

The following amendment has been made to the "Intended Cancellation of Listing of ZDP Shares and ZDP Share Buyback" announcement released on 13 November at 7:00am under RNS No 9811L.

Section 2 of the Chairman's Letter stated that the ZDP Shares were trading at approximately 554 per cent. of book value. This sentence should have stated that they were trading at approximately 54 per cent. of book value.

All other details remain unchanged.

The full amended text is shown below.

13 November 2024

The information contained in this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. The person responsible for making this announcement on behalf of the Company is Rory Mephram.

For immediate release

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

Intended Cancellation of Listing of ZDP Shares and ZDP Share Buyback

The Company today announces that it has applied to the Financial Conduct Authority ("**FCA**") and London Stock Exchange plc (the "**LSE**") to effect a cancellation of its listing of zero dividend preference shares of no par value (the "**ZDP Shares**") in the non-equity shares and non-voting equity shares category of the Official List and to trading on the main market for listed securities of the LSE ("**Main Market**") (the "**Cancellation**"), which is expected to become effective at 7.00 a.m. on 11 December 2024. The Company is also announcing a ZDP Share Buyback for those holders of ZDP Shares (the "**ZDP Shareholders**") who wish to realise some or all of their holding of ZDP Shares, prior to Cancellation.

After careful consideration, the board of directors of the Company (the "**Directors**") have concluded that the Cancellation will be in the best interests of the Company, its business and its shareholders as a whole. Further rationale for the Cancellation is provided in the letter from the Chairman to ZDP Shareholders, which is set out in full in the Appendix to this announcement.

ZDP Shareholders should note that they are able to continue to trade in the ZDP Shares on the Main Market prior to the effective date of Cancellation. However, all ZDP Shareholders should note that following Cancellation the ability for ZDP Shareholders to dispose of their ZDP Shares will be significantly diminished and will be dependent on there being a willing buyer for those ZDP Shares at such time.

For those ZDP Shareholders who wish to realise some or all of their holding of ZDP Shares, the Company is offering a liquidity mechanism in the form of:

- (a) first, pursuant to the Company's existing share buyback authority granted at the annual general meeting of the Company held on 16 August 2024, the Company will purchase ZDP Shares by way of a reverse bookbuild process, as set out below. The Company intends to acquire ZDP Shares for cash at a price which amounts to a maximum aggregate consideration of £2.3 million (the "**ZDP Share Consideration**"), and at a price per ZDP Share of 108 pence (being the closing mid-market price of the ZDP Shares prior to the date of this announcement) (or such lower price as is required pursuant to Company's existing share buyback authority) (the "**ZDP Offer Price**") until 10.00 a.m. on 9 December 2024 (being two days prior to the Cancellation) (the "**ZDP Share Buyback**"); and
- (b) second, Somerston Fintech Limited ("**Somerston**"), the majority holder of the Company's ordinary shares and ZDP Shares, has committed to buy, to the extent that there is excess demand following the ZDP Share Buyback, ZDP Shares for cash at a price which amounts to a maximum aggregate consideration of £1.1 million, and at a price per ZDP Share of the ZDP Offer Price (108p), until 10.00 a.m. on 9 December 2024 (being two days prior to the Cancellation) (the "**Somerston Purchases**").

The ZDP Share Buyback will be funded by the issue by the Company to Somerston of 8 per cent. unsecured bonds with a maturity date of 31 October 2027 (the "**Bonds**"). Further details about the issue of these Bonds are set out in the Appendix to this Announcement.

Any ZDP Shareholder who is interested in exchanging some or all of their holding of ZDP Shares for Bonds should contact the Company using the below contact details. Any such exchange is subject to eligibility and is at the absolute discretion of the Company. No Bonds are being offered to any person pursuant to this announcement.

Somerston holds 50.40 per cent. of the ZDP Shares and has confirmed to the Company that it will not sell its ZDP Shares pursuant to the ZDP Share Buyback. All other ZDP Shareholders will have the opportunity to realise their investment in the ZDP Share Buyback. Further details about the ZDP Share Buyback are set out in the Appendix to this announcement.

As a company listed in the non-equity shares and non-voting equity shares category of the Official List, the Company is not required to obtain the approval of shareholders for the Cancellation. Pursuant to UK Listing Rule 21.2.17 R though, the Company is required to give at least 20 business days' notice of the intended cancellation of this listing. It is anticipated that the Cancellation will become effective at 7.00 a.m. on 11 December 2024. Following the Cancellation, in respect of the ZDP Shares, the Company will no longer be subject to the regulatory and statutory regime which applies to companies admitted to listing in the non-equity shares and non-voting equity shares category of the Official List and traded on the Main Market.

The Cancellation will not apply to the ordinary shares of no par value in the capital of the Company (the "**Ordinary Shares**"), which will continue to be admitted to trading on the AIM market of the LSE.

For further information, please contact:

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*Panmure Liberum Limited ("**Panmure Liberum**") is authorised and regulated by the Financial Conduct Authority ("**FCA**") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Cancellation and shall not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Cancellation or any matter referred to herein. None of Panmure Liberum nor any of its affiliates (nor any of them or their respective directors, officers, employees, representatives or agents) owe or accept any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Liberum in connection with the Cancellation, this announcement, any statement contained herein or otherwise.*

Appendix

Letter from the Chairman

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this letter, its likely impact on you and/or the action you should take, you should immediately consult your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriate authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your ZDP Shares in Sancus Lending Group Limited (or will have sold or transferred all such shares prior to implementation of the proposals described below), please pass this document to the purchaser or transferee, or to the person who arranged the sale or transfer, for onward transmission to the purchaser or transferee.

13 November 2024

Dear ZDP Shareholders,

Intended cancellation of ZDP Shares Listing

1. Introduction

The Company has two classes of shares in issue: (i) zero dividend preference shares of no par value ("**ZDP Shares**") and (ii) ordinary shares of no par value (the "**Ordinary Shares**").

The ZDP Shares are listed in the non-equity shares and non-voting equity shares category of the Official List and traded on the main market for listed securities of London Stock Exchange (the "**LSE**") ("**Main Market**"). The ZDP Shares have been listed and traded on the Main Market since 5 October 2015 and have a maturity date of 5 December 2027. On that date, the ZDP Shares are expected to be redeemed for a final capital entitlement of 253.32 pence per ZDP Share (representing a 9 per cent. per annum yield in the period from 6 December 2022, when the terms of the ZDP Shares were most recently amended, to 5 December 2027).

As at the date of this letter, there are 35 holders of ZDP Shares ("**ZDP Shareholders**") recorded on the Company's ZDP Shareholders' register and 6,274,833 ZDP Shares in issue (excluding 11,894,628 ZDP Shares held by the Company in treasury). Somerston Fintech Limited ("**Somerston**") holds 50.40 per cent. of the ZDP Shares.

The Company is now writing to ZDP Shareholders to advise of its intention to cancel the listing of its ZDP Shares in the non-equity shares and non-voting equity shares category of the Official List and to trading on the main market of the LSE (the "**Cancellation**").

The Ordinary Shares were admitted to trading on the AIM market of the LSE ("**AIM**") on 5 August

The Ordinary Shares were admitted to trading on the Main Market of the ESE (AIM), on 6 August 2005 and they will continue to be admitted to AIM; the Cancellation does not apply to the Ordinary Shares.

As a company listed in the non-equity shares and non-voting equity shares category of the Official List, the Company is not required to obtain the approval of shareholders for the Cancellation and is instead required only to provide the Financial Conduct Authority ("FCA") with 20 business days' prior notice. The Cancellation will take effect at 7.00 a.m. on December 2024.

The purpose of this letter is to explain why the directors of the Company (the "**Directors**", or the "**Board**") unanimously consider the Cancellation to be in the best interests of the Company, its business and existing shareholders as a whole.

2. Background to, and reasons for, the Cancellation

At an extraordinary general meeting held on 12 December 2014, a special resolution was passed to approve the adoption of new articles of incorporation in connection with the creation of a new class of redeemable zero dividend preference shares in the capital of the Company in connection with the Company's acquisition of Sancus Limited and Sancus (Guernsey) Limited from Sancus Holdings Limited. The Board believed that the ZDP Shares would diversify the funding of the Company's capital structure and better align the structure with the Board's expectation of the future returns from the Company's business. The issue of ZDP Shares was also expected to reduce the Company's overall cost of capital.

However, since then, the Directors have identified an increased management burden, cost and a distraction from the core business of the Company by being subject to the additional obligations associated with the listing of the ZDP Shares.

The Directors unanimously believe that the listing of the ZDP Shares offers no material benefits to the Company or shareholders and creates additional obligations for the Company, including required compliance with an accelerated financial reporting timetable, additional regulatory disclosure obligations and additional filing obligations. Further, the ZDP Shares have consistently traded at a material discount to their book value and, as at the date of this letter, were trading at approximately 54 per cent. of book value. Given the very limited market liquidity in respect of the ZDP Shares, it also appears that the listed status of the ZDP Shares is of little benefit to the ZDP Shareholders and is of no benefit to the holders of Ordinary Shares.

The Company has no formal obligation to retain the listed status of the ZDP Shares, therefore the Directors believe that the on-going costs and regulatory requirements associated with maintaining the listed status of the ZDP Shares are disproportionate to any perceived benefits to the Company.

Prior to progressing with the Cancellation, the Directors consulted the Company's larger ZDP Shareholders and the proposals received support. The outcome of those consultations has been taken into account by the Directors when considering whether to proceed with the Cancellation.

3. Process for, and principal effects of, the Cancellation

The Directors are aware that certain ZDP Shareholders may be unable or unwilling to hold ZDP Shares once the Cancellation becomes effective. Such ZDP Shareholders should consider selling their ZDP Shares in the market prior to the Cancellation becoming effective (either pursuant to the ZDP Share Buyback referred to in paragraph 4(a) of this letter or otherwise).

The principal effects of the Cancellation will be that:

- there will be no formal market mechanism enabling ZDP Shareholders to trade their ZDP Shares. No other recognised market or trading facility is intended to be put in place to facilitate the trading of the ZDP Shares following the Cancellation;
- while the ZDP Shares will remain freely transferable, it is likely that the liquidity and marketability of the ZDP Shares will, following Cancellation, be even more constrained than at present and the value of such ZDP Shares may be adversely affected as a consequence;
- in the absence of a formal market and quote, it may be more difficult for ZDP Shareholders to determine the market value of their ZDP Shares at any given time;
- the regulatory and financial reporting and disclosure obligations applicable to shares that are listed and traded on the Main Market will no longer apply to the ZDP Shares;
- ZDP Shareholders will no longer be afforded the protections given by the UK Listing Rules, such as the requirement to be notified of certain events and the separate requirement to seek shareholder approval for certain other corporate events such as reverse takeovers or fundamental changes in the Company's business; and
- the Cancellation may have taxation or other commercial consequences for ZDP Shareholders. ZDP Shareholders who are in any doubt about their tax position should consult their own professional independent tax advisers.

The above considerations are not exhaustive and ZDP Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

Pursuant to the UK Listing Rules, the Company is not required to obtain the approval of shareholders for the Cancellation and is instead required only to provide the FCA with 20 business days' prior notice. It is proposed that the Cancellation will take effect at 7.00 a.m. on 11 December 2024.

Following Cancellation, the Company will remain registered with the Guernsey Registry and the Guernsey Financial Services Commission as a Non-Regulated Financial Services Business and its Ordinary Shares will remain admitted to trading on AIM, notwithstanding the Cancellation. ZDP Shareholders should also note that the City Code on Takeovers and Mergers (the "**Takeover Code**") will continue to apply to the Company following the Cancellation.

The Company will also continue to be bound by the Company's articles of incorporation (the "**Articles**") (which set out the rights attaching to the ZDP Shares) following the Cancellation. The Company has no present intention to amend the Articles, but the Company may seek approval from the holders of the Ordinary Shares to amend the Articles in the future. Any amendments to the terms of the ZDP Shares would require the approval of ZDP Shareholders in accordance with the Articles.

The Ordinary Shares will remain admitted to trading on AIM following the Cancellation.

4. Transactions in the ZDP Shares prior to and post the intended Cancellation

ZDP Shareholders should note that they are able to continue to trade in the ZDP Shares on the Main Market prior to the effective date of Cancellation.

Whether or not ZDP Shareholders seek to sell their ZDP Shares in light of the proposed Cancellation is a matter for individual ZDP Shareholders and will depend on their personal circumstances. The Directors make no recommendation in this regard and any ZDP Shareholders that are in any doubt as to what they should do are advised to seek their own independent advice from a professional adviser, duly authorised and regulated by the FCA, if they are resident in the United Kingdom, or if not, another appropriate authorised independent financial adviser in their own jurisdiction.

All ZDP Shareholders should note, however, that following Cancellation the ability for ZDP Shareholders to dispose of their ZDP Shares will be significantly diminished and will be dependent on there being a willing buyer for those ZDP Shares for the time being.

a. Transactions in the ZDP Shares prior to the intended Cancellation

For those ZDP Shareholders who wish to realise some or all of their holding of ZDP Shares prior to the intended Cancellation, the Company is offering a liquidity mechanism in the form of:

- (i) first, pursuant to the Company's existing share buyback authority granted at the annual general meeting of the Company held on 16 August 2024 (the "**Authority**"), the Company will purchase ZDP Shares by way of a reverse bookbuild process, as set out below. The Company intends to acquire ZDP Shares for cash at a price which amounts to a maximum aggregate consideration of £2.3 million (the "**ZDP Share Consideration**"), and at a price per ZDP Share of 108 pence (being the closing mid-market price of the ZDP Shares prior to the date of this announcement) (or such lower price as is required pursuant to Company's existing share buyback authority) (the "**ZDP Offer Price**") until 10.00 a.m. on 9 December 2024 (being two days prior to the Cancellation) (the "**ZDP Share Buyback**"). This commitment is subject to the continuing availability of that Authority and the Company's ability to undertake the ZDP Share Buyback in accordance with the terms of the Authority; and
- (ii) second, Somerston, the majority holder of the Company's ordinary shares and ZDP Shares, has committed to buy, to the extent that there is excess demand following the ZDP Share Buyback, ZDP Shares for cash at a price which amounts to a maximum aggregate consideration of £1.1 million, and at a price per ZDP Share of the ZDP Offer Price, until 10.00 a.m. on 9 December 2024 (being two days prior to the Cancellation) (the "**Somerston Purchases**").

Under the procedures of the ZDP Share Buyback and the Somerston Purchases, holders of ZDP Shares may offer to sell some or all of their ZDP Shares at the ZDP Offer Price.

ZDP Shareholders who do wish to sell some or all of their ZDP Shares to Sancus or to Somerston should contact Panmure Liberum Limited ("**Panmure Liberum**") to make their offers in the ZDP Share Buyback and the Somerston Purchases prior to 10.00 a.m. on 9 December 2024 (being the day prior to the Cancellation) (the "**Closing Time**") (the period from this announcement to the Closing Time being the "**ZDP Offer Period**").

ZDP Shareholders may offer to sell some or all of their ZDP Shares in the ZDP Share Buyback or the Somerston Purchases, or may choose not to tender to sell any. All ZDP Shares accepted in the ZDP Share Buyback and the Somerston Purchases will be purchased at the ZDP Offer Price.

Panmure Liberum has been appointed to manage the reverse bookbuild process and the Somerston Purchases, and ZDP Shareholders wishing to make offers to have their ZDP Shares bought in the ZDP Share Buyback or the Somerston Purchases should contact Marc Wilkinson on 0203 100 2206.

The ZDP Share Buyback will be funded by the issue by the Company to Somerston of 8 per cent. unsecured bonds with a maturity date of 31 October 2027 (the "**Bonds**"). On 12 November 2024, Somerston entered into a subscription agreement with the Company (the "**Bond Subscription Agreement**") pursuant to the terms of which Somerston will subscribe for up to £2.3 million of Bonds, subject to completion of the ZDP Share Buyback.

i. Other terms of the ZDP Share Buyback

Governing law and conditions

The ZDP Share Buyback is governed by English law and is subject to the jurisdiction of the courts of England.

ii. Related Party Transaction

The Company's entry into the Bond Subscription Agreement with Somerston is a related party transaction for the purpose of the AIM Rules due to the fact that Somerston is a 'substantial shareholder', as defined in the AIM Rules, and holds 51.50 per cent. of the Ordinary Shares and 50.40 per cent. of the ZDP Shares. The independent directors (being the Company's directors with the exception of Tracy Clarke) (the "**Independent Directors**"), who have been so advised by Panmure Liberum, acting in its capacity as Nominated Adviser to the Company, consider that the terms of the Bond Subscription Agreement are fair and reasonable so far as the Company's shareholders are concerned. In giving its advice, Panmure Liberum has taken account of the Independent Directors' commercial assessment of the Bond Subscription Agreement and ZDP Share Buyback. The Independent Directors consider the ZDP Share Buyback and the Bond Subscription Agreement to be in the best interests of the Company's shareholders as a whole.

iii. ZDP Share exchange

Any ZDP Shareholder who is interested in exchanging some or all of their holding of ZDP Shares for Bonds should contact the Company using the above contact details. Any such exchange is subject to eligibility and is at the absolute discretion of the Company. No Bonds are being offered to any person pursuant to this announcement.

b. Transactions in the ZDP Shares post the intended Cancellation

If a ZDP Shareholder retains their ZDP Shares following the Cancellation, although the ZDP Shares will remain freely tradeable, they will no longer be tradeable on the Main Market and no other formal facility (such as CREST) will be available to facilitate the trading of the ZDP Shares.

Those ZDP Shareholders who hold their ZDP Shares in CREST will be sent share certificates for their holding by 31 December 2024.

5. Trading update

Since the date of the interim results to 30 June 2024, the Company has continued to trade in line with management's expectations. In the ten months to 31 October 2024 the Company achieved revenues of £13.4 million versus £10.0 million in the ten months to 31 October 2023.

REVENUES OF £19.4 million versus £19.8 million in the six months to 31 October 2023.

As at 31 October 2024, the Company had written £79.5 million of new loan facilities versus £51 million as at 30 June 2024. As at 31 October 2024 loans under management were £211 million and the Company continues to experience stable credit quality. Management is confident of continued growth in its loan volumes for the remainder of 2024 as it continues to work towards achieving long term profitability.

6. Conclusion

ZDP Shareholders should consult their own professional advisers as to whether continuing to hold ZDP Shares in the Company following the Cancellation is suitable or whether the Cancellation has any tax consequences for them. Tax rules can change and the precise tax implications for ZDP Shareholders will depend on their particular circumstances.

Any ZDP Shareholder who would like to discuss the contents of this letter should please contact the Company using the contact details are set out above.

Yours faithfully,

Steve Smith

Chairman

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