

RNS Circular Posted

## Circulars re. transactions & return of capital

### RIVER AND MERCANTILE GROUP PLC

Released 11:38:52 08 March 2022

RNS Number : 0390E  
River and Mercantile Group PLC  
08 March 2022

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

8 March 2022

LEI: 2138005C7REHURGWHW31

#### **River and Mercantile Group PLC ("RMG" or the "Company")**

#### **Publication and posting of RMG circulars relating to acquisition by AssetCo, return of capital and sale of US Solutions business**

##### **Introduction**

On 25 January 2022, the Independent RMG Directors and the AssetCo Directors announced that they had reached agreement on the terms and conditions of a recommended all-share acquisition by AssetCo of the entire issued and to be issued share capital of RMG other than the RMG Shares already beneficially owned by AssetCo (the "**Firm Offer Announcement**"). Capitalised terms used but not defined in this announcement have the meanings given to them in the Firm Offer Announcement, unless the context requires otherwise.

The Acquisition represents the final step in a strategy to unlock value from the RMG Group, which commenced with the Solutions Sale and has included conversations with multiple parties regarding a possible offer for RMG, as announced by RMG on 23 November 2021.

It is intended that the Acquisition will be effected by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"). Before the Court's sanction can be sought for the Scheme, the Scheme requires approval by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Scheme Voting Shareholders present and voting, either in person or by proxy, representing not less than 75% in value of the Scheme Voting Shares voted by such Scheme Voting Shareholders. In addition, the Resolution must be passed at the General Meeting to authorise the RMG Directors to implement the Scheme and deal with certain ancillary matters (which requires the approval of RMG Shareholders present and voting representing at least 75% of the votes cast at the General Meeting (either in person or by proxy)).

In the Firm Offer Announcement, RMG also announced that in connection with the Acquisition it intended to return to RMG Shareholders £190 million in cash from the net proceeds from the Solutions Sale. Following the successful completion of the Solutions Sale on 31 January 2022, the Independent RMG Directors announced on 18 February 2022 their intention to implement the Return of Capital by way of the B Share Scheme.

It is intended that the B Share Scheme will involve, *inter alia*:

- RMG issuing irredeemable preference B Shares to RMG Shareholders *pro rata* to their holdings of RMG Shares;
- such B Shares being purchased by the Broker (being Jefferies International Limited) for an aggregate amount equal to £190 million (the "**B Share Purchase Offer**");
- the Broker receiving a dividend on such B Shares equal to £190 million in aggregate plus an amount equal to any stamp duty or stamp duty reserve tax arising on the purchase of the B Shares (the "**Single B Share Dividend**") (or in the unlikely scenario that the Broker has not purchased the B Shares by the prescribed time, RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million); and
- the B Shares converting into C shares with no dividend rights and being repurchased and cancelled by RMG (via the Broker, if being repurchased from RMG Shareholders rather than directly from the Broker) for an amount

equal to their nominal value (plus any stamp duty or stamp duty reserve tax incurred by the Broker if applicable).

In the unlikely event that the B Shares have been purchased by the Broker pursuant to the B Share Purchase Offer but the Single B Share Dividend is not declared and paid by the Company to the Broker by the prescribed deadline: (i) the Company has granted the Broker a put option which, on exercise, will oblige the Company to purchase from the Broker the B Shares purchased by the Broker pursuant to the B Share Purchase Offer, and (ii) the Broker has granted the Company a call option which, on exercise, will oblige the Broker to sell to the Company the B Shares purchased by the Broker pursuant to the B Share Purchase Offer, in each case for an aggregate price capped at 24.99% of the Company's market capitalisation on the specified date.

The B Share Scheme is conditional on (amongst other things) the passing of the Return of Capital Resolutions by the RMG Shareholders, the Scheme Voting Shareholders passing the relevant resolution at the Court Meeting, RMG Shareholders passing the Resolution at the General Meeting and the FCA Condition to the Scheme being satisfied or waived. It is intended that, provided that in the opinion of the Independent RMG Directors, proceeding to implement the B Share Scheme remains in the best interests of RMG and the RMG Shareholders at that time, the B Share Scheme will be implemented shortly after the FCA Condition to the Scheme has been satisfied or waived and before the Sanction Hearing to sanction the Scheme.

On 25 January 2022, RMG also announced the proposed sale of its US Solutions business to Agilis Holding Company LLC for a minimum consideration of approximately \$8.6 million (subject to adjustment based on net tangible assets at completion) comprising \$2.6 million in cash, and the issuance of a secured loan note of \$6 million (the "**US Solutions Sale**"). The US Solutions Sale constitutes a related party transaction under Chapter 11 of the Listing Rules and therefore requires approval from RMG Shareholders. However, approval of the US Solutions Sale is not a condition of either the Acquisition or the Return of Capital.

#### **Publication and Posting**

RMG, and in respect of the Scheme Document (as defined below) AssetCo, is pleased to confirm that the following documents (and information incorporated into them by reference to another source) have been made available today, subject to certain restrictions relating to persons in Restricted Jurisdictions, on RMG's website at <https://riverandmercantile.com/investor-relations/>:

- a circular relating to the Scheme (the "**Scheme Document**") containing, among other things, a letter from the Chairman of RMG, an explanatory statement pursuant to section 897 of the Companies Act 2006, the full terms and conditions of the Scheme and notices of the Court Meeting and the General Meeting;
- a circular relating to the Return of Capital and the B Share Scheme (the "**Return of Capital Circular**") containing, among other things, a letter from the Chairman of RMG and notice of the Return of Capital General Meeting; and
- a circular relating to the US Solutions Sale (the "**US Solutions Sale Circular**" and, together with the Scheme Document and the Return of Capital Circular, the "**Circulars**") containing, among other things, a letter from the Chairman of RMG and notice of a general meeting (the "**US Solutions Sale General Meeting**") and, together with the Court Meeting, the General Meeting and the Return of Capital General Meeting, the "**Meetings**") to be held for the purposes of seeking approval for the US Solutions Sale as a related party transaction under Chapter 11 of the Listing Rules.

The Scheme Document (and information incorporated into it by reference to another source) is also available on AssetCo's website at <https://www.assetco.com/investor-relations/>. Copies of the Circulars will be submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Hard copies of the Circulars are being posted to RMG Shareholders and, for information only, to persons with information rights today, other than RMG Shareholders who have opted to receive website notifications. Hard copies of the forms of proxy for the Meetings are also being posted to RMG Shareholders today.

For RMG Shareholders, persons with information rights and any other persons who receive the Circulars in electronic form or via a website notification, hard copies will not be sent unless requested, and hard copies of information incorporated into any of the Circulars by reference to another source will not be sent to any recipient of the Circulars, whether in hard copy or in electronic form or via a website notification, unless so requested. RMG Shareholders, persons with information rights and any other persons who receive the Circulars may request hard copies of the Circulars (and any information incorporated into them by reference to another source) by contacting RMG's registrars, Equiniti, between 8:30 a.m. to 5:30 p.m. (London time) Monday to Friday (except UK public holidays) on 0371 384 2050 from the UK (calls to this number are charged at the standard national rate and will vary by provider) or +44 371 384 2050 from outside the UK (charged at the applicable international rate) or by submitting a request in writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

#### **Action Required**

Notices convening the Court Meeting and the General Meeting are set out in the Scheme Document. Notices convening the Return of Capital General Meeting and US Solutions Sale General Meeting are set out in the Return of Capital Circular and US Solutions Sale Circular respectively. The Meetings are to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on 1 April 2022 and are scheduled to take place at the following times:

<b>Court Meeting:</b>	<b>11.00 a.m.</b>
<b>General Meeting:</b>	<b>11.15 a.m.</b> (or as soon after 11.15 a.m. as the Court Meeting shall have concluded or been adjourned)
<b>Return of Capital General Meeting:</b>	<b>11:30 a.m.</b> (or as soon after 11.30 a.m. as the General Meeting shall have concluded or been adjourned)
<b>US Solutions Sale</b>	<b>11:45 a.m.</b> (or as soon after 11.45 a.m. as the Return of Capital

**General Meeting:** General Meeting shall have concluded or been adjourned)

Scheme Voting Shareholders and RMG Shareholders eligible to vote at each of the Meetings are strongly encouraged to vote by appointing the Chair of each of the Meetings as their proxy (either electronically through CREST or by post or by hand using the printed forms of proxy) before the relevant deadline. The Chair of the relevant meeting will vote in accordance with the voting instructions of the appointing Scheme Voting Shareholder or RMG Shareholder (as applicable).

The RMG Board will continue to monitor the situation regarding public health measures and any changes to the arrangements for the Meetings will be communicated to RMG Shareholders prior to the Meetings, including through RMG's website <https://riverandmercantile.com/investor-relations/> and by announcement through a Regulatory Information Service.

#### **Scheme Recommendation**

The Independent RMG Directors, who have been so advised by Lazard and Fenchurch as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent RMG Directors, Lazard and Fenchurch have taken into account the commercial assessments of the Independent RMG Directors. Lazard and Fenchurch are providing independent financial advice to the Independent RMG Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Independent RMG Directors consider that the Acquisition is in the best interests of RMG Shareholders as a whole and recommend unanimously that Scheme Voting Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and RMG Shareholders vote or procure votes in favour of the Resolution at the General Meeting, as the Independent RMG Directors who hold RMG Shares have irrevocably undertaken to do in respect of their entire beneficial holdings, amounting in aggregate to 179,982 RMG Shares representing approximately 0.21% of the issued share capital of RMG, as at 4 March 2022 (being the latest practicable date before the publication of the Scheme Document).

For the purposes of the Acquisition, Martin Gilbert, the Deputy Chairman of RMG, is not an Independent RMG Director due to his position as the Chairman of AssetCo and therefore has not participated in the consideration of the Acquisition by the Independent RMG Directors or the decision of the Independent RMG Directors to recommend the Acquisition as set out above.

#### **Irrevocable Undertakings to vote in favour of the Acquisition and the AssetCo Resolutions**

The Independent RMG Directors who hold, or are otherwise beneficially interested in, RMG Shares and James Barham, RMG's former Group CEO, have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of, in aggregate, 1,857,208 RMG Shares representing approximately 2.17% of RMG's issued share capital, and approximately 2.37% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this announcement). The undertakings from the Independent RMG Directors and James Barham will remain binding in the event that a higher competing offer for RMG is made.

In addition to the irrevocable undertakings referred to above:

- AssetCo has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) from Scheme Voting Shareholders in respect of a total of 28,586,635 Scheme Voting Shares, representing in aggregate approximately 33.45% of RMG's issued share capital, and approximately 36.55% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this announcement); and
- AssetCo has received irrevocable undertakings from each member of the AssetCo Concert Party (other than AssetCo) to vote in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) but, in accordance with their having consented not to vote at the Court Meeting in respect of any Scheme Shares they hold, not to vote either in favour or against the Scheme at the Court Meeting, with such irrevocable undertakings representing, in aggregate, approximately 2.63% of RMG's issued share capital, and none of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this announcement).

AssetCo has therefore received irrevocable undertakings in respect of a total of 32,692,185 RMG Shares, or a total of 30,443,843 Scheme Voting Shares, representing, in aggregate, approximately 38.26% of RMG's issued ordinary share capital, and approximately 38.93% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this announcement).

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting.

AssetCo expects to send the AssetCo Circular to AssetCo Shareholders in or around the week commencing 21 March 2022 summarising the background to, and reasons for the Acquisition, which will also include a notice convening the AssetCo General Meeting. The Acquisition is conditional on, amongst other things, the AssetCo Resolutions being passed by the requisite majority of AssetCo Shareholders at the AssetCo General Meeting.

The AssetCo Directors have irrevocably undertaken to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in respect of their own (or their close relatives', related trusts' and connected persons') beneficial holdings of 1,336,378 AssetCo Shares representing, in aggregate, approximately 15.86% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this announcement).

In addition to the irrevocable undertakings referred to above, AssetCo has received irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting from AssetCo Shareholders in respect of a total of 3,044,868 AssetCo Shares, representing in aggregate approximately 36.14% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this announcement).

AssetCo has therefore received irrevocable undertakings in respect of a total of 4,381,246 AssetCo Shares representing, in aggregate, approximately 52.00% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this announcement). These irrevocable undertakings are also addressed to RMG given RMG's interest in the AssetCo Resolutions being passed.

Further details of these irrevocable undertakings (including details of the circumstances in which the irrevocable undertakings will cease to be binding) are set out in paragraph 7 of Part Six (Additional Information) of the Scheme Document.

#### **Return of Capital Recommendation**

The Independent RMG Directors unanimously recommend that RMG Shareholders vote or procure votes in favour of the resolutions to be proposed at the Return of Capital General Meeting, as each Independent RMG Director intends to do in respect of his or her own beneficial holdings of RMG Shares.

#### **US Solutions Sale Recommendation**

The RMG Board, which has been so advised by Jefferies as sponsor in respect of the US Solutions Sale, considers the US Solutions Sale to be fair and reasonable so far as the RMG Shareholders as a whole are concerned. In providing its advice to the RMG Board, Jefferies has taken into account the RMG Board's commercial assessment of the US Solutions Sale.

The RMG Board considers the US Solutions Sale and the passing of the resolution at the US Solutions Sale General Meeting to be in the best interests of RMG and its shareholders taken as a whole. Accordingly, the RMG Board unanimously recommends that RMG Shareholders vote in favour of the resolution to be proposed at the US Solutions Sale General Meeting.

#### **Shareholder Helpline**

A shareholder helpline is available for RMG Shareholders. If RMG Shareholders have any questions about the Circulars, the Meetings or how to complete the respective forms of proxy or to appoint a proxy electronically through the CREST electronic proxy appointment service, please call the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographic rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits transactions.

#### **Expected Timetable of Principal Events**

The expected timetable of principal events relating to the Scheme, the Return of Capital, and the US Solutions Sale, is set out below. All references above to times are to London time unless otherwise stated. The following dates are indicative only and are based on the current expectations and may be subject to change; please see note (6) below.

<b>Event</b>	<b>Expected time/date</b>
Latest time for lodging forms of proxy or for submitting proxy instructions via the CREST Electronic proxy appointment service for the:	
Court Meeting (blue form of proxy)	11.00 a.m. on 30 March 2022
General Meeting (yellow form of proxy)	11.15 a.m. on 30 March 2022
Return of Capital General Meeting (green form of proxy)	11.30 a.m. on 30 March 2022
US Solutions Sale General Meeting (pink form of proxy)	11.45 a.m. on 30 March 2022
Voting Record Time for the Meetings	6.30 p.m. on 30 March 2022 <sup>(1)</sup>
<b>Court Meeting</b>	<b>11.00 a.m. on 1 April 2022</b>
<b>General Meeting</b>	<b>11.15 a.m. on 1 April 2022<sup>(2)</sup></b>
<b>Return of Capital General Meeting</b>	<b>11.30 a.m. on 1 April 2022<sup>(3)</sup></b>
<b>US Solutions Sale General Meeting</b>	<b>11.45 a.m. on 1 April 2022<sup>(4)</sup></b>
Publication of results of the Meetings	As soon as practicable after the conclusion of the Meetings
Expected completion of the US Solutions Sale	During the second quarter of 2022
Expected satisfaction of the FCA Condition, after which the Independent RMG Directors set the B Share Scheme Record Time and announce intention to implement B Share Scheme via Regulatory Information Service	During the second quarter of 2022 (A)
Latest time and date for transfers of RMG Shares to be accepted for registration prior to the B Share Scheme Record Time	4.30 p.m. on A+5 Business Days
B Share Scheme Record Time	6.00 p.m. on A+5 Business Days ( <b>T-1 Business Day</b> ) <sup>(5)</sup>
Issue of B Shares based on holdings of RMG Shares at B Share Scheme Record Time	8.00 a.m. on the day that is one Business Day after the B Share Scheme Record Time (T)
Jefferies makes B Share Purchase Offer (as defined in the Return of Capital Circular) via Regulatory Information Service announcement	8.00 a.m. on the day that is two Business Days after the B Share Scheme Record Time ( <b>T+1 Business Day</b> )

Purchase of all B Shares by Jefferies completed and Jefferies becomes beneficial owner of all B Shares	the day that is two Business Days after the B Share Scheme Record Time ( <b>T+1 Business Day</b> )
Single B Share Dividend Date (as defined in the Return of Capital Circular) declared, dividend amount paid to Jefferies and B Shares automatically reclassified as C shares	the day that is two Business Days after the B Share Scheme Record Time ( <b>T+1 Business Day</b> )
Company repurchases and cancels C shares	the day that is two Business Days after the B Share Scheme Record Time ( <b>T+1 business day</b> )
Despatch of payments and CREST accounts credited in respect of proceeds from the sale of the B Shares	Expected to be 10 Business Days after the B Share Purchase Offer ( <b>T+11 business days</b> )
Scheme Sanction Hearing	A date expected to be during the second quarter of 2022, subject to the satisfaction (or, if applicable, waiver) of the Conditions (other than Conditions 1 and 2(c)) ( <b>D</b> ) <sup>(6)(7)</sup>
Last day of dealings in, and for registration of transfers of, and disablement of CREST for, RMG Shares	D + 1 business day
Scheme Record Time	6.00 p.m. on D + 1 business day
Suspension of dealings in RMG Shares	8.00 a.m. on D + 2 business days
Effective Date of the Scheme <sup>(8)</sup>	D + 2 business days
Cancellation of listing of RMG Shares on the main market of the London Stock Exchange	8.00 a.m. on D + 3 business days
Issuance of New AssetCo Shares	at or soon after 8.00 a.m. on D + 3 business days
Admission and commencement of dealings of the New AssetCo Shares on AIM	at or soon after 8.00 a.m. on D + 3 business days
CREST accounts of RMG Shareholders credited with New AssetCo Shares	at or soon after 8.00 a.m. on D + 3 (but not later than 14 days after the Effective Date)
CREST accounts of RMG Shareholders credited with cash due in relation to fractional entitlements	within 14 days after the Effective Date
Despatch of (i) share certificates for the New AssetCo Shares and (ii) cheques for the cash due in relation to fractional entitlements	within 14 days after the Effective Date
Long Stop Date	11.59 p.m. on 31 January 2023 <sup>(9)</sup>

**Notes:**

- (1) If any Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the date which is two days (excluding any part of a day that is not a business day) before the date set for such adjourned meeting.
- (2) Or as soon after 11.15 a.m. as the Court Meeting shall have concluded or been adjourned.
- (3) Or as soon after 11.30 a.m. as the General Meeting shall have concluded or been adjourned.
- (4) Or as soon after 11.45 a.m. as the Return of Capital Meeting shall have concluded or been adjourned.
- (5) The B Share Scheme Record Time is required to be at least 5 Business Days after the announcement of the implementation of the B Share Scheme for settlement purposes.
- (6) These dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived, in particular the FCA Condition and the Return of Capital Condition as explained in paragraph 3 of Section A of Part Three of the Scheme Document; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- (7) The Scheme Sanction Hearing is to be held on a date to be determined following the satisfaction (or, if applicable, waiver) of the Conditions (other than Conditions 1 and 2(c)), as set out in Section A of Part Three of the Scheme Document.
- (8) The Scheme will become effective pursuant to its terms upon the Court Order being delivered to the Registrar of Companies.
- (9) This is the latest date by which the Scheme may become Effective unless RMG and AssetCo agree (and, if required, the Panel consents to and the Court approves) a later date.

The dates and times given are indicative only and are based on current expectations and may be subject to change (including as a result of changes to the regulatory timetable). If any of the expected times and/or dates above change, the revised times and/or dates will be notified to RMG Shareholders by announcement through a Regulatory Information Service.

**Enquiries:**

<b>River and Mercantile Group PLC</b>	<b>+44 (0) 20 3327 5100</b>
<b>Montfort Communications</b>	
Gay Collins	+44 (0) 7798 626282
Nick Bastin	+44 (0) 7931 500066

<b>Lazard</b> Nick Millar	<b>+44 (0) 20 7187 2000</b>
<b>Fenchurch</b> Vincent Bounie	<b>+44 (0) 20 7382 2222</b>
<b>Jefferies</b> Paul Nicholls Sam Barnett	<b>+44 (0) 20 7029 8211</b>
<b>AssetCo plc</b>	<b>+44 (0) 77 5800 5141</b>
<b>Numis</b> Stephen Westgate Alec Pratt	<b>+44 (0) 20 7260 1000</b>
<b>Arden</b> John Llewellyn-Lloyd Louisa Waddell	<b>+44 (0) 20 7614 5900</b>

Allen & Overy LLP is retained as legal advisor to RMG. Gowling WLG (UK) LLP is retained as legal advisor to AssetCo.

#### **Further information**

This announcement introduces the proposals contained in the Circulars, which should be read by shareholders before taking a decision. The announcement is not a summary of the proposals and should not be regarded as a substitute for reading the Circulars.

This announcement is for information purposes only and is not intended to and does not constitute or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition, the B Share Scheme or otherwise nor shall there be any sale, issuance or transfer of securities of RMG or AssetCo in any jurisdiction in contravention of applicable law.

The Acquisition will be implemented solely by means of the Scheme Document (or if the Acquisition is implemented by way of an Offer, the offer document), which contains the full terms and conditions of the Acquisition including details of how to vote in respect of (or, if applicable, accept) the Acquisition. Any vote in respect of the Scheme (or, if applicable, acceptance of the Offer) or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each RMG Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition.

Montfort Communications ("Montfort") is acting as financial public relations adviser to River and Mercantile and no one else in connection with the matters set out in this announcement. Montfort does not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

Lazard & Co., Limited ("Lazard"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 advisor to RMG and no one else in connection with the Acquisition and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Acquisition or any of the matters set out in this announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with the matters set out in this announcement, any statement contained herein or otherwise.

Fenchurch Advisory Partners LLP ("Fenchurch"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 advisor to RMG and no one else in connection with the Acquisition and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Fenchurch nor for providing advice in relation to the Acquisition or any of the matters set out in this announcement. Neither Fenchurch nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Fenchurch in connection with the matters set out in this announcement, any statement contained herein or otherwise.

Jefferies International Limited ("Jefferies"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as corporate broker to RMG in respect of the Acquisition, exclusively as financial adviser and sponsor to RMG in respect of the US Solutions Sale and exclusively as financial adviser and broker to RMG in respect of the Return of Capital and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the matters set out in this announcement. Neither Jefferies nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with matters set out in this announcement, any statement contained herein or otherwise.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AssetCo and no one else in connection with the Acquisition and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition or any of the matters set out in this announcement. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with the matters set out in this announcement, any statement contained herein or otherwise.

Arden, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting exclusively as nominated adviser and broker to AssetCo and no one else in connection with the Acquisition and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Arden nor for providing advice in relation to the Acquisition or any of the matters set out in this announcement. Neither Arden nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Arden in connection with the matters set out in this announcement, any statement contained herein or otherwise.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own financial or tax advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant, tax advisor or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from any appropriately authorised independent financial adviser.

## **Notice to Overseas Shareholders**

### ***General***

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Scheme Voting Shares or RMG Shares (as relevant) with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purpose of complying with English law, the Takeover Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The Acquisition will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favour of the Acquisition by any use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and formal documentation relating to the Acquisition will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law or regulation), the Offer may not be made, directly or indirectly, in, into or by use of the mails of or from within any Restricted Jurisdiction, other means of instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or abilities or from within any Restricted Jurisdiction.

This announcement does not constitute an invitation to participate in the B Share Scheme in or from any jurisdiction in or from which, or to or from whom, it is unlawful to make such offer under applicable securities laws or otherwise or where such offer would require a prospectus to be published. Neither this announcement, nor any other document issued in connection with the proposed return of cash to Shareholders, may be issued or distributed to any person except under circumstances which do not constitute an offer to the public under applicable securities laws.

Further details in relation to Overseas Shareholders is contained in paragraph 17 of Part Two of the Scheme Document and to paragraph 6 of Part II of the Return of Capital Circular respectively.

### ***Certain notices to US investors***

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. Any financial information included in this announcement or the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document) has been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Each RMG Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences to it (or to its beneficial owners) of the Acquisition.

If, in the future, AssetCo exercises its right to implement the Acquisition by means of an Offer which is to be made into the US, such Offer will be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the US by AssetCo and no one else.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal UK practice and pursuant to Rule 14e-5(b), AssetCo or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of RMG outside of the US, other than pursuant to such Offer, during the period in which such Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

RMG and AssetCo are both incorporated under the laws of England and Wales. Some or all of the officers and directors of AssetCo and RMG, respectively, are residents of countries other than the United States. In addition, some of the assets of AssetCo and RMG are located outside the US. As a result, it may be difficult for US holders of Scheme Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the UK. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The New AssetCo Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the US absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. It is expected that any New AssetCo Shares to be issued pursuant to the Scheme would be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state. Neither the US Securities and Exchange Commission nor any US state securities commission has reviewed or approved this announcement, the Scheme Document, the Acquisition, the Scheme or the issue of the New AssetCo Shares, and any representation to the contrary is a criminal offence in the US.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) with respect to the New AssetCo Shares, RMG will advise the Court that its sanctioning of the Scheme will be relied on by AssetCo as an approval of the Scheme following a hearing on its fairness to RMG Shareholders, at which hearing all such RMG Shareholders are entitled to attend remotely or in person (as applicable) or through counsel, to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such RMG Shareholders.

A RMG Shareholder who is an "affiliate" (within the meaning of the US Securities Act) of RMG, will receive "restricted securities" as defined in Rule 144 under the US Securities Act. Under applicable US federal securities laws, persons who are or will be "affiliates" of RMG, within the meaning of the US Securities Act may not resell the New AssetCo Shares received as a result of the Scheme without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). "Affiliates" of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for the purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe they may be affiliates of RMG should consult their own legal advisers before any sale of securities received as a result of the Scheme.

RMG Shareholders in the US also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences, if any, are not described herein. RMG Shareholders in the US are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Acquisition applicable to them.

#### **Forward-looking statements**

This announcement (including information incorporated by reference), oral statements made regarding the Acquisition, and other information published by RMG and AssetCo contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which the AssetCo Group or the Combined Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward-looking statements contained in this announcement relate to the AssetCo Group or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AssetCo's, RMG's, or the Combined Group's operations and potential synergies resulting from the Acquisition; (iii) new product launches and client relationships, and (iv) the effects of global economic conditions and governmental regulation on AssetCo's, RMG's or the Combined Group's business. For a discussion of important factors which could cause actual results to differ from forward looking statements in relation to the AssetCo Group, refer to the annual report and financial statements of AssetCo for the financial year ended 30 September 2021, expected to be published by AssetCo shortly after the date of this announcement. Readers should specifically consider the factors identified above and as will be further described in the "Risk Factors" section of the AssetCo Circular, expected to be published in or around the week commencing 21 March 2022, that could cause actual results of the Combined Group to differ before taking any action in respect of the Acquisition.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business, partnerships, combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. No member of the Wider RMG Group nor the Wider AssetCo Group nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Wider AssetCo Group or Wider RMG Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statements above.

Each of the Wider RMG Group and the Wider AssetCo Group, and each of their respective members, associates, directors, officers, employees or advisers expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

#### **No profit forecasts, estimates or quantified benefits statements**

No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that earnings or earnings per RMG Share or AssetCo Share, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earning per RMG Share or AssetCo Share or to mean that the Combined Group's earnings in the first 12 months following the Acquisition, or in any subsequent period, would necessarily match or be greater than those of RMG or AssetCo for the relevant preceding financial period or any other period.

#### **Publication on a website**

A copy of this announcement and the documents required to be published by Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at <https://www.assetco.com/investor-relations/>) and RMG's website (at <https://riverandmercantile.com/investor-relations/>) by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, the contents of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lse.com](mailto:rns@lse.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

CIRBBGDXUXGDGDI

---

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**

---

© 2022 London Stock Exchange plc. All rights reserved.