

Nektan PLC

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Nektan looks to strengthen balance sheet as B2B shift gains traction

Nektan PLC (AIM: NKTN) is proposing a capital restructuring to strengthen its balance sheet as the online gaming technology provider's business-to-business arm begins integrating new clients at a rapid rate across Asia and Africa.

In Europe, two B2B client sites are expected to integrate in September and October and four in December, with India expected to see seven in the coming three months and Taiwan four in October and November. Many of these are well established brands in their respective geographies.

If successful, Nektan believes revenues from these integrations "have the potential to transform the group's financial results".

The company wants to raise £3m from a new share issue and has made arrangements to convert some of its convertible loan notes (CLNs) and to extend repayments of other CLNs and with two directors that have provided loans.

Chairman Jim Wilkinson said: "The proposed placing and associated strengthening of the group's balance sheet through the conversion and extension of its convertible loan notes is a very important development for Nektan and, if successful, will leave us in a materially stronger position. I thank the CLN holders for their support in this regard."

The £3m placing will provide cash for working capital purposes and some £3.9m of CLNs will be converted at the placing price, which has not yet been confirmed.

Wilkinson added: "With a significant number of integrations expected to be delivered during the course of 2019 and a pipeline of exciting opportunities, the group believes it has reached a transformational stage and has an exciting future ahead."

An operational shift earlier in the year saw Nektan restructure the company towards a greater focus on B2B, in response to the changing gaming environment and to allow for greater growth in international markets.

Price: 2.75

Market Cap: £6.65 m

1 Year Share Price Graph



January 2019 June 2019 December 20

Share Information

Code: NKTN

Listing: AIM

52 week	High	Low
	16.5	2.77

Sector: Leisure, gaming and gambling

Website: www.nektan.com

Company Synopsis:

Nektan is a global platform and services provider for the online casino industry. We deliver international white label and B2B gaming software and services across the globe, including Europe, Asia and the United States. Founded in 2014, we are an international technology company AIM listed on the London Stock Exchange. Headquartered in Gibraltar, we have additional offices in the UK, US and India.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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