

27 February 2025

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS AMENDED BY REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310. WITH THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

CMO Group PLC

Proposed Cancellation of Admission to trading on AIM

Re-registration as a Private Limited Company

Adoption of New Articles

Notice of General Meeting

Trading Update

CMO Group PLC ("CMO" or the "Company" or the "Group"), the UK's largest online-only retailer of building materials, today announces the proposed voluntary cancellation of the admission of its ordinary shares of £0.01 each ("**Ordinary Shares**") from trading on AIM (the "**Cancellation**"), pursuant to Rule 41 of the AIM Rules for Companies (the "**AIM Rules**"), re-registration of the Company as a private limited company (the "**Re-registration**") and adoption of new articles of association (the "**Proposals**").

Further to the year-end trading and financing update announced on 10 January 2025, the Board has undertaken a review of its strategic options and concluded that the best course of action is to pursue the Proposals. The reasons are outlined later in this announcement but central to the Board's decision is the additional funding requirements of the business for near-term working capital requirements and to support medium-term growth towards the end of 2025.

Despite an extensive search the Directors have concluded that there is no route to source the additional funds the Group requires while the Company remains on market. The Cancellation is expected to provide access to significant cost savings and identified sources of potential additional funding which will support the Group's immediate funding requirements and fund growth going forward. The Group's lending bank has provided additional funding and given further flexibility to the existing facilities which will remain in place post Cancellation.

A circular (the "**Circular**") will be posted to Shareholders later today, and includes notice of a General Meeting of the Company which is being convened for 11.30 a.m. on Monday, 17 March 2025 (the "**General Meeting**") at the offices of Instinctif Partners, 65 Gresham Street, London EC2V 7NQ, for the purposes of considering and, if thought fit, passing the requisite shareholder resolution to approve (i) the Cancellation (the "**Cancellation Resolution**") and (ii) the Re-registration and adoption of the New Articles (the "**Re-registration Resolution**"). In accordance with the requirements of Rule 41 of the AIM Rules, the Cancellation is conditional upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7:00 a.m. on 27 March 2025.

The Re-registration is conditional upon the Cancellation becoming effective. Subject to and conditional upon the Cancellation and the passing of the Re-registration Resolution, application will be made to the Registrar of Companies for the Company to be reregistered as a private limited company.

The Company has received irrevocable undertakings to vote in favour of the Resolutions from all Directors and majority shareholder Key Capital Partners (Nominees) Limited. In aggregate, the irrevocable undertakings to vote in favour of the Resolutions set out in the Circular represent approximately 45.7% per cent. of the Company's issued share capital.

Further information on the Proposals and the General Meeting is set out below and in the Circular.

Current trading and Outlook

January saw the sharpest December-to-January drop in the Consumer Confidence index since 2011 falling to minus 22 as

a further consequence of the recent Government Budget. Correspondingly, this has contributed to a softness in the RMI market with orders from the DIY segment down 15% YoY. Sales at the Group level for the month of January were down a similar amount. February has seen an improving trend as the Group mobilises around current market dynamics.

The Group is encouraged by the longer-term macro indicators which do indicate the market should see some positive volume growth in late H2 and into 2026, as the current uplift in mortgage approvals translates into RMI intent.

Reasons for proposed Cancellation and Re-registration

Despite the trading in January, the Group is at an inflection point and is seeking capital to fund its near and medium-term growth plans to take advantage of the current real opportunity in its marketplace and which are available from its disruptive business model, to continue to build market share and scale CMO.

The Company has been exploring funding options but attempts to raise sufficient additional equity capital have not been successful. The Board has undertaken a review of strategic options to explore the optimum route to raising growth capital from other available sources.

Following the review, the Directors believe that the Proposals are in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion the Board has considered the following key factors:

The considerable cost, management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM

The considerable cost of c.£0.7m associated with maintaining the admission of the Ordinary Shares (such as nominated adviser and broker fees, London Stock Exchange fees and the costs associated with being a quoted company in having perceived higher level of corporate governance and audit scope) are, in the Board's opinion, disproportionately high, compared with the benefits. The Directors believe the time and cost savings expected from the Proposals could be better utilised, for the benefit of the Company, by providing an extended cash runway to capitalise on growth opportunities that the Group's disruptive and agile business model is positioned to take advantage of.

Access to capital

The Directors have discussed the potential of an equity fundraise with major shareholders and other investors in recent months and received indicative levels of support. However, the terms and amount available were not at a sufficient level to offer a satisfactory result for the Company, the Group's lending bank and other stakeholders. Therefore, the Directors have concluded that there is no route to source sufficient additional funds the Group requires while the Company remains on market.

The Group believes that post-Cancellation it will more easily be able to access additional funding and the Group believes that this, in conjunction with the reduced cost burden of being publicly listed, will support medium-term growth plans.

The Directors have been actively engaged with the Group's supportive lending bank. The bank has provided additional funding and given further flexibility to the existing facilities which will remain in place post-Cancellation. In addition, the Company requires further funding to provide the liquidity to meet its short-term working capital requirements. While not yet guaranteed, the Group has received indicative support from key shareholders to meet this funding requirement post-Cancellation. This, together with the cost benefits attributable to the Cancellation, provide a platform for the future development of the Group.

Limited free float and lack of liquidity of the Ordinary Shares

The Directors believe the current levels of liquidity in trading of the Ordinary Shares on AIM do not offer investors the opportunity to trade in meaningful volumes, or with frequency, within an active market. In conjunction with the volatile trading environment highlighted in the point above, this has negatively affected the share price of CMO and therefore its market capitalisation, which the Directors do not believe accurately reflects potential or underlying prospects of the business.

Support for delisting

The Company has obtained irrevocable commitments for the Proposals from certain of its largest Shareholders representing, in aggregate and in combination with those of the Directors, approximately 45.7 per cent. of the Company's current issued share capital.

The Company is seeking to make arrangements for a Matched Deposit Facility to assist Shareholders to trade in

The Company is seeking to make arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares to be put in place from the date of the Cancellation if the Resolutions are passed. The Matched Bargain Facility would be provided by JP Jenkins. JP Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA. Further detail is set out in the Circular and Appendix 1 to this announcement.

Board changes

The Group currently operates with three non-executive directors and three executive directors.

Independent non-executive chair, Ken Ford, and independent non-executive director, Helen Deeble, propose to resign upon Cancellation.

Operating as a private company will provide greater flexibility as to board structure, potentially including financial benefits and following the Cancellation, the governance arrangements of the Company will be reviewed by the Board.

A copy of this announcement and the Circular, when available, will be made available on the Company's website at www.cmogroup.com. Shareholders are strongly encouraged to read the Circular in full.

Capitalised terms used but not defined in this announcement shall have the same meanings as are given to such terms in the Circular.

Enquiries

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This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is Jonathan Lamb, Chief Financial Officer.

About CMO Group PLC

Founded in 2008 as Construction Materials Online, CMO is the UK's largest online-only retailer of building materials. The Company is disrupting a £29 billion predominantly offline market with a digital first proposition and market leading product choice, supported by high quality customer service and technical expertise.

CMO has created category authority by offering market-leading ranges listing over 140,000 products through its many specialist SUPERSTORE websites which recently underwent exciting new rebranding.

Its unique digital hybrid service model, developed over more than 10 years, combines specialist advice and expertise tailored to category and customer needs online, to service the next generation of digital natives by bridging the gap between traditional bricks and mortar retailers and pureplay digital retailing. CMO has established trusted partnerships with manufacturers and supply partners across the UK. Its business model is asset light with most products drop shipped directly from the manufacturers to its customers. CMO's aim is to become the destination of choice for anyone building or improving homes in the UK, providing the widest range, backed by specialist expertise, and helpful customer solutions.

Appendix 1

Extracts from the Circular

Process for, and principal effects of, the Cancellation

If the Cancellation becomes effective, Panmure Liberum will cease to be the nominated adviser of the Company pursuant to the AIM Rules and the Company will no longer be required to comply with the AIM Rules. However, the Company will remain subject to the Takeover Code for a period of two years after the Cancellation, details of which are set out below.

The principal effects of the Cancellation will include the following:

- there will be no formal market mechanism enabling Shareholders to trade Ordinary Shares (other than a limited off-market mechanism provided by the Matched Bargain Facility);
- it is possible that, following the announcement of the intention to propose the Cancellation, the liquidity and marketability of the Ordinary Shares may be significantly reduced;

- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- in the absence of a formal market and quoted price it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply albeit the Company will remain subject to the Takeover Code for a period of two years after the Cancellation (see below for more details);
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek Shareholder approval for certain corporate actions, where applicable, including, reverse takeovers, and fundamental changes in the Company's business, such as certain acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;
- the Company will no longer be subject to UK MAR regulating inside information and other matters:
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- Panmure Liberum will cease to be nominated adviser and broker to the Company;
- whilst the Company's CREST facility will remain in place immediately following the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer: and
- the Cancellation and Re-registration may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

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

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England and Wales in accordance with, and subject to, the Companies Act, notwithstanding the Cancellation.

Transactions in the Ordinary Shares prior to and post the proposed Cancellation

Prior to the Cancellation

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to the Cancellation.

Following the Cancellation

The Company is making arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares to be put in place from the date of the Cancellation, if the Cancellation Resolution is passed. The Matched Bargain Facility will be provided by JP Jenkins. JP Jenkins (a trading name of InfinitX Limited and an appointed representative of Prosper Capital LLP, which is authorised and regulated by the FCA) has been appointed to facilitate trading in the Ordinary Shares.

Under the Matched Bargain Facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares will be able to leave an indication with JP Jenkins, through their stockbroker (JP Jenkins is unable to deal directly with members of the public), of the number of Ordinary Shares that they are prepared to buy or sell at an agreed price. In the event that JP Jenkins is able to match that order with an opposite sell or buy instruction, it would contact both parties and then effect the bargain (trade). Shareholdings remain in CREST and can be traded during normal business hours via a UK regulated stockbroker. Should the Cancellation become effective, and the Company puts in place the Matched Bargain Facility, details will be made available to Shareholders on the Company's website at <https://www.cmogroup.com/>.

The Matched Bargain Facility will operate for a minimum of 12 months after the Cancellation. The Directors' current intention is that it will continue beyond that time. However, Shareholders should note that there can be no guarantee that the Matched Bargain Facility will operate beyond 12 months after the Cancellation and that it could be withdrawn, consequently inhibiting the ability to trade the Ordinary Shares. Further details will be communicated to the Shareholders at the relevant time.

There can be no guarantee as to the level of the liquidity or marketability of the Ordinary Shares under the Matched Bargain Facility, or the level of difficulty for Shareholders seeking to realise their investment under the Matched Bargain Facility.

Before giving your consent to the Cancellation, you may want to take independent professional advice from an appropriate independent financial adviser.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be Wednesday, 26 March 2025 and that the effective date of the Cancellation will be Thursday, 27 March 2025.

Recommendation

The Directors consider that the Proposals and the Resolutions to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own shareholdings of 5,370,641 Ordinary Shares, representing approximately 7.5 per cent. of the Company's issued share capital as of the date of the Circular.

Shareholders are encouraged to read the Circular in its entirety

Appendix 2

Expected timetable of principal events

Event	Time and/or date*

Formal announcement relating to the proposed Cancellation	Thursday, 27 February 2025
Publication and posting of the Circular (including Notice of General Meeting)	Thursday, 27 February 2025
Latest time for receipt of proxy appointments and CREST voting instructions	11.30 a.m. on Thursday, 13 March 2025
General Meeting	11.30 a.m. on Monday, 17 March 2025
Announcement of result of General Meeting	Monday, 17 March 2025
Expected last day of dealings in Ordinary Shares on AIM	Wednesday, 26 March 2025
Expected date of Cancellation	7.00 a.m. on Thursday, 27 March 2025
Matched Bargain Facility for Ordinary Shares expected to commence	7.00 a.m. on Thursday, 27 March 2025
Expected date of Re-registration	by Friday, 11 April 2025

Note:

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company.

References to time above are to UK time.

The timetable above assumes that the Resolutions set out in the Notice of General Meeting are passed.

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

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