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28 March 2024

**RBG Holdings plc**  
("RBG", the "Group", or the "Company")

### **Disposal of Convex Capital & Directorate Change**

RBG Holdings plc (AIM: RBGP), the legal services group, announces that it has agreed to dispose of the business and certain assets of Convex Capital Limited ("Convex Capital"), the specialist sell-side M&A boutique, to K&S 1 Limited via a management buyout (the "Disposal"). Furthermore, the Group announces that Vice Chair and Executive Director, Ian Rosenblatt OBE, has resigned from the Board following the completion of the Disposal.

#### *Disposal of Convex Capital*

The management of Convex Capital has acquired the business from the Group for a total consideration of up to £2.6 million, comprising an initial cash consideration of £2.0 million paid on completion and an earn out (the "Earn Out"). Under the terms of the Earn Out, post completion of the Disposal, the Company will receive 38% of any gross fees received upon completion of four existing and named Convex projects up to a maximum of £0.6 million in cash. Convex Capital was acquired by the Group in 2019 in a move to broaden the Group's exposure to the wider professional services sector; the disposal will result in a non-cash loss of £13.5 million.

The Disposal is in line with the Group's strategy to reduce its risk profile and to refocus on and invest in RBG's established legal services businesses - Rosenblatt and Memery Crystal - where the Board believes it can best maximise profits. Similarly in 2023, the Group disposed of LionFish Litigation Finance Limited ("LionFish").

As with the sale of LionFish, the proceeds from the Disposal will be used for working capital purposes and to reduce the net debt of the Group. The Disposal will reduce the demands on the Company's working capital, through a reduction of circa £2.2million per annum in ongoing costs in relation to Convex. This will support the Group in its goal of reducing net debt and growing organically.

As at 31 December 2023 ("FY23"), Convex Capital generated revenues of £2.2 million (FY22: £5.2 million), generating losses after tax of £0.3 million (FY22: profit of £0.9 million). Convex Capital had net assets of £4.2 million (FY22: £4.5 million).

#### *Directorate Change*

Following the completion of the Disposal, Ian Rosenblatt has resigned from the Board with immediate effect. Ian joined the board on 31 July 2023 with a focus on strategy. Since then, the Company has successfully renewed and extended its existing borrowing facilities with its current provider, HSBC, completed an equity fundraising of approximately £3.0 million and today, completed the Disposal of Convex Capital. The Group is now entirely focussed on its established legal services businesses - Rosenblatt and Memery Crystal.

Ian is the Group's largest shareholder and individual revenue generator. He has circa four years remaining on his restrictive covenants and is fully committed to the Group.

The Board now comprises of four Executive Directors, and three Non-Executive Directors. The Group is in the process of recruiting another Non-Executive Director to strengthen the independence of the Board and to ensure strong corporate governance.

**Marianne Isamil, Chair, RBG,said:** "Convex Capital is an excellent business however, the Board, the CEO, and the Executive team believe its future is better served in the hands of its management team. Our focus is on restoring shareholder value, and this will be achieved by concentrating the Group's resources on our core legal services businesses to maximise profits, using our cash to reduce RBG's net debt and to invest in organic growth. The nature of Convex Capital's work made it hard to forecast revenue, and a simpler Group, based around more predictable legal services revenue streams will make it easier for investors to assess the underlying value of the Company.

"Along with the rest of the Board, I would like to thank Ian Rosenblatt for his help and support over the last eight months as we worked to refocus and strengthen the business."

**Ian Rosenblatt OBE said:** "I joined the Board to support the restructuring and refocusing of the business and am delighted that the Group is now solely focused on legal services. I remain fully committed to the Company as evidenced by my participation in the recent fundraise. The Group is significantly larger in scale than the one that was floated on AIM in 2018 and comprises two of the leading legal brands in their respective markets. Along with other shareholders, I now look forward to seeing a return to a valuation that reflects the return to our roots and the derisking of the business."

### **Related Party Transaction**

The acquirers of Convex Capital are currently directors of Convex Capital, a subsidiary of the Group. As such they fall to be treated as related parties under the AIM Rules for Companies (the "AIM Rules") and as such, the Disposal is a related party transaction under Rule 13 of the AIM Rules.

The directors of RBG all of whom are independent of the Disposal consider, having consulted with Singer Capital Markets Advisory LLP its nominated adviser, that the terms of the Disposal are fair and reasonable insofar as its shareholders are concerned.

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#### **About RBG Holdings plc**

- Further information about RBG Holdings plc is available at: [www.rbgholdings.co.uk](http://www.rbgholdings.co.uk)
- Further information about Rosenblatt (founded in 1989) is available at: [www.rosenblatt.co.uk](http://www.rosenblatt.co.uk)
- Further information about Memery Crystal (founded in 1979) is available at: [www.memerycrystal.com](http://www.memerycrystal.com)

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