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APC TECHNOLOGY GROUP PLC

(“APC” or the “Company”)

**Placing of 17,952,302 Placing Shares,
Director’s Dealing and
Subscription of 2,990,198 Subscription Shares
at 6 pence per share to raise £1.3 million**

APC Technology Group PLC, the provider of technologies and services to improve organisational sustainability and operational performance and the specialist distributor of electronic components, is pleased to announce that it has conditionally raised £1.3 million by way of a placing of 17,952,302 ordinary shares of 2 pence each (“Placing Shares”) (the “Placing”) and a subscription of 2,990,198 ordinary shares of 2 pence each (“Subscription Shares”) at 6 pence per share (the “Issue Price”) before expenses. Cantor Fitzgerald Europe acted as Nominated Adviser and Broker to the Company.

Highlights

- Placing of 17,952,302 Placing Shares and Subscription of 2,990,198 Subscription Shares to existing and new investors to raise gross proceeds of £1.3 million
- The Issue Price represents a discount of 26 per cent. to the closing mid-market price of 8.125 pence on 18 February 2016
- The net proceeds of the Placing and Subscription will allow the business to take advantage of additional procurement opportunities to reduce costs and increase margin, while providing adequate working capital to support the Company through its strategic refocus
- The Placing and Subscription are not underwritten. The Placing is conditional, *inter alia*, upon:
 - the placing agreement between the Company and Cantor Fitzgerald Europe (the “Placing Agreement”) having been entered into and becoming unconditional and not having been terminated in accordance with its terms prior to admission of the Placing Shares to trading on AIM (“Admission”); and
 - Admission of the Placing Shares having taken place not later than 8.00 a.m. on 25 February 2016 or such later date as Cantor Fitzgerald and the Company may agree (being not later than 4 March 2016).

On 26 January 2016, APC announced that it had extended the scope of its existing contract with Royal Mail Group plc and had also been awarded a prestigious contract by the NHS Sustainable Development Unit. All of the Company’s business units have continued to see exciting and attainable growth opportunities. In the first quarter of the current financial year, orders within APC’s Component Distribution business totalled £3.5 million, with contract wins of £1.5 million in Minimise Water and £1 million in Minimise Energy. The sales pipeline opportunities currently being reviewed total £37.3 million in Minimise Energy and £12.7 million in Minimise Water. The Board remains focused, therefore, on meeting market expectations with a focused strategy and settled management team in place.

The Placing will help the Company to ensure that its balance sheet is capable of adequately supporting APC's growth profile. Follow-on and new customer orders are coming through the sales pipeline as a renewed focus on cross-selling opens additional opportunities, and the Placing and Subscription (together with the Company's reconfirmed invoice discounting facilities, the potential extension of which is under discussion) provides sufficient funds for expansion and fulfilment of APC's growing order book.

The Placing will be undertaken pursuant to the general authorities granted to the Directors of the Company at the annual general meeting on 26 February 2015 and therefore no further shareholder approval is required.

The Placing Shares represent approximately 18.6 per cent. of the Company's issued share capital as enlarged by the Placing Shares. The Issue Price represents a discount of approximately 26 per cent. to the closing middle market price on 18 February 2016, being the last practicable date prior to the publication of this announcement.

Total Voting Rights

Application will be made to the London Stock Exchange for the Placing Shares and Subscription Shares to be admitted to trading on AIM and it is expected that such Admission will occur at 8.00 a.m. on 25 February 2016. The Placing Shares and Subscription Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after the admission of the Placing Shares and Subscription Shares, respectively and will otherwise be identical to and rank on Admission *pari passu* in all respects with the existing ordinary shares of 2 pence each ("Ordinary Shares"). The Placing Shares and Subscription Shares are not being made available to the public and are not being offered or sold in or into any jurisdiction where it would be unlawful to do so.

The Company will also issue 333,334 Ordinary Shares in settlement of fees for services provided.

Following Admission, the Company will therefore have 112,879,782 Ordinary Shares in issue (the "Enlarged Issued Share Capital"), none of which will be held in treasury.

Director's Dealing

Richard Hodgson, Chief Executive Officer of the Company, has agreed to subscribe for 1,323,532 Subscription Shares in the Subscription at the Issue Price. Following the Subscription, Richard will be interested in 1,500,000 Ordinary Shares, representing 1.2 per cent. of the Enlarged Issued Share Capital.

Richard Hodgson, Chief Executive Officer of APC, commented:

"I would like to thank our existing shareholders for their continued support and welcome those new to the Company. I am particularly delighted that one of the founders of the Company has subscribed alongside myself for new shares. This raise will strengthen our balance sheet and allow us to take advantage of the growth in our order book and the opportunities that we see across the business."

Enquiries:

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