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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**11 February 2025**

**RECOMMENDED ACQUISITION**

**of**

**LOUNGERS PLC**

**by**

**CF EXEDRA BIDCO LIMITED**

**(a newly-formed company indirectly owned by funds and accounts managed or advised by affiliates of Fortress Investment Group, LLC ("Fortress"))**

**being implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006**

**SCHEME OF ARRANGEMENT BECOMES EFFECTIVE**

Further to the announcement made by Loungers plc ("**Loungers**") on 7 February 2025 that the Court had sanctioned the Scheme, Loungers and CF Exedra Bidco Limited ("**Bidco**") are pleased to announce that, following the delivery of a copy of the Court Order to the Registrar of Companies earlier today, the Scheme has now become effective in accordance with its terms and the entire issued and to be issued share capital of Loungers is now owned by Bidco.

Unless otherwise defined, all capitalised terms in this announcement shall have the meaning given to them in the scheme document published on 17 December 2024 (as modified by the terms of the increased and final offer set out in the announcement dated 15 January 2025 (the "**Increased Offer Announcement**")).

**Settlement of consideration**

In respect of Scheme Shareholders entitled to receive the Increased and Final Cash Offer, such Scheme Shareholders on the register of members of Loungers at the Scheme Record Time (being 6.00 p.m. on 10 February 2025) are, subject to any valid election made by them for the Increased and Final Alternative Offer, entitled to receive 325 pence in cash for each Scheme Share held. Settlement of the cash consideration to which each Scheme Shareholder is entitled pursuant to the Scheme will be effected by the despatch of cheques or crediting through CREST accounts (for Scheme Shareholders holding Scheme Shares in certificated form and in uncertificated form, respectively) by no later than 25 February 2025.

In respect of Eligible Scheme Shareholders who had validly elected for the Increased and Final Alternative Offer, settlement of the Increased and Final Alternative Offer shall be effected (in respect of Scheme Shares which at the Scheme Record Time were held in certificated and uncertificated form, as the case may be) by allotting and issuing the Bidco Rollover Securities and, subject to implementation of the Rollover Process, Midco Rollover Securities and Rollover Units which the relevant Eligible Scheme Shareholder will receive in accordance with the Scheme (as modified by the Increased Offer Announcement) by no later than 14 days of this announcement, being 25 February 2025. Share certificates in relation to the Rollover Units will be despatched by first class post, or if overseas, by airmail (or in each case, by such other method as is permitted by the Panel) by no later than 25 February 2025, to each relevant Eligible Scheme Shareholder at the address appearing in Loungers' register of members at the Scheme Record Time, or, in the case of joint holders, to the holder whose name appears first in such register in respect of the

joint holding concerned.

### **Suspension and cancellation of admission to trading**

The admission to trading of Loungers Shares on AIM was suspended with effect from 7.30 a.m. today.

It is expected that the admission to trading of Loungers Shares on AIM will be cancelled with effect from 7.00 a.m. on 12 February 2025.

As a result of the Scheme having become Effective, share certificates in respect of Loungers Shares have ceased to be valid documents of title and entitlements to Loungers Shares held in uncertificated form in CREST have been cancelled.

### **Dealing disclosures**

Loungers is no longer in an "Offer Period" as defined in the Takeover Code and accordingly the dealing disclosure requirements previously notified to shareholders no longer apply.

### **Director resignations**

As the Scheme has now become Effective, Loungers duly announces that, with effect from the date of this announcement (being the Effective Date), each of the independent non-executive directors of Loungers (being Nicholas Backhouse, Adam Bellamy, and Jill Little) have tendered their resignations and have stepped down from the Loungers Board.

### **Enquiries**

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Slaughter and May is acting as legal adviser to Bidco.

Jones Day is acting as legal adviser to Loungers.

### **Important Notices Relating to Financial Advisers**

HSBC Bank plc ("**HSBC**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser exclusively for Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of HSBC, or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither HSBC nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this announcement or any matter referred to herein.

Houlihan Lokey UK Limited ("**Houlihan Lokey**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively for Loungers and no one else in connection with the Acquisition and will not be responsible to anyone other than Loungers for providing the protections afforded to clients of Houlihan Lokey or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Houlihan Lokey nor any of its affiliates owes or accepts any duty, liability, or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this announcement, any statement contained herein or otherwise.

Panmure Liberum Limited ("**Panmure Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as corporate broker exclusively for Loungers and no one else in connection with the Acquisition and the matters set out in this announcement. Panmure Liberum will not regard any other person as its client in relation to the Acquisition or any other matter or arrangement set out in this announcement and will not be responsible to anyone other than Loungers for providing the protections afforded to clients of Panmure Liberum, nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this announcement. Neither Panmure Liberum nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Liberum in connection with the Acquisition, this announcement, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by Panmure Liberum as to the contents of this announcement.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as corporate broker exclusively for Loungers and no one else in connection with the Acquisition and the matters set out in this announcement. Peel Hunt will not regard any other person as its client in relation to the Acquisition or any other matter or arrangement set out in this announcement and will not be responsible to anyone other than Loungers for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this announcement. Neither Peel Hunt nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the Acquisition, this announcement, any statement contained herein or otherwise. No representation or warranty, express or implied, is made by Peel Hunt as to the contents of this announcement.

### **Further information**

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of what action is required from Loungers Shareholders in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).

This announcement does not constitute a prospectus or prospectus equivalent document.

This announcement has been prepared for the purposes of complying with English law, the rules of the London Stock Exchange, the Listing Rules and the City Code on Takeovers and Mergers and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdictions outside the United Kingdom.

### **Overseas Shareholders**

This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements of their jurisdictions.

The availability of the Acquisition to Loungers Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Loungers Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

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Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, participation in the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

#### **Notice to US investors in Loungers**

Loungers Shareholders in the United States should note that the Acquisition relates to the shares of an English company with a quotation on AIM and is proposed to be made by means of a scheme of arrangement provided for under, and which is governed by, the laws of England and Wales. If the Acquisition is carried out under the Scheme, it is expected that any Rollover Units issued pursuant to the Acquisition would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof and would not be registered under the US Securities Act. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.

The receipt of consideration by a US holder for the transfer of its Loungers Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Loungers Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders of Loungers Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Bidco and Loungers are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Loungers Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Cautionary Note Regarding Forward-Looking Statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Loungers contain certain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and/or Loungers (as the case may be) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof. These statements are based on assumptions and assessments made by Loungers and/or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements, include but are not limited to: the ability to complete the Acquisition, the ability to obtain requisite regulatory and shareholder approvals and changes in the global, political, economic, business, competitive, market and regulatory forces, financial regulatory matters, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Loungers nor Bidco assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

#### **Publication on a website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available and other documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Loungers' website at <https://loungers.co.uk> and Fortress' website at <https://www.fortress.com/loungers-offer> by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this announcement.

#### **No profit forecasts, estimates or quantified benefits statements**

No statement in this announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that the earnings or future earnings per share or dividends or future dividends per share of Loungers for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share

of Loungers.

#### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Loungers Shareholders, persons with information rights and participants in Loungers Share Plans may request a hard copy of this announcement by contacting Loungers' registrars, MUFG Corporate Markets (UK) Limited (formerly known as Link Market Services Limited) ("MUFG CM") 10th Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL, between 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) by calling +44 345 922 0044 or by submitting a request in writing to MUFG CM. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that MUFG CM cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

#### **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Loungers Shareholders, persons with information rights and other relevant persons for the receipt of communications from Loungers may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11 of the Takeover Code.*

#### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

#### **General**

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

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