

Regulatory Story

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Highway Capital PLC - HWC Financial Update
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Highway Capital Plc (the "Company")

Financial Update

The Company announces the following details from 2017, 2018, and 2019 of: two convertible loan notes, loans received by the Company, loans repaid by the Company, and further specifications on the loan to Mylux, and repayment thereof. This information has not been previously disclosed.

Failure to disclose these transactions in a timely manner constitutes a breach of the Listing Rules. The Company understands that these communications are a crucial part of their obligations to investors, and are taking steps to strengthen their communications process and to re-emphasise internal adherence to regulation. In this regard, the company is considering a number of steps including the appointment of a financial adviser to assist prevent such occurrences from happening again.

Convertible Loan Notes

On 14 July 2017, the Company issued convertible loan notes ("CLN") for the amount of £100,000 to unconnected investors. The CLN are repayable 5 years from the date of issue and carry an interest rate of 5% per annum. The CLN are convertible at the discretion of the loan note holder, following a 6-month period from the date of the issue of the loan note, with a conversion price of 10p.

On 17 July 2017, the Company issued CLN for the amount of £25,000 to unconnected investors. The CLN are repayable 5 years from the date of issue and carry an interest rate of 5% per annum. The CLN are convertible at the discretion of the loan note holder, following a 6-month period from the date of the issue of the loan note, with a conversion price of 10p.

The CLN are still outstanding.

Loans

The Company received the following loans from Directors of the Company:

As previously announced, Maciej Szytko, a director of the Company, extended loans of £157,000 from the period of 2013 to 2016 carrying an interest rate of 5% per annum. On 3 September 2018 and 12 February 2019, the Company received further loans of £8,000 and £10,000 respectively from Maciej Szytko on the same terms, which have not been announced. These loans have now been repaid, as well as £30,918.48 of interest.

Subsequently, the Company received a loan of £5,000 carries an interest rate of 5% per annum from Maciej Szytko on 15 March 2019, which is still outstanding.

Dariusz Zych, a director of the Company, extended a loan of £27,000 to the Company, as previously announced. On 18 December 2018, the Company received a further loan of £70,000 from Dariusz Zych. The loans from Dariusz Zych and interest are still outstanding.

The Company received the following loans from investors unconnected to the Company:

On 30 July 2018, the Company received a loan of £650. The loan is repayable 2 years from the date of issue and carries an interest rate of 5% per annum.

On 20 December 2018, the Company received a loan of £100,000. The loan is repayable 2 years from the date of issue and carries an interest rate of 5% per annum.

On 14 February 2019, the Company received a loan of £350,000. The loan is repayable 2 years from the date of issue and carries an interest rate of 5% per annum.

Repayment of Loans

On June 2018, an outstanding loan of £163,200 made to the Company by Wildman Asset Management was repaid. £1,800 of the loan and interest are still outstanding.

Mylux

As announced on 3 May 2016 and 27 June 2016, the Company extended loans of £89,000 and £120,000 respectively to Mylux, a Cypriot SPV, which was intended to be used to make a minority investment in Multipay, a newly formed company looking to offer comprehensive payment services in Poland. Following this, as announced on 22 September 2016, the Company was suspended by the UK Listing Authority, as the aforementioned loans were considered to be a significant change to "the strategic direction or nature of the Company's business away from its stated aim".

The Company extended further loan of £1,650 and £78,640 to Mylux on 29 July 2016 and 20 July 2017 respectively. These took place following its suspension, and were not announced.

Between December 2017 and June 2018, Mylux repaid this loan to a total amount of £292,239, in the following order:

On 19 December 2017, the Company received a loan repayment of £7,325. On 30 April 2018, the Company received a loan repayment of £4,000. On 15 May 2018, the Company received a loan repayment of £2,000. From 6 June 2018 to 14 June 2018, the Company received a loan repayment of £163,914. On 7

December 2018, the Company received a loan repayment of £30,000. On 9 January 2019, the Company received a loan repayment of £50,000. On 14 January 2019, the Company received a loan repayment of £35,000.

There is currently no outstanding amount still owed to the Company by Mylux.

For further information, please contact:

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