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30 January 2025

Merit Group Plc

("Merit", the "Company" or the "Group")

**Recommended cancellation of trading on AIM
and
Notice of General Meeting**

On 14 January 2025, Merit Group Plc (AIM: MRIT), the AIM-listed data and intelligence business, announced that Lord Ashcroft, a substantial shareholder of the Company, had requisitioned the holding of a general meeting of the Company to consider a resolution to delist the Company from AIM. The Board have undertaken a review of the benefits and drawbacks of retaining admission on AIM and have concluded that delisting the Company from AIM is in the best interests of the Company and its shareholders.

Accordingly, the Board are proposing the cancellation of trading of the Company's ordinary shares of £0.28 each ("Ordinary Shares") on AIM (the "Cancellation"), re-registration of Merit as a private company (the "Re-Registration") and the adoption of new articles of association (the "New Articles") (together with the Cancellation and Re-Registration and the New Articles, the "Proposals").

The proposed Cancellation is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 percent of the votes cast by shareholders at a general meeting. The Company is therefore seeking shareholders' approval for the Proposals at a general meeting which will be convened for 9 a.m. on 25 February 2025 at the offices of Fieldfisher LLP at Riverbank House, 2 Swan Lane, London EC4R 3TT (the "General Meeting").

The Company has today published a Circular to give notice of the General Meeting. The Circular will shortly be published on the Company's website www.meritgroupplc.com and will be sent to shareholders today.

Background and reasons for the proposed Cancellation

The Circular provides the background to and reasons for the Board's recommendation of the Proposals. The Board has consulted certain shareholders and has considered the following key factors amongst others in reaching their recommendation:

- (a) **Regulatory Costs:** The considerable cost of maintaining the Company's admission to trading on AIM are, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM. Given the lower costs associated with unlisted company status, it is estimated that the Cancellation will materially reduce the Company's recurring administrative and adviser costs by around £300,000 per annum, which, at more than 25% of the Central costs of the Company, the Board believes would be a significant reduction in overhead cost burden. In addition to this are savings that will come from the avoidance of such similar costs associated with non-recurring transactions and from revising the Board structure to better suit a private unlisted company.
- (b) **Regulatory Burden:** The considerable amount of management time spent complying with the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM. The Board believes that a delisting would allow the executive management team to focus more time on operational management and execution of the Company's strategy that would benefit all shareholders in the longer term.
- (c) **Lack of liquidity:** There continues to be limited liquidity in the Ordinary Shares and, as a result, the Board believes that Shareholders are not provided with opportunities to trade in meaningful volumes or with frequency in an active market in Ordinary Shares.
- (d) **Market volatility:** As a result of the limited liquidity of Ordinary Shares described above, small trades in Ordinary Shares can have a significant impact on price and, therefore, market valuation which, the Board believes, in turn has a materially adverse impact on: (a) the Company's status within its industry; (b) the perception of the Company among its customers, suppliers and other partners; (c) staff morale; and (d) the Company's ability to seek appropriate financing or realise an appropriate value for any material future sales or disposals.
- (e) **Challenges related to the Company's position as a micro-cap stock:** Growing the company, a UK micro-cap stock, comes with a range of challenges, which, in the Board's view, stem from the Company's small market valuation, limited resources, and the dynamic nature of the market. These challenges include, but are not limited to: (a) access to capital; (b) a lack of visibility amongst analysts, media and potential investors; (c) increased volatility in Company valuation unrelated to Company performance leading to higher risk perception; and (d) an aversion from potential new investors seeking stability and a valuation that aligns with Company performance. For these reasons, the Board believes that the Company is unlikely to attract the material investment it requires from third party equity investors whilst current market

ability to attract the material investment it requires from third party equity investors whilst current market conditions continue to prevail, and does not see such conditions changing in the medium term.

Furthermore, the UK small and micro-cap markets have changed significantly over recent years and the Directors believe that the Company's current public market valuation reflects neither the current status of the business nor its underlying potential.

- (f) Strategic flexibility: The Board believes that an unlisted company can take and implement decisions more quickly than a company which is publicly traded as a result of the more flexible regime that is applicable to a private company. Nonetheless, the Board do not believe the Proposals reflect any change in, or have a material impact upon, the Company's strategy.
- (g) Governance: Even after the Cancellation, the Board is committed to continued rigorous corporate governance procedures for the protection of all Shareholders and investors; and
- (h) Future Trading of Shares: The Board believes that it can make satisfactory arrangements for Shareholders to freely transfer their shares periodically via an auction-based secondary market trading facility.

Therefore, following careful consideration, the Board believes that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation at the earliest opportunity in line with AIM Rule 41, along with re-registration and associated adoption of the New Articles.

Expected Timetable

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	30 January 2025
Publication and posting of this document	30 January 2025
Latest time and date for receipt of online proxy votes or completed Forms of Proxy in respect of the General Meeting	9 a.m. on 21 February 2025
General Meeting	9 a.m. on 25 February 2025
Expected final date and time for trading in Ordinary Shares	6 p.m. on 4 March 2025
Expected date of Cancellation	7.00 a.m. on 5 March 2025
Expected date of Re-registration	By 5 March 2025
Secondary market trading facility for Ordinary Shares expected to commence	By 24 March 2025

Secondary Market Trading Facility

The secondary market trading facility will be provided by Asset Match and will be reviewed on an annual basis. This facility will allow existing shareholders of the Company, and new investors, to trade Ordinary Shares by matching buyers and sellers through periodic auctions. Asset Match operates an open auction system where volumes of bids and offers at different prices are displayed on its website together with the closing date of the auction. At the end of each auction period Asset Match passes this information through a non-discretionary algorithm that determines a "fair" share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction.

Shareholders will continue to be able to hold their shares in uncertificated form (i.e. in CREST) and should check with their existing stockbroker whether they are willing or able to trade in unquoted shares. Shareholders wishing to trade shares through Asset Match must do so through a stockbroker and a comprehensive list of stockbrokers who have signed up to access the Asset Match platform is available on request.

Should the Cancellation become effective and the Company puts in place the secondary market trading facility, details will be made available to Shareholders on the Company's website and directly by letter or e-mail (where appropriate). The Secondary Market Trading Facility is expected (but is not certain) to operate for a minimum of 12 months after the Cancellation. The Directors' current intention is that it will continue beyond that time, but Shareholders should note that it could be withdrawn and therefore inhibit the ability to trade the Ordinary Shares.

Further information about the secondary market trading facility, including indicative prices and a history of transactions, will be available on the Asset Match website which is located at www.assetmatch.com.

For further information, please contact:

Merit Group plc

Mark Smith - Chairman
Phil Machray - CEO & CFO

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