

Amigo Holdings PLC

Formal Sale Process and Market Update

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Amigo Holdings PLC
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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

27 May 2020

Amigo Holdings PLC
("Amigo" or the "Company")

Formal Sale Process and Market Update

Amigo, a leading provider of guarantor loans in the UK, is today providing an update on the formal sale process and current trading including its liquidity and funding position and an agreement reached with the Financial Conduct Authority on complaints handling.

Update on the Formal Sale Process ("FSP")

Amigo announces that it has received a proposal from a potential acquirer, who has completed its due diligence, stating that it is prepared to announce a firm intention to make an offer for the entire issued and to be issued share capital of Amigo at 20.9 pence per ordinary share (the "Potential Offer") in accordance with Rule 2.7 of the City Code on Takeovers and Mergers (the "Code"). The Potential Offer is subject to Amigo's controlling shareholder, Richmond Group Limited ("Richmond Group"), providing an irrevocable undertaking to vote in favour of the transaction and to halt its steps to change the Board composition, and the finalisation of customary documentation.

However, despite attempts to discuss the Potential Offer with Richmond Group, Amigo has been unable to engage constructively and ascertain Richmond Group's willingness or not to accept the Potential Offer. Richmond Group has requested that Amigo publicly disclose the status of the FSP such that it can be cleansed of inside information relating to the FSP.

There can be no certainty that any offer will be forthcoming.

The board of directors of Amigo recommends that minority shareholders take no action at this time until Richmond Group has confirmed its intentions regarding the Potential Offer.

The Company continues to be in an offer period as defined in the Code and the dealing disclosure requirements set out below continue to apply. This announcement is being made without the consent of the potential acquirer.

Covid-19 response

Amigo continues to operate with the wellbeing of our employees, partners and customers a priority. Our entirely digitalised operating model with its online journey and bespoke technology means we have been able to operate remotely with no disruption to our customer service. We are confident we can continue to do so effectively whether or not government restrictions continue.

On 24 March 2020 we took the decision to pause lending to all but key workers in exceptional circumstances to enable us to work with our existing customers and provide forbearance where requested and necessary. As a result of our special Covid-19 forbearance program announced on 24 March 2020, our teams have provided forbearance to approximately 42,000 customers. The trend of requests has slowed through May and we are confident that we have sufficient resources in place to work with our customers and help with their recovery when the forbearance period ends.

Amigo continues to monitor the macro environment and Government and regulatory announcements and will consider its approach to carefully reducing the special Covid-19 forbearance program in the coming months.

Funding position

Our liquidity remains strong. Amigo has sufficient financial headroom and cash on its balance sheet to continue to fund operations and support its customers during this challenging time. As a result of cash preservation initiatives, a pause in lending and a focus on collections, Amigo recorded a cash balance of over £115 million as at 25 May 2020. Despite the special Covid-19 forbearance program, cash collection has remained strong since 1 April 2020.

We agreed with our banks the performance triggers relating to our securitisation facility are temporarily suspended while we work to understand the impact of Covid-19 and of the specific forbearance program extended to our customers. The Board has taken the opportunity of the temporary pause in lending to review its wider funding requirements and has taken steps to cancel Amigo's revolving credit facility ("RCF"). The RCF has had minimal utilisation over the last twelve months and it is therefore considered no longer necessary. Cancellation of the RCF will save Amigo an annualised non-utilisation fee of £1.3 million.

There are no near-term maturity dates in Amigo's funding structure with the £234.1 million senior secured notes maturing in January 2024 and the £300 million securitisation facility committed on a revolving basis until June 2022. The securitisation will move into gradual amortisation from 24 July 2020 if further amendments are not agreed prior to that date.

Complaints

Amigo is committed to managing complaints raised by customers in accordance with regulatory requirements. We have significantly increased our staffing and recently agreed a Voluntary Requirement with the FCA to work through and reach a decision, before the end of June 2020, on a backlog of complaints which have arisen principally

in 2020. Each complaint will be assessed on a case by case basis to ensure fair outcomes for our customers.

Full year results

Due to the ongoing impact of Covid-19 on Amigo's audit process, the Notice of General Meeting issued last week and the ongoing FSP, Amigo will publish its full year results for the year ended 31 March 2020 by the end of June 2020.

This announcement, in so far as it relates to the update to the formal sale process, contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.

The person responsible for this announcement is Roger Bennett, Company Secretary.

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Company

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Additional Information

Rules 2.4(a), 2.4(b) and 2.6(a) of the Code

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement (subject to note 3 to Rule 2.2 of the Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process. Interested parties should note Rule 21.2 of the Code, which will prohibit any form of inducement fee or other offer-related arrangement, and that the Company, although it may do so in the future, has not at this stage requested any dispensation from this prohibition under Note 2 of Rule 21.2.

This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the Code and there can be no certainty that an offer will be made, nor as to the terms on which any offer will be made.

A copy of this announcement is also available on Amigo's website at: <https://www.amigopl.com/>.

Financial Advisers

Each of RBC Europe Limited (trading as "**RBC Capital Markets**"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom and Houlihan Lokey, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting for Amigo and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Amigo for providing the protections afforded to clients of RBC Capital Markets and Houlihan Lokey respectively, or for providing advice in connection with the matters referred to in this announcement.

Dealing Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities

in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Senior Secured Notes

This announcement constitutes notice by Amigo Luxembourg S.A. (the "**Issuer**") to the holders of the Issuer's 7.625% Senior Secured Notes due 2024 (for the notes issued pursuant to Rule 144A of the United States Securities Act of 1933, ISIN: XS1533928468 and Common Code: 153392846; for the notes issued pursuant to Regulation S of the United States Securities Act of 1933, ISIN: XS1533928625 and Common Code: 153392862) (the "**Notes**") issued pursuant to pursuant to Section 4.03(a)(3) of an indenture dated January 20, 2017 among, inter alia, the Issuer, the guarantors named therein and U.S. Bank Trustees Limited, as trustee and security agent. Amigo Holdings PLC is the indirect parent company of the Issuer. This announcement shall constitute a "Report" to holders of the Notes.

ENDS

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