

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

12 December 2018

Porta Communications Plc
("Porta" or "the Group")

**Porta Disposes of Interest in Capital Access Holdings Limited and
Cancels Remaining £1m Guarantee**

Porta Communications Plc (AIM: PTCM) announces that it has successfully entered into an agreement with Industrial Lending 1 ("IL1") to dispose of its entire 39.5% holding in Capital Access Holdings Limited ("Capital Access") to IL1 in return for IL1 agreeing to cancel Porta's guarantee of up to £1m to IL1 in respect of Capital Access.

As at 30 June 2018, the investment in Capital Access had a carrying value of nil on Porta's balance sheet, having been fully written-down during 2017. As at the date of disposal, Porta recognised net debts owed by Capital Access of £0.1m, which will be written-off as part of this transaction. Capital Access contributed a loss of £119,784 during the year to 31 December 2017, as reported in Porta's result for the year to 31 December 2017.

No cash consideration is payable to Porta. In exchange for Porta's equity holding in Capital Access, writing off the recognised net debts owed to Porta by Capital Access of £0.1m and the provision of three months' free rent premises for Capital Access, IL1 have agreed to release Porta from its remaining guarantee of up to £1m of the debt that Capital Access has with IL1, which is recognised as a contingent liability by Porta and if called, would have been satisfied by the issue of Ordinary Shares in Porta at a value of no less than 10p.

Commenting on the disposal, Porta Joint CEO, Emma Kane said:

"As we continue to consolidate and transform our business and eliminate non-core assets, we have also looked to de-risk areas in which we have limited influence or control. Importantly, with this transaction, we have removed a potential £1m liability from the Group, while retaining the capability within the Group to offer investor access services through our existing wholly-owned subsidiary Newgate."

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes for Editors

- Porta is a fully integrated communications agency, operating locally, nationally and internationally, with specialisms including financial, corporate and consumer public relations, public affairs and research and multi-capability marketing, brand and creative communications.
- The Group has offices in Abu Dhabi, Beijing, Brisbane, Bristol, Canberra, Cardiff, Leeds, Edinburgh, Hong Kong, London, Manchester, Melbourne, Perth, Shanghai, Singapore and Sydney.
- Further information on Porta Communications is available at www.portacomms.com
- Further information on Newgate Communications is available at www.newgatecomms.com