

Gate Ventures Plc

(“Gate Ventures” or the “Company”)

Option to invest in a UK theatre production

Further to the Company’s announcement of 20 March 2015, Gate Ventures Plc (AIM: GATE), an Investing Company formed to make investments and capitalise on investment opportunities in the media and entertainment sector with a focus on theatre production and the music industry and businesses using technologies such as online social media, the internet and disruptive software development, would like to announce that it has today entered into an option agreement with Simco 2000 Limited (“Simco”) and David Simmons (“Guarantor”)(“Option”) granting Gate Ventures the sole and exclusive right to fund the UK based theatre production provisionally entitled “Being Woody Allen”, based on a script written by David Simmons with lyrics and musical composition written by Geoff Morrow (“Production”). It is envisaged that the Production will initially tour approximately 8 (but at least 6) theatres outside the West End of London.

Under the terms of the agreement (“Agreement”), for an option fee of £35,000 the Company may exercise its Option any time until 31 December 2015 at which time the Option will lapse unless Gate Ventures pays a further option fee of £5,000 to extend the Option until 31 March 2016. Under the Agreement, the funding commitment is up to £300,000 (inclusive of the option fees paid) being the budgeted costs of mounting the Production through to the opening night but only payable if a number of conditions are met by Simco. In return for such funding, Gate Ventures will be entitled to receive all receipts of Simco and/or the Guarantor from the Production to recoupment of Gate’s funding of up to £300,000 and following such recoupment, 50% of any residual profits of the Production (after payment of the running costs). Simco has prepared a budget for the Production provisionally estimating that the costs up until the first performance are not expected to exceed £300,000 and, as one of the criteria on which the funding commitment is based, Simco has undertaken to negotiate letters of guarantee with

theatres, on terms acceptable to Gate Ventures, confirming that box office receipts from the Production will be in excess of £300,000.

Simco and the Guarantor, are giving the usual warranties in relation to the show and work including that it is original and does not infringe any third party rights. The maximum liability of the Guarantor under the option is to be capped at £100,000. Gate Ventures will have rights of approval over the engagement of an artistic producer, director and lead performer but will not be involved operationally in the Production. Gate Ventures will be given the right to fund any other production of 'Being Woody Allen' on the same terms.

Geoff Morrow is the lyricist and composer of the Production and David Simmons (sole owner of Simco) the writer. The Agreement states that Simco will negotiate terms with the artistic producer so that as writer, lyricist and composer in relation to the Production Geoff Morrow and David Simmons' total share of the gross receipts (being the box office gross ticket sales receipts, less VAT and other costs as are the industry norm including agency commissions) will not exceed 6% pre-recoupment of the costs of the Production and that Geoff Morrow's share of the gross receipts will not exceed 4% both pre and post recoupment of the costs of the Production ("Royalties").

This Agreement has been deemed a related party transaction because of Geoff Morrow's potential benefit in terms of the Royalties he will receive when the Production proceeds. Mr Richard Carter, Mr Brooke Greville and Mr Peter Levinger, the independent Directors for the purposes of the Agreement, consider, having consulted with Beaumont Cornish Limited, that the terms of the Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

CEO Brooke Greville stated: "The Board is delighted to be in a position to announce a modest initial step in implementing its Investing Policy. We look forward to updating shareholders further in due course."

- Ends -

For further information:

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