RNS Number : 1627M
Sancus Lending Group Limited
10 January 2023

10 January 2023

Sancus Lending Group Limited
(the "Group" or the "Company")

Company Update and Board Changes

The Board of the Company today provides an update on the Group's ongoing structured change programme and Board changes. The Executive team, supported by the Board, continue to focus on returning the Company to profitability. This includes measures to simplify the business, improve efficiency and optimise use of resources.

Following the recent successful funding round, the Company has decided to rationalise the number of offices from which it operates, from five to three: London, Dublin and Jersey, with the closure of its office in Guernsey and the decision to cease new business activities in Gibraltar. This will provide the Group with consolidated centres reflecting its three core areas of geographic focus: UK, Ireland and Offshore.

The Group Finance function, currently operating from Guernsey, will move to Jersey in the first half of 2023. The Group will continue to participate in lending opportunities in the Guernsey market.

In reviewing its operations in Gibraltar during 2022, the Company has not identified sufficient quality lending opportunities to merit continued efforts in the region. Leaving the Gibraltar market will result in cost saving, risk reduction and allow dedicated resources to focus on the Group's core markets. As a result, the Goodwill (£8.64 million), held by the Company since the acquisition of Sancus Lending (Gibraltar) Limited ("Sancus Gibraltar") in 2016, will consequently be written down to nil. In the year to 31 December 2021, Sancus Gibraltar generated revenues of £1.44m and profit before tax of £941k (before group, finance and other charges), the majority of this revenue relating to loans written before 2021.

Following the migration of the Group Finance function from Guernsey to Jersey, Emma Stubbs, the Group's Chief Financial Officer, has decided to step down from the Board and leave the Company. It is intended that Emma will remain with the business until 31 March 2023 to effect an orderly handover. Emma joined Sancus in 2013 and has played an important role in the planning of the Company's turnaround strategy. The Board would like to thank Emma for her hard work and commitment and wish her well in her future endeavours.

Following Emma's departure, Tracy Clarke will be appointed as the Group's Interim Chief Financial Officer, for an initial period of 12 months. Tracy, who has been a non-executive Director of the Company since March 2022, is a Fellow of the Institute of Chartered Accountants in England and Wales and holds the CISI Investment Advice Diploma. Tracy is currently Managing Director of Carlton Management Services Limited ("Carlton"), a licensed Jersey Trust Company business which provides administration and finance services to clients including the Somerston Group (the Company's largest shareholder). It is currently envisaged that Carlton will be appointed to augment and support the development of the Group's finance function, including new technology integrations for forecasting, performance and treasury management and reporting. It is ultimately the intention of the Board to appoint a permanent CFO in due course and intends to review these arrangements in 12 months.

The Company looks forward to 2023 with cautious optimism. The continued retrenchment of banks and alternative lenders from development financing provides attractive opportunities for the alternative lenders that can remain active and with its recently successful corporate financing, Sancus is well positioned to take advantage of these opportunities.

For further information, please contact:

Sancus Lending Group Limited
Rory Mepham
+44 (0)1481 708 280

Liberum Capital (Nominated Adviser and Corporate Broker)
Lauren Kettle
Chris Clarke
William King
+44 (0) 20 3100 2000

Instinctif Partners (PR Adviser)
Tim Linacre
Victoria Hayns
+44 (0)207 457 2020

Sanne Fund Services (Guernsey) Limited (Company Secretary)
Matt Falla
+44 (0)1481 755530

LEI: 213800S2XOO3YSEGCA26

END

MSCNKCBPKBKBDDK