

Strategic Acquisition and Company Update

ALPHA GROWTH PLC

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Alpha Growth plc

("Alpha" or the "Company")

Strategic Acquisition and Company Update

Alpha Growth Plc (LSE: ALGW and OTCQB: ALPGF), a leading financial services specialist in the growing longevity asset class, is pleased to announce the signing of a share purchase agreement to acquire a Bermuda based holding company and its wholly owned insurance company.

This is a transformative deal for Alpha Growth and represents a significant building block in the company's continued evolution, the deal adds substantial assets under management to the group and is earnings accretive. Following the completion of the acquisition, it is expected that Alpha Growth will be EBITDA positive.

To support the acquisition, Pello Capital has successfully completed an oversubscribed placing of £3,750,000.

Acquisition

The acquisition includes the ongoing operations of a Bermuda based Class C licensed insurance company with managed assets of over \$290m and in-force policies of over \$750m.

Ninety-five percent (95%) of the insurance holding company is being acquired by a wholly owned subsidiary of Alpha Growth, with the remaining 5% being retained by the existing Chairman and seller of the company. The seller and Chairman of the insurance company will remain on the Board of Directors of the holding company and will be joined by Gobind Sahney and Jason Sutherland.

The licensed insurance company provides an excellent platform for Alpha to offer life insurance-based wealth management products, life insurance linked funds such as the BlackOak Alpha Growth Fund, and longevity risk coverage that enhance longevity asset backed securities created by Alpha and other sponsors. All activities are subject to regulatory approval and oversight.

Alpha Growth intends to aggressively grow this business utilising a build and buy strategy, there is also a significant opportunity to market our existing strategies to clients of the insurance business.

The acquisition is subject to the approval of the Bermuda Monetary Authority and is expected to complete this quarter, further updates and information will be provided in due course.

Business Update

We are also pleased to announce that the BlackOak Alpha Growth Fund (the "Fund") achieved a net return of 10.63% for the calendar year 2020, this earned the Fund a top 5 position in the prestigious BarclayHedge yearly performance rankings in the **Fixed Income - Asset-Backed/Insurance Linked Securities category for 2020**. This is a great achievement for both the Fund and those that invest in it.

Over the course of 2020, the Fund grew by more than 100% and now has over \$22 million in AUM - the Fund continues to be very popular and attract new investors, we anticipate continued growth throughout 2021 and beyond.

As previously announced, the Company's discussion with the **Warehouse Loan/Short Term Credit Facility** counterparty are almost concluded and an update will be provided during Q1. To simplify the in-person due diligence requirements, this process now includes direct asset investments by the asset manager. The Company is in the process of reviewing opportunities for these direct asset purchases which will further contribute to our assets under management and fee revenue.

The company also continues to progress the **Alpha Growth & Income ("AGI")** strategy, this strategy is a combination of life settlements and life contingent structured settlements hedged by a life insurance policy that is suitable for investors seeking cashflow and growth, funded in either a separate managed account or as a co-mingled fund with a minimum investment of \$50 million. Its anticipated that this strategy is complementary with the announced acquisition.

Updates will be provided on all the strategies at an appropriate time.

Gobind Sahney, Executive Chairman of Alpha, commented:

"2020 was an important year for Alpha Growth, despite the restrictions placed on the global business community by the Covid-19 pandemic we managed to more than double the BlackOak Alpha Growth Fund whilst also launching a number of key strategies to grow the business.

We expect the continued growth of the Fund will help attract larger investments and it should also benefit from achieving a top 5 category position in BarclayHedge's overall annual performance ranking for the calendar year 2020, this award is in addition to the 4 monthly BarclayHedge awards received throughout 2020.

Today's acquisition announcement is a significant step forward for the company and demonstrates the ambition of Alpha Growth as well as the scale of the future opportunity. Once the acquisition completes the Alpha Growth group of companies will have circa \$300m assets under management, this represents a significant increase from the \$10m AUM at the beginning of 2020.

The placement, which was oversubscribed with minimal discount to the share price, is a sign that the investment community is excited about both our past performance and our future potential.

I would like to thank all our shareholders for their continued support as we build Alpha Growth into a significant financial services organisation."

Placing Information

The Placing, which will raise gross proceeds of £3,750,000, was completed at a price of £0.02 per share with a warrant to subscribe for an additional share at £0.03 valid for two years from admission. The 187,500,000 Placing Shares being issued represent approximately 77.8% per cent of the existing issued ordinary share capital of the Company immediately prior to the Placing.

Subject to the completion of the Placing, Pello Capital will be awarded 18,750,000 warrants exercisable at the placing price of £0.02p valid for two years.

In light of the Placing and the subsequent dilution to existing shareholders, the Company announces that it will not make any use of the subscription facility noted in its Prospectus of 2 September 2020 and that it will close the subscription. The Company has not made the facility available or issued any shares pursuant to it.

The issue of the Placing Shares is expected to take place on 8 March 2021 and is conditional on: (i) the Company passing certain resolutions at its forthcoming annual general meeting to authorise the

issuance of the Placing Shares (ii) on the Financial Conduct Authority approving a prospectus in accordance with the Prospectus Rules and (iii) the Placing Shares being admitted to listing on the Official List (standard listing segment) and to trading on the London Stock Exchange's main market for listed securities. The Placing Shares will rank *pari passu* in all respects with the existing ordinary shares.

Further announcement will be made in due course in respect of the annual general meeting and when the Prospectus has been published.

**** ENDS ****

For more information, please visit www.algwplc.com or contact the following:

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About Alpha Growth plc

Specialist in Longevity Assets

Alpha Growth plc is a financial advisory business providing specialist consultancy, advisory, and supplementary services to institutional and qualified investors globally in the multi-billion dollar market of longevity assets. Building on its well-established network, the Alpha Growth group has a unique position in the longevity asset services and investment business, as a listed entity with global reach. The group's strategy is to expand its advisory and business services via acquisitions and joint ventures in the UK and the US to attain commercial scale and provide holistic solutions to alternative institutional investors who are in need of specialised skills and unique access to deploy their financial resource in longevity assets.

Longevity Assets and Non-correlation

As a longevity asset, it is non-correlated to the real estate, equity capital and commodity markets. Its value is a function of time because as time passes the value gets closer to the face value of the policy. Hence creating a steady increase in the net asset value of the investment. This makes it highly attractive to investors wishing to counteract volatility within an investment portfolio and add yield.

Note: The Company only advises on and manages Longevity Assets that originate in the USA where the structured and life settlement market is highly regulated.

Forward Looking Statements Disclaimer

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