

10 March 2023

## Amigo Holdings PLC

### Update on Capital Raise and Scheme of Arrangement

Amigo Holdings PLC ("Amigo" or "the Company"), a provider of mid-cost credit in the UK, announced a Scheme of Arrangement, sanctioned by the High Court in May 2022, which contains a Preferred Solution which is conditional on the completion of a 19:1 capital raise by 26 May 2023, followed by the contribution of a minimum £15m payment to the Scheme fund for creditor redress.

Unfortunately, following extensive engagement with a large base of potential investors since commencing a marketing process in October 2022, ongoing conversations with potential equity investors over providing the full publicly stated equity capital requirement of £45m concluded on Wednesday evening, and the Company has not received sufficient aggregate indications of interest to cover the total amount.

Whilst the Board continues to remain open to proposals, it believes that this target is unlikely to be achieved by 26 May 2023 to allow the continuation of the business under the terms of the Preferred Solution.

To date, Amigo has received:

- indicative proposals sufficient to finance its debt requirements; and
- indications of interest in equity capital subscriptions to fund £21m, comprising £11m in ordinary share capital and £10m in exchangeable notes.

In the light of the indications of interest received and investor feedback, Amigo is exploring:

- modifying its business plan to reduce working capital requirements by up to £3m; and
- whether a potential new scheme, to eliminate the £15m capital commitment to Scheme creditors, is likely to succeed.

The working capital requirement reduction, taken together with the effect of a new scheme, if sanctioned, could reduce the overall equity capital requirement from the anticipated Capital Raise from the current £45m to approximately £27m, leaving a shortfall on current indicative interest of £6m, which would need to be provided by existing shareholders and other as yet unidentified investors. Any new scheme would not impact the £97m committed to the Scheme, which will remain available for Scheme creditors to share pro rata to their adjudicated claims. The proposed timetable of payments to creditors would also remain the same.

Danny Malone, CEO of Amigo said: "*The Board is very conscious of its duties to its shareholders and wider stakeholders, including Scheme creditors. As we assess the viability of a new scheme, our minds remain focused on a go forward solution for the Company where existing shareholders retain some value but where Scheme creditors can benefit beyond the Fallback Solution. This is a very challenging situation and the Board may conclude that another new scheme is not feasible, but we believe it is important to explore fully and swiftly before reaching a conclusion.*"

Any new scheme would require approval by the High Court and by creditors, in the same way as the current Scheme. There is no certainty that a new scheme would be approved by creditors and the Court, or that this route will be pursued by the Board once the prospects of achieving a scheme have been further examined. The Board is then bound to immediately switch to the Fallback Solution under the current Scheme which comprises an orderly wind-down of the business, if the Board expects the Capital Raise cannot be completed successfully by 26 May 2023. We are currently engaged with the FCA.

A further announcement will be made as soon as practicable.

Unless the context otherwise requires, capitalised terms in this announcement shall have the meanings ascribed to them on the announcement by the Company dated 23 February 2023.

This announcement 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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## enquiries

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### About Amigo Loans

*Amigo is a public limited company registered in England and Wales with registered number 10024479. The Amigo Shares are listed on the Official List of the London Stock Exchange. Amigo offers mid-cost personal loans under its RewardRate brand. The RewardRate products reward customers for on-time payments with an annual, interest-free, payment holiday and the opportunity to reduce the effective APR, encouraging better financial management and facilitating a long-term improvement of customers' credit scores and financial mobility. Amigo offers access to mid-cost credit to those who were unable to borrow from traditional lenders due to their credit histories. Amigo's back book of loans issued pre-November 2020 is in the process of being run off with all net proceeds due to creditors under the Court approved Scheme of Arrangement. Amigo Loans Ltd and Amigo Management Services Ltd are authorised and regulated in the UK by the Financial Conduct Authority.*

### Additional Information

*This announcement 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 this announcement or otherwise.*

*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.*

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