

## Sancus Lending Group Limited

### COMPANY INFORMATION DISCLOSURE

Last updated: 03/09/2021

This document is available from the company website at [www.sancus.com](http://www.sancus.com)

In conjunction with the website, this document contains all of the information which is necessary to comply with the requirements of Rule 26 of the AIM Rules for Companies – ‘Company information disclosure’.

#### **Business Description**

##### **Overview**

Sancus Lending Group Limited (the "Company" and together with its subsidiaries, the "Group") is a Guernsey-domiciled loan company. The Company's ordinary shares are quoted on the AIM market operated by the London Stock Exchange (ticker LEND). The Company's 2022 zero-dividend preference ("ZDP") shares are listed and traded on the Main Market of the London Stock Exchange (ticker LENZ).

The Company was admitted to trading on the AIM market of the London Stock Exchange plc in August 2005 with an institutional offering of 38,000,000 shares at 100p. There was a subsequent offering of 5,000,000 shares at 101.75p in June 2007. In October 2009 the Company completed a placing of 44,000,000 new ordinary shares at 25p and changed its name from T2 Income Fund Limited to Greenwich Loan Income Fund Limited. In April 2013 the Company changed its name from Greenwich Loan Income Fund Limited to GLI Finance Limited. On 11 May 2021, following a Group restructure, the Company changed its name from GLI Finance Limited to Sancus Lending Group Limited.

In December 2020 the Company completed a placing and open offer of 177,777,778 new ordinary shares at 2.25p raising approximately £4 million (gross). The Company's 2021 bonds were repaid in full on 21 December 2020 and a total of £12.575 million principal of new bonds (the "New Bonds") were issued on 22 December 2020. The New Bonds, which are not listed, have an interest rate of 7 per cent. per annum (paid quarterly) and a maturity date of 31 December 2025.

In connection with the issue of the New Bonds, the Company issued 153,994,543 warrants to subscribe in cash for new ordinary shares at a subscription price of 2.25p per ordinary share. The warrants are exercisable on at least 30 days' notice in the period to 31 December 2025. Further New Bonds may be issued up to a total principal amount of £15 million and further warrants may therefore be issued during the life of the New Bond.

The Group's core trading business is Sancus Group Holdings Limited which operates in the UK, Ireland, Jersey, Guernsey, Gibraltar and the Isle of Man, and is a hybrid lending business providing asset backed lending and alternative finance to SMEs. The Group's FinTech Ventures portfolio was written down to zero as at 31 December 2020.

As at 30 June 2021 the Company's issued ordinary share capital and total voting rights totalled 489,843,477 ordinary shares. No ordinary shares are held in treasury, and 11,852,676 ordinary shares are held by the Company's wholly owned subsidiary, Sancus Group Holdings Limited.

##### **Corporate Governance Code**

Please refer to the Company's Corporate Governance Statement, found on the Company's website.

### **UK City Code on Takeover and Mergers**

The rules set out in the UK City Code on Takeovers have a statutory basis in relation to Guernsey registered companies and as such the Company is subject to the code.

### **Shareholder information**

The Company's accounting period year end is 31 December. Shareholders receive annual audited financial statements each year and unaudited interim financial statements covering the period from 1 January to 30 June are distributed each year.

## **GOVERNANCE**

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### **Directors Names and Biographies**

Andrew Whelan resigned from the board of directors of the Company (the "Board") and as Chief Executive Officer of the Group effective 30 June 2021.

Rory Mepham was appointed as interim Chief Executive Officer of the Group effective 30 June 2021 and Dan Walker was appointed as Deputy Chief Executive Officer effective 2 June 2021. Mr Mepham and Mr Walker have not been appointed to the Board at this time but will report to the Board. A biography for Mr Mepham and Mr Walker is published on the Company's website. The Board, acting through the Company's Remuneration and Nomination Committee, is actively considering the future structure of the Executive Team and succession planning arrangements and a further announcement will be made in due course.

In line with the Board's succession plan, Patrick Firth resigned as Chairman of the Board and Non-Executive Director of the Company effective close of business on 31 August 2021. Stephen Smith, Non-Executive Director of the Company, replaced Mr Firth as Non-Executive Chairman of the Board effective 1 September 2021. A biography for Mr Smith is set out below.

#### **Emma Stubbs (Chief Financial Officer)**

Emma joined the Group in November 2013 as Chief Financial Officer and was appointed to the Board on 16 September 2014. Emma is also a board member of Sancus Group Holdings Limited and of a number of the subsidiary entities within the Group.

Prior to joining the Group, Emma was Head of Business Analysis and Projects at Sportingbet, an online gaming company from January 2007 to October 2013 where she was responsible for formulating strategy across Europe and Emerging Markets. She had a key role in providing business performance and analysis advice with regard to JVs, B2B, M&A and entering regulated markets. From November 2004 to January 2007 Emma worked as an Account Manager at Marsh Management Services (Guernsey) Limited, a Captive Insurance Company.

Emma is a Fellow member of the Association of Chartered Certified Accountants and qualified with Deloitte in 2004. She graduated from the University of the West of England with a BA Hons degree in Accounting and Finance. Emma is resident in Guernsey.

#### **Stephen Smith (Independent Non-Executive Chairman)**

Mr Smith was formerly an Executive Director and the Chief Investment Officer of The British Land Company plc, a real estate investment trust and constituent of the FTSE 100 at the time, with responsibility for the group's property and investment strategy, standing down in 2013. Prior to this, Mr Smith was Global Head of Asset Management and Transactions at AXA Real Estate Investment Managers, where he was responsible for the asset management of a portfolio of assets valued at more than €40 billion on behalf of life funds, listed property vehicles, unit linked and closed end funds. Prior to joining AXA in 1999, Mr Smith was Managing Director at Sun Life Properties for over five years. Over the last decade, Mr Smith has worked extensively in governance related roles for a number of real estate focused organisations.

Mr Smith is Chairman of the Board and is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Mr. Smith was appointed to the Board on 11 May 2021. He is resident in the UK.

**John Whittle** (Independent Non-Executive Director)

Mr Whittle has a background in large third party Fund Administration. He has worked extensively in high tech service industries and has in-depth experience of strategic development and mergers/acquisitions. He has experience of listed company boards as well as the private equity, property and fund of funds sectors. He is currently a director of International Public Partnerships Ltd (a member of the FTSE250), Starwood European Real Estate Finance Limited and India Capital Growth Fund Ltd (both listed on the main market of the London Stock Exchange), Chenavari Toro Income Fund Limited (admitted to trading on the Specialist Fund Segment of the London Stock Exchange) and two companies admitted to trading on AIM, Aberdeen Frontier Markets Investment Company Limited and Globalworth Real Estate Investment.

Mr Whittle, a Chartered Accountant, has also served as Finance Director of Close Fund Services Limited (responsible for internal finance and client financial reporting), Managing Director of Hugh Symons Group PLC and Finance Director and Deputy MD of Talkland International Limited (now Vodafone Retail).

Mr. Whittle was appointed to the Board, the Audit and Risk Committee and the Remuneration Committee (which is now the Remuneration and Nomination Committee) on 23 September 2016, after having served as an Alternate Director since December 2015. He is resident in Guernsey. Mr Whittle is Chairman of the Audit and Risk Committee, and of the Remuneration and Nomination Committee.

**Nicholas Wakefield** (Non-Executive Director)

Mr Wakefield is an Investment Director for the Somerston group of companies and Managing Director of Somerston Asset Management Limited. Mr Wakefield has 20 years investment experience in both private and public investments. He is a CFA and CMT charterholder. Mr Wakefield is also a Non-Executive Director of Amberton Limited. Mr Wakefield is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Mr. Wakefield was appointed to the Board on 4 June 2019. He is resident in Jersey.

**Board of Directors' Responsibilities**

**1 RESPONSIBILITIES**

**1.1 Board Meetings**

- 1.1.1 The Executive Team is responsible for preparing reports to each quarterly meeting of the Board of the Company. Each is required to include in their reports information material to the operations of the Company.
- 1.1.2 The Company Secretary attends all Board meetings and, in conjunction with the Nomad, provides guidance on whether information disclosed in reports to the Board is required to be disclosed under the AIM Rules or the Market Abuse Regulation ("MAR").
- 1.1.3 All other directors are also required to exercise judgment as to whether material presented at Board meetings should be disclosed under the AIM Rules or MAR.
- 1.1.4 There is a standing item on each agenda regarding Director declarations of interest.
- 1.1.5 The Board shall appoint a Designated Director (under normal circumstances, the CEO, unless it is inappropriate to do so) to liaise with the Nomad at all times and in the event that the Designated Director is unavailable the Board shall make suitable arrangements for another Director to be available providing the Nomad with the appropriate contact details.

1.1.6 The Board must approve all disclosures under this Policy.

## 1.2 **Between Board Meetings**

1.2.1 Board members and members of the Company's Executive Committee are required to advise the Chairman, Company Secretary and the Nomad immediately when they become aware of information which they believe should be disclosed under the AIM Rules or under MAR. For the purposes of this clause 1.2.1 this shall include but not be limited to:

1.2.1.1 Proposals to pay or make any dividend or other distribution;

1.2.1.2 Proposals to alter the Company's capital structure or borrowing requirements;

1.2.1.3 Proposals to acquire or dispose of assets otherwise than in the ordinary course of the Company's business;

1.2.1.4 Proposals that will or might result in a change in the Company's officers;

1.2.1.5 Making any preliminary announcement of final results or announcement of interim results; and

1.2.1.6 Proposals by the Directors to deal in any of the securities of the Company including the exercise of options and/or warrants

1.2.3 All persons under an obligation under this clause 1.2 are also obliged to ensure that they are conversant with what constitutes information material to the Company's share price, and they should contact the Nomad if they require guidance on this concept.

1.2.4 If it is not possible to convene a Board meeting to approve the announcement, the Company has adopted a procedure for the review, approval and timely publication of any press release before release to the market. In any event, the announcement shall be sent to all Board members prior to its release.

## 1.3 **Standing Requirements**

1.3.1 The Board will closely monitor the Company's existing financial reporting procedures. As soon as the Board is aware of any information which may require an announcement to be made under AIM Rule 11, the Nomad will be consulted immediately and an announcement shall be made without delay.

1.3.2 The Board or the Designated Director must as soon as reasonably practicable consult with the Nomad if the Company is considering to enter in to any substantial transaction falling within AIM Rule 12.

1.3.3 The Board or the Designated Director must discuss with and take advice from the Nomad and the Company's lawyers before entering into or agreeing to enter in to any transaction with a related party which exceeds 5% in any of the Class Tests and after consultation with the Nomad must issue a notification without delay as soon as the terms of the transaction with a related party are agreed disclosing the matters referred to in AIM Rule 13.

1.3.4 The Board or the Designated Director must discuss with and take advice from the Nomad as soon as reasonably practicable on any potential acquisition which may be a reverse takeover as defined by AIM Rule 14.

- 1.3.5 The Board or the Designated Director must discuss and seek guidance from the Nomad in respect of any disposal by the Company, which when aggregated with any other disposals or disposals over the previous 12 months exceeds 75% in any of the class tests as set out in AIM Rule 15.
- 1.3.6 The Board or the Designated Director must discuss with the Nomad and seek guidance in relation to the aggregation of any transactions for the purposes of determining whether AIM Rules 12, 13, 14, 15 and/or 19 apply.
- 1.3.7 The Board or the Designated Director must act without delay and give notice to the Nomad in respect of any matter warranting disclosure under AIM Rule 17 and be responsible for the appropriate announcement to be made.
- 1.3.8 The Chairman will ensure that under the Company's Share Dealing Policy (Code) no Director or Applicable Employee (as defined in the AIM Rules) will deal in the Company's securities in breach of the Code and in particular ensure that all Applicable Employees who are not Directors have been given a copy of the Code and acknowledge that they have read and understood it.
- 1.3.9 The Board will provide to the Nomad on request a financial statement and management accounts for the Company and/or its subsidiaries made up to and as at the end of that month.
- 1.3.10 The Board or the Designated Director will notify the Nomad immediately if it becomes aware of any breach by the Company and/or any director of the AIM Rules and request the advice and guidance of the Nomad concerning all matters relevant to the Company's compliance with the AIM Rules.

#### 1.4 **Process of Disclosure**

- 1.4.1 Once it has been determined that information must be disclosed, the Company Secretary or a Director is responsible for liaising with the Nomad to agree and approve required disclosure in order for the Nomad to disclose the information to an RIS provider as soon as is practicable.
- 1.4.2 Once an RIS provider has confirmed the release of the information to the market, the Company will post the information on its website and may disseminate the information to the media and/or public. It shall not do so until the confirmation from an RIS provider has been received.

### **Committees' Responsibilities**

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The Board has formed the following formally constituted committees:

- an Audit and Risk Committee, whose responsibilities include supervision and oversight of the financial reporting process as well as the relationship with the external auditor; and

a Remuneration and Nomination Committee, whose responsibilities include oversight and supervision of the Company's remuneration policy and the level and structure of the remuneration of senior management; reviewing the size, structure and composition of the Board, ensuring the leadership needs of the business are met and that an orderly process for the succession of directors is in place.

## SHARE INFORMATION

### Other exchanges or trading platforms where Sancus Lending Group Limited securities are admitted or traded:

The shares of the Company were admitted to listing on The International Stock Exchange (formerly the Channel Islands Securities Exchange (“CISE”)) on 1 February 2011 and were de-listed from the CISE on 10 December 2013.

The Company’s ZDP shares were admitted to the Official List of the UK Listing Authority (by way of a standard listing under Chapter 14 of the Listing Rules) and to the London Stock Exchange’s main market for listed securities on 5 October 2015 and have the ticker LENZ. The Company’s 2021 bonds were admitted to trading on the Official List of the Cayman Islands Stock Exchange on 2 November 2016 prior to their repayment in full on 21 December 2020. The Company’s 2025 bonds are not listed.

### The number of securities in issue:

As at 30 June 2021, the number of ordinary shares in issue (including treasury shares) was 489,843,477.

### The number of securities held as treasury shares:

As at 30 June 2021, there were no ordinary shares held in treasury, and 11,852,676 ordinary shares were held by subsidiaries.

### Percentage of AIM securities not in public hands:

As at 30 June 2021, in so far as it is aware, the percentage of AIM securities not in public hands was 58.30%.

### Identity and percentage holdings of significant shareholders:

As at 30 June 2021, the identity and percentage holdings of significant shareholders holding more than 3% of the issued share capital of the Company was as follows:

<u>Significant Shareholders</u>	<u>Percentage of Holdings</u>
Somerston Group Limited	40.90%
Philip J Milton & Company	12.42%
Investec Wealth & Investment	3.39%
DBH Global Holdings	3.19%
Chelverton Asset Management	3.02%

### Directors and Related Parties:

As at 30 June 2021, the Director/PDMR holdings were as follows:

Andrew Noel Whelan*	9,553,734	shares	1.95%
Emma Stubbs	1,380,940	shares	0.28%
Dan Walker	911,300	shares	0.19%
Patrick Anthony Seymour Firth	367,966	shares	0.08%
John Whittle	138,052	shares	0.03%

\*Andrew Whelan resigned as a Director effective 30 June 2021

**Details of any restrictions on the transfer of AIM Securities:**

The rights of the shareholders of the Company may be different from the rights of the shareholders of a company incorporated in the United Kingdom. There are no restrictions on the transfer of the Company's ordinary or ZDP shares.

**CONTACTS & ADVISORS**

**Country of Incorporation and main country of operation:**

Guernsey

**Company Registered Address & Number:**

Sancus Lending Group Limited  
Block C  
Hirzel Court  
Hirzel Street  
St Peter Port  
Guernsey  
GY1 2NL

Company Registered Number: 43260

**Investor Services and Correspondence Address:**

The Company Secretary  
Sancus Lending Group Limited  
PO Box 296  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey, GY1 4NA

Phone + 44 1481 737 600

Fax: + 44 1481 749 829

**Key advisors:**

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**Nominated Adviser and Corporate Broker:**

Liberum Capital  
Ropemaker Place,  
Level 12  
25 Ropemaker Street  
London  
EC2Y 9LY

**Company Secretary:**

Praxis Fund Services Limited  
P.O. Box 296  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey GY1 4NA  
Channel Islands

**Legal Advisors:**

**In the UK:**

Stephenson Harwood  
1 Finsbury Circus  
London  
EC2M 7SH  
United Kingdom

**Legal Advisors:**

**In the US:**

Pepper Hamilton LLP  
3000 Two Logan Square  
Eighteen and Arch Streets  
Philadelphia  
PA 19103-2799  
United States

**Public Relations:**

Instinctif Partners Limited  
65 Gresham Street  
London  
EC2V 7NQ  
United Kingdom

**Auditors:**

Moore Stephens Audit and Assurance (Guernsey)  
Limited  
P.O Box 146  
Level 2, Park Place  
Park Street  
St.Peter Port  
Guernsey,  
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**Receiving Agent:**

Link Market Services (Guernsey) Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey  
GY2 4LH

**Legal Advisors:**

**In the Channel Islands:**

Carey Olsen  
PO Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey, GY1 4BZ  
Channel Islands

**Principal Bankers:**

Barclays International  
1<sup>st</sup> Floor, 39-41 Broad Street  
St Helier  
Jersey  
JE4 8NE

The following information can be viewed at [www.sancus.com](http://www.sancus.com)

- Constitutional documents (e.g. articles of incorporation)
- Most recent admissions document
- Most recent annual report
- Half yearly, quarterly or similar reports published since the last annual report
- Circulars / similar publications sent to shareholders within the last 12 months
- All notifications made in the last 12 months