the information contained in the Circular.

EIS / VCT status

Based on a careful review, the Company believes that its EIS/VCT status will not be affected, as this transaction is 100% equity based and investment will continue in the core Maestrano products in 2020. However, Shareholders who are uncertain of their taxation position should consult a suitably qualified taxation adviser.

Andrew Pearson, CEO of Maestrano, commented:

"We have identified a value-accretive acquisition where both technology sets and teams are able to be leveraged to deliver new and innovative solutions. Allied Market Research in June 2017 reported that the global railway management system market was valued at US\$29 Billion and is expected to reach \$83 Billion by 2023. We believe there is substantial demand for the Corridor.ai product suite."

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About Maestrano

Maestrano develops and deploys a patented cloud-based Platform as a Service that serves the needs of Small to Medium Businesses (SMBs) and large Enterprises to access real time, automated management data efficiently on an integrated platform. This technology is called Master Data Management (MDM).

Further information on the Group is available at www.maestrano.com

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014