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**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**25 January 2022**

**RECOMMENDED ALL-SHARE ACQUISITION**

**of**

**RIVER AND MERCANTILE GROUP PLC**

**by**

**ASSETCO PLC**

**to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**Summary**

- The board of directors of AssetCo plc ("**AssetCo**") and the Independent RMG Directors are pleased to announce that they have reached agreement on the terms and conditions of a recommended all-share acquisition by AssetCo of the entire issued and to be issued ordinary share capital of River and Mercantile Group PLC ("**RMG**") other than the RMG Shares already beneficially owned by AssetCo (the "**Acquisition**").
- It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although AssetCo reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement). The Conditions to, and certain other terms of, the Acquisition are set out in full in Appendix 1 to this announcement. The Conditions include the completion of the Solutions Sale, the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, the AIM Admission Condition and the FCA Condition, as set out in paragraphs 3(a), 3(c), 3(f) and 3(g) of Part 1 of Appendix 1 to this announcement, respectively. The Scheme is expected to become effective during the second quarter of 2022.

**Key terms of the Acquisition**

- Under the terms of the Acquisition, holders of RMG Shares will be entitled to receive:

**0.07392 New AssetCo Shares in exchange for each RMG Share**
- The Acquisition is conditional on, among other things, the Solutions Condition and the

Return of Capital Condition, as further described in section 14 of this announcement.

- Based on the Closing Price of 1,550.0 pence per AssetCo Share on 24 January 2022 (being the last Business Day before the date of this announcement), the Acquisition values each RMG Share at 114.6 pence and RMG's entire issued and to be issued ordinary share capital at approximately £98.8 million, and the Acquisition and the Return of Capital, taken together, value each RMG Share at 334.9 pence and RMG's entire issued and to be issued ordinary share capital at approximately £289 million.
- If the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend, the Exchange Ratio will be adjusted as further described in section 14 of this announcement to reflect that there will be fewer RMG Shares in issue following completion of the Tender Offer. If the Return of Capital is implemented by way of the B Share Scheme, there will be no consequential adjustment to the Exchange Ratio, as the B Share Scheme will not affect the number of RMG Shares in issue.
- Following completion of the Acquisition, RMG Shareholders will own approximately 41.6% of the Combined Group.
- If RMG announces, declares or pays any dividend or any other distribution to RMG Shareholders on or after the date of this announcement (other than a dividend on the B shares if the Return of Capital is implemented by way of the B Share Scheme, or the Tender Offer Special Dividend if the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend), AssetCo reserves the right to make an equivalent reduction in the terms of the Acquisition.

### **Background to, and reasons for, the Acquisition**

The AssetCo Board believes that there is a strong strategic and financial rationale for the Acquisition and that a combined RMG/AssetCo business is consistent with AssetCo's strategy to be market leading in its chosen best-in-class investment strategies.

### **Industry structural tailwinds**

- The AssetCo Directors believe there are numerous structural shifts taking place within the asset and wealth management industry, including demographics and the use of technology. These are presenting both challenges and opportunities for incumbent firms.
- The AssetCo Directors believe the winners in this environment will need to differentiate their investor proposition to ensure the offering is compelling and meets the needs of tomorrow's investors. Of particular relevance will be high conviction active management, ESG/sustainable strategies and thematic investing and private markets strategies.
- Without the constraints of a legacy business, the AssetCo Directors believe that AssetCo can successfully capitalise on these structural shifts. The AssetCo Directors also believe that a combination with AssetCo offers RMG the same competitive advantage and will accelerate the generation of significant value creation for the

Combined Group's clients, employees and shareholders.

### **Creation of a platform to build a best-in-class active equities business**

- The AssetCo Directors believe in the attractiveness of high conviction, active equities strategies as a key component of an investor's portfolio.
- It is currently intended that RMG, together with AssetCo's existing active equities asset manager Saracen will form the foundation for AssetCo's active equities business, leveraging the investment expertise of both businesses to deliver best-in-class strategies and performance to investors.
- RMG brings a well-respected equities team which has produced excellent long-term outcomes for clients investing in UK, European and global equities, with £4.2 billion of AuM, a highly regarded specialist infrastructure team, and a strong distribution platform in wholesale and institutional markets.
- The AssetCo Directors believe that RMG's strong credentials in ESG/sustainable strategies (including the imminent launch of RMG's sustainable PVT range) will be a key source of anticipated growth in the Combined Group's active equities business and an important driver of net inflows.
- The AssetCo Directors believe that the combined expertise of AssetCo and RMG is likely to provide a strong pipeline of new and attractive strategy launches.

### **Seed strategy for AssetCo's private markets business**

- It is intended that RMG's new sustainable infrastructure investment strategy will form the first, and very important, building block in the Combined Group's private markets capabilities.
- AssetCo can bring significant private markets experience to bear in order to address investor needs with experienced and proven leadership.
- The AssetCo Directors believe that AssetCo's deep knowledge and understanding of private markets and its connectivity to that investment community should enhance the growth of RMG's infrastructure business, which will be an integral component of the Combined Group's overall private market activities.

### **Leveraging other companies in the AssetCo Group**

- The AssetCo Directors believe that there is material value in leveraging other elements of the AssetCo business and strategy to increase the value of RMG through wider investor appeal, through the way strategies are distributed or the form in which they are delivered.
- For example, the AssetCo Directors believe that AssetCo offers RMG the opportunity to move some of its strategies into ETFs and enhance its distribution, both in the UK and offshore, through the extensive relationships AssetCo has with the world's leading asset

allocators.

### **Considered and effective rationalisation of costs**

- Following completion of the Solutions Sale, as well as any potential future sale of RMG's US Solutions business, there will be a need to right size the RMG business for a significant reduction in scale.
- The AssetCo Directors believe the Acquisition will enable the acceleration of cost savings by extracting the stranded costs arising as a consequence of the Solutions Sale and any potential future sale of RMG's US Solutions business.
- AssetCo's ambitious growth strategy requires ongoing investment in functions and capabilities over time. Certain functions and capabilities of RMG are anticipated to bolster the overall capabilities of the Combined Group.
- AssetCo management has significant expertise in building, rationalising and optimising asset management businesses.

### **Accelerated growth underpinned by strong industry expertise**

- RMG will benefit from the expertise of AssetCo's strong management team, who have made significant progress in advancing the AssetCo strategy and delivering on its ambition to develop an agile asset and wealth management group.
- AssetCo's management team has the capabilities and experience to accelerate the growth of RMG asset management's strategies, while advancing a strong pipeline of accretive acquisition opportunities.

Following announcement of the Solutions Sale, the AssetCo Directors considered it an opportune time to consider the merits of a combination between AssetCo and RMG. The AssetCo Directors believe that the Acquisition will offer significant benefits to RMG Shareholders, customers and employees and represents a significantly more attractive and more certain outcome for all stakeholders than the alternative of maintaining RMG as a standalone business.

### **Information on AssetCo**

AssetCo is primarily involved in acquiring, managing and operating asset and wealth management activities and interests, together with other related services. AssetCo's strategy principally focuses on making strategic acquisitions and building organic activities in areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional growth opportunities.

To date, AssetCo has made three strategic investments as part of its overall strategy to develop an agile asset and wealth management company that meets the needs of investors in the 21st century: Parmenion (a leading discretionary investment manager and advisory platform for the wealth and financial planning sector), Rize ETF (believed to be Europe's first specialist thematic ETF issuer and one of the fastest growing providers of ETFs in the rapidly growing thematic ETF segment of the asset management industry) and Saracen (a small fund management firm which serves as a platform to grow

high conviction, high alpha, niche equity strategies where AssetCo sees significant growth potential). AssetCo also has a strong pipeline of complementary opportunities, at varying stages of progress (including some in advanced stages), that the AssetCo Directors believe would further accelerate the growth strategy and be highly accretive to the Combined Group.

The AssetCo Directors believe that the acquisitions completed to date and AssetCo's buy-and-build strategy are consistent with a new approach to asset management, being unbridled by legacy constraints and ways of doing things, and tapping into the new, emerging trends in the way the next generation of investors choose to allocate their capital. AssetCo Shareholders have been supportive of its acquisition strategy, most recently supporting a £25 million capital raise in July 2021 to partially fund the minority investment in Parmenion and the acquisition of Rize ETF.

AssetCo has assembled a management team with a long history in asset and wealth management. In early 2021, Martin Gilbert became Chairman and Peter McKellar became Deputy Chairman and CEO. Martin co-founded Aberdeen Asset Management in 1983 which under his stewardship grew to become one of the world's leading independent asset managers with £308 billion of AuM. In 2017, Aberdeen merged with Standard Life, which at the time of the merger became the largest UK-based asset management company. In September 2020, Peter McKellar retired as executive Chairman and Global Head of Private Markets for Standard Life Aberdeen, where he oversaw investments totalling £55 billion of AuM.

In October 2021, Campbell Fleming joined the AssetCo Board as CEO. Campbell was previously Global Head of Distribution and Marketing at Standard Life Aberdeen and, prior to that, Chief Executive-EMEA and Global Chief Operating Officer at Columbia Threadneedle. In addition, below board level, AssetCo has made a number of appointments of experienced individuals to enhance its distribution and corporate capabilities.

### **Information on RMG**

RMG is an investment group with AuM of £49.9 billion as at 31 December 2021, specialising in a range of investment activities. RMG's principal businesses comprise a UK Solutions business ("**Solutions**"), a US Solutions business ("**US Solutions**") and an asset management business.

On 26 October 2021, RMG announced that it had agreed to sell the Solutions business to Schroders. The sale of the Solutions business is expected to complete in the first quarter of 2022 and its completion is a condition of the completion of the Acquisition.

As also announced on 26 October 2021, RMG has received an approach for its US Solutions business and discussions regarding a sale of the division are progressing positively. While there can be no certainty that a sale of RMG's US Solutions business will be agreed, the RMG Directors currently expect that this is more likely than not. If such a sale is agreed, the RMG Directors expect that it would be likely to complete in the second quarter of 2022. If such a sale is agreed and completed before completion of the Acquisition then the consideration on any such sale would not be distributed to RMG Shareholders, but would be available to the Combined Group. If such sale completed after completion of the Acquisition then the consideration would also be available to the Combined Group. If no such sale has been agreed by completion of the Acquisition, then it is anticipated that AssetCo would continue to look for potential acquirers for US Solutions.

Following these transactions, RMG will therefore comprise solely its asset management division, which is focused on delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US.

Save for the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, the RMG Directors do not anticipate making any dividend or other distribution to RMG Shareholders before completion of the Acquisition.

The asset management business comprises established and well-respected equities teams based in the UK and US, offering investors exposure to UK, European, emerging market and global equities. The UK-based team utilises an investment process known as Potential, Value, Timing (“PVT”) – which has produced excellent long-term outcomes for clients investing in UK, European and global equities. The US-based team has also delivered excellent returns for clients investing in emerging markets.

The latest adjusted AuM for the asset management business is approximately £4.2 billion, as at December 2021. Calculation of this AuM excludes £45.8 billion of AuM relating to UK Solutions, which will transfer as part of the sale to Schroders, and US Solutions, for which sale discussions are ongoing. The annualised management fee revenues associated with these AuM are approximately £20.8 million

In addition to the existing franchise, RMG intends to launch a range of products that will meet European Sustainable Finance Directive Regulations. This includes the recently developed infrastructure investment team which is based in the UK, following recruitment of a specialist team from Aviva. The team operates in specialist physical sustainable infrastructure markets in the UK and has a strong track record in delivering stable and attractive returns since 2011. RMG therefore has a quality and highly regarded capability in infrastructure and anticipates that it will shortly launch the RMG Infrastructure Income Fund.

Key financial highlights for RMG in the six months ended 31 December 2021 (including Solutions and US Solutions businesses) were as follows:

- fee earning AuM increased by 4.9% to £49.9 billion;
- gross sales of £3.5 billion (six months ended 31 December 2020 - £1.9 billion);
- net flows of £1.3 billion (six months ended 31 December 2020 - £68 million);
- net flow ratio was +2.8% of opening AuM; and
- investment performance was positive £1 billion or +2.1% of opening AuM.

### **Transaction structure, timetable and conditions**

It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although AssetCo reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement).

The Acquisition will be subject to the Conditions, and certain other terms, set out in full in Appendix 1 to this announcement and the full terms and conditions which will be set out in the Scheme

Document. The Conditions include the Solutions Sale Condition, the Return of Capital Condition, the AIM Admission Condition and the FCA Condition, as set out in paragraphs 3(a), 3(c), 3(f) and 3(g) of Appendix 1 to this announcement, respectively. The Scheme is expected to become effective during the second quarter of 2022.

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and to seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting. The Acquisition will also be conditional on the approval of AssetCo Shareholders to the granting of authorities necessary for the issuance of the New AssetCo Shares, such authorities to be put to the AssetCo Shareholders at the AssetCo General Meeting.

It is intended that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the RMG General Meeting, together with the associated forms of proxy, will be posted to Scheme Shareholders within 28 days of this announcement (or such later time as RMG, AssetCo and the Panel agree) and the RMG Meetings are expected to be held shortly thereafter. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on AssetCo's website at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/) and RMG's website at <https://riverandmercantile.com/investor-relations/>.

At or around the same time as the posting of the Scheme Document:

- RMG will prepare and send to RMG Shareholders the Return of Capital Circular, which will also include a notice convening the Return of Capital General Meeting; and
- AssetCo will prepare and send to AssetCo Shareholders the AssetCo Circular summarising the background to, and reasons for, the Acquisition which will also include a notice convening the AssetCo General Meeting.

The Acquisition is expected to complete during the second quarter of 2022, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of key events relating to the Acquisition will be set out in the Scheme Document.

### **RMG recommendation**

- The Independent RMG Directors, who have been so advised by Lazard and Fenchurch Advisory Partners as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable.
- In providing their advice to the Independent RMG Directors, Lazard and Fenchurch Advisory Partners have taken into account the commercial assessments of the Independent RMG Directors. Lazard and Fenchurch Advisory Partners are providing independent financial advice to the Independent RMG Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Independent RMG Directors intend to recommend unanimously that Scheme Voting Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and that RMG Shareholders vote or procure votes in favour of the RMG Resolutions at the RMG General Meeting.

### **AssetCo recommendation**

- The AssetCo Directors consider the Acquisition to be in the best interests of AssetCo and AssetCo Shareholders as a whole and intend unanimously to recommend that AssetCo Shareholders vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition.
- The AssetCo Directors have received financial advice from their financial adviser, Numis, in relation to the Acquisition. In providing its advice to the AssetCo Directors, Numis has taken into account the AssetCo Directors' commercial assessment of the Acquisition.

### **Irrevocable undertakings**

The RMG Directors who hold, or are otherwise beneficially interested in, RMG Shares have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the RMG Resolutions at the RMG General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of, in aggregate, 1,857,208 RMG Shares representing approximately 2.17% of RMG's issued share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement). The undertakings from the RMG Directors will remain binding in the event that a higher competing offer for RMG is made.

The AssetCo Directors have irrevocably undertaken to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in respect of their own (or their close relatives', related trusts' and connected persons') beneficial holdings of 1,336,378 AssetCo Shares representing, in aggregate, approximately 15.86% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement).

In addition to the irrevocable undertakings referred to above, AssetCo has received irrevocable undertakings to vote in favour of the AssetCo Resolutions at the AssetCo General Meeting from AssetCo Shareholders in respect of a total of 2,969,868 AssetCo Shares, representing in aggregate approximately 35.25% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement).

AssetCo has therefore received irrevocable undertakings in respect of a total of 4,306,246 AssetCo Shares representing, in aggregate, approximately 51.11% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement). These irrevocable undertakings are also addressed to RMG given RMG's interest in the AssetCo Resolutions being passed.

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

Commenting on the Acquisition, Jonathan Dawson, Chairman of RMG said:

*"The board believes that the offer from AssetCo not only represents good value to shareholders, but provides our clients and colleagues with a powerful investment platform led by a team with deep*

*experience in the asset management industry. The board encourages our shareholders to support this transaction as the board will be doing in respect of their own holdings.*

*Taking this transaction and the sale of Solutions to Schroders together, we will have delivered total value to shareholders of £289 million, or £3.35 per share – a significant premium to the group's undisturbed share price last Summer. This confirms the board's view that the market was undervaluing RMG and validates the steps we have taken to realise value for our investors."*

Commenting on the Acquisition, James Barham, Chief Executive Officer of RMG said:

*"At RMG we have built a successful and high performing asset management business based on the hard work and performance of my colleagues, and the trust and confidence of our valued clients. This transaction secures continuity of the environment and investment culture that has been a critical factor to the success of the business and provides stability and support as the business continues to invest for the future. AssetCo is building an impressive platform with experienced leadership and this acquisition is a key element in their exciting plans."*

Commenting on the Acquisition, Martin Gilbert, Chairman of AssetCo said:

*"The asset and wealth management industry is contending with significant structural shifts, including technological advances, a reorientation of investing and evolving client needs. We are committed to building an agile asset and wealth manager that is fit for purpose in the 21st century. The acquisition of RMG is a core part of this strategy; it strengthens our active equity capability and importantly provides a foundation stone to building a private markets business given its infrastructure investment team. RMG complements our existing presence in thematic investing with Rize ETF and our investment in Parmenion, a digital platform for the financial planning sector.*

*I'm looking forward to continuing to work with RMG team to develop the business, to ensure we continue to meet investors' needs and to unlock value for RMG Shareholders."*

Commenting on the Acquisition, Campbell Fleming, Chief Executive of AssetCo said:

*"Economic headwinds and tightening of monetary policy offer the backdrop for active equity managers to prove their worth. RMG's highly regarded equity team, alongside that of Saracen Fund Managers, allows us to create a platform to build a best-in-class active equities business. A key part of this will be to build on RMG's strong ESG credentials ensuring we walk-the-walk rather than just talk-the-talk. RMG's existing distribution channels combined with our global reach and connections gives us the opportunity of a strong pipeline of new business in the UK and in key regions across the globe. I'm excited about working with the RMG team."*

Commenting on the Acquisition, Peter McKellar, Deputy Chairman of AssetCo said:

*"Pensions funds, insurers and other institutional investors are increasing their allocations to non-public market assets, in part due to their search for yield. RMG's proven infrastructure team will be a cornerstone to rolling out our private markets capabilities to meet investors' requirements. The AssetCo team have been meeting with institutional investors around the world discussing their private market needs for more than three decades. I am delighted about working with the RMG infrastructure team to develop their business and our overall private markets franchise."*

This summary should be read in conjunction with the full text of this announcement and the Appendices to it. The conditions to, and certain further terms of, the Acquisition are set out in Appendix 1 to this announcement. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Details of irrevocable undertakings received by AssetCo are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4 to this announcement.

## Enquiries

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Gowling WLG (UK) LLP is acting as legal adviser to AssetCo.

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### **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 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 how to vote 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) (in the case of RMG Shareholders) or the AssetCo Circular (in the case of AssetCo Shareholders).

AssetCo will prepare the AssetCo Circular to be distributed to AssetCo Shareholders containing information on the New AssetCo Shares and the Combined Group. AssetCo urges AssetCo Shareholders to read the AssetCo Circular when it becomes available.

RMG and AssetCo will prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to Scheme Shareholders. RMG and AssetCo urge Scheme Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition, the New AssetCo Shares and the Combined Group.

Any vote in respect of resolutions to be proposed at the RMG Meetings or the AssetCo General Meeting to approve the Acquisition, the Scheme or related matters should be made only on the basis of the information contained in the Scheme Document (in the case of RMG Shareholders), the Return of Capital Circular (in the case of RMG Shareholders in relation to the Return of Capital) and the AssetCo Circular (in the case of the AssetCo Shareholders).

RMG will prepare the Return of Capital Circular to be distributed to RMG Shareholders containing information on the Return of Capital. RMG urges RMG Shareholders to read the Return of Capital Circular when it becomes available. Any vote in respect of resolutions to be proposed by RMG in relation to the Return of Capital should be made only on the basis of the information contained in the Return of Capital Circular.

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

### **Important information relating to the advisers**

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AssetCo and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Numis nor for providing advice in relation to the matters set out in this

announcement. Neither Numis 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 Numis in connection with this announcement, any statement contained herein or otherwise.

Arden Partners plc, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting exclusively as nominated adviser and broker to AssetCo and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Arden nor for providing advice in relation to the matters set out in this announcement. Neither Arden 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 Arden in connection with this announcement, any statement contained herein or otherwise.

The Maitland Consultancy Ltd ("**Maitland/AMO**") is acting as financial public relations adviser to AssetCo and no one else in connection with the matters set out in this announcement. Maitland/AMO does not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser to RMG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this announcement. Neither Lazard 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 Lazard in connection with this announcement, any statement contained herein or otherwise.

Fenchurch Advisory Partners LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as joint financial adviser to RMG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Fenchurch Advisory Partners nor for providing advice in relation to the matters set out in this announcement. Neither Fenchurch Advisory Partners 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 Fenchurch Advisory Partners in connection with this announcement, any statement contained herein or otherwise.

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Montfort Communications Limited ("**Montfort**") is acting as financial public relations adviser to RMG and no one else in connection with the matters set out in this announcement. Montfort does not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

### **Overseas Shareholders**

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the UK Market Abuse Regulation 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.

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 Scheme Shareholders and/or the availability of the Return of Capital to RMG Shareholders who are not resident in and citizens of the UK 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 U.K. 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 Scheme Voting Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, or to vote on resolutions relating to the Return of Capital, 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 and/or the Return of Capital disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document and the Return of Capital Circular.

Unless otherwise determined by AssetCo or required by the Takeover Code, and permitted by applicable law and regulation, 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. 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 or 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 or 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, email 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.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Details of the Return of Capital will be set out in due course in the Return of Capital Circular. Unless otherwise determined by RMG, and permitted by applicable law and regulation, the Return of Capital Circular will not be made available, directly or indirectly, in any jurisdiction where to do so would violate the laws in that jurisdiction. Copies of this announcement and any formal documentation relating to the Return of Capital are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any such jurisdiction and persons receiving this announcement and all such documents relating to the Return of Capital (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. The Return of Capital will be subject to the applicable requirements of the Listing Rules, the London Stock Exchange and the FCA.

### **Notice to US investors in RMG**

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) has been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If, in the future, AssetCo exercises its right to implement the Acquisition by means of an Offer which is to be made into the United States, such an Offer would be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by AssetCo and no one else.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal United Kingdom practice, AssetCo or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of RMG outside of the US, other than pursuant to such an Offer, during the period in which such an Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

RMG and AssetCo are both incorporated under the laws of England and Wales. Some or all of the officers and directors of AssetCo and RMG, respectively, are residents of countries other than the United States. In addition, some of the assets of AssetCo and RMG are located outside the United

States. As a result, it may be difficult for US holders of Scheme 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. US holders of Scheme 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 judgment.

The New AssetCo Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. It is expected that any New AssetCo Shares to be issued pursuant to the Scheme would be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

### **Forward-looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by AssetCo and RMG contain 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 AssetCo and RMG 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.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on AssetCo and RMG (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AssetCo's, RMG's, any member of the AssetCo Group's or any member of RMG Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on AssetCo's, RMG's, any member of the AssetCo Group's or any member of the RMG Group's business.

Although AssetCo and RMG believe that the expectations reflected in such forward-looking statements are reasonable, AssetCo and RMG can give no assurance that such expectations will prove to be correct. 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. There are a number of factors that

could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to complete the Solutions Sale; the ability to complete the Return of Capital; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions, changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which AssetCo and RMG operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which AssetCo and RMG operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither AssetCo nor RMG, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances by their nature involve risks uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the RMG Group, there may be additional changes to the RMG Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither AssetCo nor RMG is under any obligation, and AssetCo and RMG expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on

the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk) including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on a website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on RMG's website at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/) and AssetCo's website at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/) 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 as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for RMG for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for RMG.

### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, Scheme Shareholders and persons with information rights may request a hard copy of this announcement by contacting RMG's registrars, Equiniti, between 9.00 a.m. to 5:30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 384 2030 from the UK (calls to this number are charged at the standard national rate and will vary by provider) or +44 121 415 7047 from outside the UK (charged at the applicable international rate) or by submitting a request in writing to Equiniti at *Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA*. Please note that Equiniti 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 Scheme Shareholders, persons with information rights and other relevant persons for the receipt of communications from RMG may be provided to AssetCo during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) 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 figures that precede them.

### **General**

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, AssetCo intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining RMG Shares in respect of which the Offer has not been accepted.

Investors should be aware that AssetCo may purchase RMG Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

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.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**25 January 2022**

**RECOMMENDED ALL-SHARE ACQUISITION**

**of**

**RIVER AND MERCANTILE GROUP PLC**

**by**

**ASSETCO PLC**

**to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**1 INTRODUCTION**

The board of directors of AssetCo plc ("**AssetCo**") and the Independent RMG Directors are pleased to announce that they have reached agreement on the terms and conditions of a recommended all-share acquisition by AssetCo of the entire issued and to be issued ordinary share capital of River and Mercantile Group PLC ("**RMG**") other than the RMG Shares already beneficially owned by AssetCo (the "**Acquisition**").

It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although AssetCo reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement). The Conditions to, and certain other terms of, the Acquisition are set out in full in Appendix 1 to this announcement. The Conditions include the completion of the Solutions Sale, the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, the AIM Admission Condition and the FCA Condition, as set out in paragraphs 3(a), 3(c), 3(f) and 3(g) of Part 1 of Appendix 1 to this announcement respectively. The Scheme is expected to become effective during the second quarter of 2022.

**2 KEY TERMS OF THE ACQUISITION**

Under the terms of the Acquisition, holders of RMG Shares will be entitled to receive:

**0.07392 New AssetCo Shares in exchange for each RMG Share**

The Acquisition is conditional on, among other things, the Solutions Sale Condition and Return of Capital Condition, as further described in section 14 of this announcement.

Based on the Closing Price of 1,550.0 pence per AssetCo Share on 24 January 2022 (being the last Business Day before the date of this announcement), the Acquisition values each RMG Share at 114.6 pence and RMG's entire issued and to be issued ordinary share capital at approximately £98.8 million, and the Acquisition and the Return of Capital, taken together, value each RMG Share at 334.9 pence and RMG's entire issued and to be issued ordinary share capital at approximately £289 million.

If the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend, the Exchange Ratio will be adjusted, as further described in section 14 of this announcement, to reflect that there will be fewer RMG Shares in issue following completion of the Tender Offer. If the Return of Capital is implemented by way of the B Share Scheme, there will be no consequential adjustment to the Exchange Ratio as the B Share Scheme will not affect the number of RMG Shares in issue.

If RMG announces, declares or pays any dividend or any other distribution to RMG Shareholders on or after the date of this announcement (other than a dividend on the B shares if the Return of Capital is implemented by way of the B Share Scheme, or the Tender Offer Special Dividend if the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend), AssetCo reserves the right to make an equivalent reduction in the terms of the Acquisition.

Following completion of the Acquisition, RMG Shareholders will own approximately 41.6% of the Combined Group.

### **3 BACKGROUND TO AND REASONS FOR THE ACQUISITION**

The AssetCo Board believes that there is a strong strategic and financial rationale for the Acquisition and that a combined RMG/AssetCo business is consistent with AssetCo's strategy to be market leading in its chosen best-in-class investment strategies.

#### **Industry structural tailwinds**

- The AssetCo Directors believe there are numerous structural shifts taking place within the asset and wealth management industry, including demographics and the use of technology. These are presenting both challenges and opportunities for incumbent firms.
- The AssetCo Directors believe the winners in this environment will need to differentiate their investor proposition to ensure the offering is compelling and meets the needs of tomorrow's investors. Of particular relevance will be high conviction active management, ESG/sustainable strategies and thematic investing and private markets strategies.
- Without the constraints of a legacy business, the AssetCo Directors believe that AssetCo can successfully capitalise on these structural shifts. The AssetCo Directors also believe that a combination with AssetCo offers RMG the same competitive advantage and will accelerate the generation of significant value creation for the Combined Group's clients, employees and shareholders.

### **Creation of a platform to build a best-in-class active equities business**

- The AssetCo Directors believe in the attractiveness of high conviction, active equities strategies as a key component of an investor's portfolio.
- It is currently intended that RMG, together with AssetCo's existing active equities asset manager, Saracen, will form the foundation for AssetCo's active equities business, leveraging the investment expertise of both businesses to deliver best-in-class strategies and performance to investors.
- RMG brings a well-respected equities team which has produced excellent long-term outcomes for clients investing in UK, European and global equities, with £4.2 billion of AuM, a highly regarded specialist infrastructure team, and a strong distribution platform in wholesale and institutional markets.
- The AssetCo Directors believe that RMG's strong credentials in ESG/sustainable strategies will be a key source of anticipated growth in the Combined Group's active equities business and an important driver of net inflows.
- The AssetCo Directors believe that the combined expertise of AssetCo and RMG is likely to provide a strong pipeline of new and attractive strategy launches, beginning with the imminent launch of RMG's sustainable PVT range.

### **Seed strategy for AssetCo's private markets business**

- It is intended that RMG's new infrastructure investment strategy will form the first, and very important, building block in the Combined Group's private markets capabilities.
- AssetCo can bring significant private markets experience to bear in order to address investor needs with experienced and proven leadership.
- The AssetCo Directors believe that AssetCo's deep knowledge and understanding of private markets and its connectivity to that investment community should enhance the growth of RMG's infrastructure business which will be an integral component of the Combined Group's overall private market activities.

### **Leveraging other companies in the AssetCo Group**

- The AssetCo Directors believe that there is material value in leveraging other elements of the AssetCo business and strategy to increase the value of RMG through wider investor appeal, through the way strategies are distributed or the form in which they are delivered.
- For example, AssetCo offers RMG the opportunity to move some of its strategies into ETFs and enhance its distribution, both in the UK and offshore, through the extensive relationships AssetCo has with the world's leading asset allocators.

### **Considered and effective rationalisation of costs**

- Following completion of the Solutions Sale, as well as any potential future sale of RMG's US Solutions business, there will be a need to right size the RMG business for a significant reduction in scale.
- The AssetCo Directors believe the Acquisition will enable the acceleration of cost savings by extracting the stranded costs arising as a consequence of the Solutions Sale and any potential future sale of RMG's US Solutions business.
- AssetCo's ambitious growth strategy requires ongoing investment in functions and capabilities over time. Certain functions and capabilities of RMG are anticipated to bolster the overall capabilities of the Combined Group.
- AssetCo management has significant expertise in building, rationalising and optimising asset management businesses.

#### **Accelerated growth underpinned by strong industry expertise**

- RMG will benefit from the expertise of AssetCo's strong management team, who have made significant progress in advancing the AssetCo strategy and delivering on its ambition to develop an agile asset and wealth management group.
- AssetCo's management team has the capabilities and experience to accelerate the growth of RMG asset management's strategies, while advancing a strong pipeline of accretive acquisition opportunities.

Following announcement of the Solutions Sale, the AssetCo Directors considered it an opportune time to consider the merits of a combination between AssetCo and RMG. The AssetCo Directors believe that the Acquisition will offer significant benefits to RMG Shareholders, customers and employees and represents a significantly more attractive and more certain outcome for all stakeholders than the alternative of maintaining RMG as a standalone business.

#### **4 RMG RECOMMENDATION**

The Independent RMG Directors, who have been so advised by Lazard and Fenchurch Advisory Partners as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable.

In providing their advice to the Independent RMG Directors, Lazard and Fenchurch Advisory Partners have taken into account the commercial assessments of the Independent RMG Directors. Lazard and Fenchurch Advisory Partners are providing independent financial advice to the Independent RMG Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Independent RMG Directors intend to recommend unanimously that Scheme Voting Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and RMG Shareholders vote or procure votes in favour of the RMG Resolutions at the RMG General Meeting.

## **5 ASSETCO RECOMMENDATION**

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting. The Acquisition will also be conditional on the approval of AssetCo Shareholders of the issuance of New AssetCo Shares at the AssetCo General Meeting.

The AssetCo Directors consider the Acquisition to be in the best interests of AssetCo and AssetCo Shareholders as a whole and intend unanimously to recommend that AssetCo Shareholders vote in favour of all of the AssetCo Resolutions to be proposed at the AssetCo General Meeting.

The AssetCo Directors have received financial advice from their financial adviser, Numis, in relation to the Acquisition. In providing their advice to the AssetCo Directors, Numis has taken into account the AssetCo Directors' commercial assessment of the Acquisition.

## **6 BACKGROUND TO AND REASONS FOR THE RMG RECOMMENDATION**

The Independent RMG Directors consider that the Acquisition represents an attractive financial proposition for RMG Shareholders. The Acquisition represents the final step in a strategy to unlock value from the RMG Group, which commenced with the Solutions Sale and has included conversations with multiple parties regarding a possible offer for RMG, as announced by RMG on the 23 November 2021.

This process will deliver total value to RMG Shareholders of £288.8 million, or £3.35 per share, comprising:

- a return of capital of £190 million, or £2.20 per RMG Share, funded from the proceeds of the sale of Solutions and being higher than the £180 million originally announced; and
- a number of shares in AssetCo for each RMG Share held, as determined by the Exchange Ratio (see section 14), representing a value of £98.8 million, or 114.6 pence per RMG Share, based on the Closing Price of 1,550.0 pence per AssetCo Share on 24 January 2022 (being the last Business Day before the date of this announcement).

This represents a premium of:

- 59% to the undisturbed share price on 9 August 2021 of £2.10 per RMG Share;
- 17% to the share price on 22 November 2021, being the day immediately before the start of the offer period, of £2.85 per RMG Share; and
- 13% to the latest share price of £2.96 per RMG Share – given that a large proportion of the current share price is underpinned by the expected net proceeds from the sale of Solutions, the Independent RMG Directors consider this to be an attractive premium for shareholders.

The Independent RMG Directors also consider that the implied value for the asset management franchise (excluding the return of capital and surplus capital retained in the business) is attractive when

compared to precedent transactions for businesses of a similar scale in AuM and revenues, in particular when taking into account the latest run-rate financial profile of the business (see section 8). Moreover, RMG Shareholders will have the opportunity to participate in continued value creation through a 41.6% equity stake in the Combined Group, including from the investments AssetCo has made in various high growth operating businesses; ongoing development of RMG's PVT and Infrastructure investment franchises, where there is no overlap with AssetCo's existing business; and scope to achieve central cost savings as part of AssetCo, in particular relating to the stranded costs arising as part of the sale of Solutions. In forming this conclusion, the Independent RMG Directors have taken into account findings from a due diligence exercise completed on AssetCo, using third party advisers. This was focused on AssetCo's latest trading and financial performance, as well as an assessment of its medium-term growth prospects, and included access to non-public financial and commercial information.

The Independent RMG Directors also consider that the Combined Group will benefit from a leadership team with deep experience in the asset management industry, which has committed to building a range of best in class capabilities designed to address customer needs while preserving the existing strengths and investment culture of RMG's business.

## **7 INFORMATION ON ASSETCO**

AssetCo is primarily involved in acquiring, managing and operating asset and wealth management activities and interests, together with other related services. AssetCo's strategy principally focuses on making strategic acquisitions and building organic activities in areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional growth opportunities.

To date, AssetCo has made three strategic investments as part of its overall strategy to develop an agile asset and wealth management company that meets the needs of investors in the 21st century: Parmenion (a leading discretionary investment manager and advisory platform for the wealth and financial planning sector), Rize ETF (believed to be Europe's first specialist thematic ETF issuer and one of the fastest growing providers of ETFs in the rapidly growing thematic ETF segment of the asset management industry) and Saracen (a small fund management firm which serves as a platform to grow high conviction, high alpha, niche equity strategies where AssetCo sees significant growth potential). AssetCo also has a strong pipeline of complementary opportunities, at varying stages of progress (including some in advanced stages), that the AssetCo Directors believe would further accelerate the growth strategy and be highly accretive to the Combined Group.

The AssetCo Directors believe that the acquisitions completed to date and AssetCo's buy-and-build strategy are consistent with a new approach to asset management, being unbridled by legacy constraints and ways of doing things, and tapping into the new, emerging trends in the way the next generation of investors choose to allocate their capital. AssetCo Shareholders have been supportive of its acquisition strategy, most recently supporting a £25 million capital raise in July 2021 to partially fund the acquisitions of Parmenion and Rize ETF.

AssetCo has assembled a management team with a long history in asset and wealth management. In early 2021, Martin Gilbert became Chairman and Peter McKellar became Deputy-Chairman and CEO. Martin co-founded Aberdeen Asset Management in 1983 which under his stewardship grew to become one of the world's leading independent asset managers with £308 billion of AuM. In 2017 Aberdeen merged with Standard Life, which at the time of the merger became the largest UK-based asset management company. In September 2020, Peter McKellar retired as executive Chairman and Global

Head of Private Markets for Standard Life Aberdeen, where he oversaw investments totalling £55 billion of AuM.

In October 2021, Campbell Fleming joined the AssetCo Board as CEO. Campbell was previously Global Head of Distribution and Marketing at Standard Life Aberdeen and, prior to that, Chief Executive-EMEA and Global Chief Operating Officer at Columbia Threadneedle. In addition, below board level, AssetCo has made a number of appointments of experienced individuals to enhance its distribution and corporate capabilities.

## **8 INFORMATION RELATING TO RMG**

RMG is an investment group with AuM of £49.9 billion as at 31 December 2021, specialising in a range of investment activities. RMG's principal businesses comprise a UK Solutions business ("**Solutions**"), a US Solutions business ("**US Solutions**"), and an asset management business.

On 26 October 2021, RMG announced that it had agreed to sell the Solutions business to Schroders. The sale of the Solutions business is expected to complete in the first quarter of 2022 and its completion is a condition of the completion of the Acquisition.

As also announced on 26 October 2021, RMG has received an approach for its US Solutions business and discussions regarding a sale of the division are progressing positively. While there can be no certainty that a sale of RMG's US Solutions business will be agreed, the RMG Directors currently expect that this is more likely than not. If such a sale is agreed, the RMG Directors expect that it would be likely to complete in the second quarter of 2022. If such a sale is agreed and completed before completion of the Acquisition then the consideration on any such sale would not be distributed to RMG Shareholders, but would be available to the Combined Group. If such sale completed after completion of the Acquisition then the consideration would also be available to the Combined Group. If no such sale has been agreed by completion of the Acquisition, then it is anticipated that AssetCo would continue to look for potential acquirers for US Solutions.

Following these transactions, RMG will therefore comprise solely its asset management division, which is focused on delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US.

Save for the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, the RMG Directors do not anticipate making any dividend or other distribution to RMG Shareholders before completion of the Acquisition.

The asset management business comprises established and well-respected equities teams based in the UK and US, offering investors exposure to UK, European, emerging market and global equities. The UK-based team utilises an investment process known as Potential, Value, Timing ("**PVT**") – which has produced excellent long-term outcomes for clients investing in UK, European and global equities. The US-based team has also delivered excellent returns for clients investing in emerging markets.

The latest adjusted AuM for the asset management business is approximately £4.2 billion, as at December 2021. The annualised management fee revenues associated with these AuM are approximately £20.8 million. Calculation of this AuM excludes £45.8 billion of AuM relating to UK Solutions, which will transfer as part of the sale to Schroders, and US Solutions, for which sale discussions are ongoing.

In addition to the existing franchise, RMG intends to launch a range of products that will meet European Sustainable Finance Directive Regulations. This includes the recently developed infrastructure investment team which is based in the UK, following recruitment of a specialist team from Aviva. The team operates in specialist physical sustainable infrastructure markets in the UK and has a strong track record in delivering stable and attractive returns since 2011. RMG therefore has a quality and highly regarded capability in infrastructure and anticipates that it will shortly launch the RMG Infrastructure Income Fund.

Key financial highlights for RMG in the six months ended 31 December 2021 (including Solutions and US Solutions) were as follows:

- fee earning AuM increased by 4.9% to £49.9 billion;
- gross sales of £3.5 billion (six months ended 31 December 2020 - £1.9 billion);
- net flows of £1.3 billion (six months ended 31 December 2020 - £68 million);
- net flow ratio was +2.8% of opening AuM; and
- investment performance was positive £1 billion or +2.1% of opening AuM.

## **9 IRREVOCABLE UNDERTAKINGS**

The RMG Directors who hold, or are otherwise beneficially interested in, RMG Shares have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the RMG Resolutions at the RMG General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of, in aggregate, 1,857,208 RMG Shares representing approximately 2.17% of RMG's issued share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement). The undertakings from the RMG Directors will remain binding in the event that a higher competing offer for RMG is made.

The AssetCo Directors have irrevocably undertaken to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in respect of their own (or their close relatives', related trusts' and connected persons') beneficial holdings of 1,336,378 AssetCo Shares representing, in aggregate, approximately 15.86% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement).

In addition to the irrevocable undertakings referred to above, AssetCo has received irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting from AssetCo Shareholders in respect of a total of 2,969,868 AssetCo Shares, representing in aggregate approximately 35.25% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement).

AssetCo has therefore received irrevocable undertakings in respect of a total of 4,306,246 AssetCo Shares representing, in aggregate, approximately 51.11% of AssetCo's issued ordinary share capital on 24 January 2022 (being the last Business Day prior to the release of this announcement). These

irrevocable undertakings are also addressed to RMG given RMG's interest in the AssetCo Resolutions being passed.

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

## **10 OFFER-RELATED ARRANGEMENTS**

### ***Confidentiality Agreements***

AssetCo and RMG have entered into the Confidentiality Agreements, pursuant to which they have undertaken to keep certain information relating to each other confidential and not to disclose such information to third parties, except to certain permitted recipients or if required by applicable laws or regulations. The confidentiality obligations of each party under each Confidentiality Agreement continue until the earlier of (i) two years after the date of the agreement or on which the materials containing the confidential information are returned or destroyed in accordance with the terms of such Confidentiality Agreement (as applicable), or (ii) the Acquisition completes. The Second Confidentiality Agreement also contains customary standstill provisions, subject to customary carve-outs, for a period of 12 months from the date of the Second Confidentiality Agreement.

### ***Cooperation Agreement***

Pursuant to a Cooperation Agreement, AssetCo and RMG have, amongst other things, each agreed to cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals (including in order to satisfy the FCA Condition) as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition. In addition, AssetCo has agreed to restrictions on switching to an Offer without RMG's consent and certain other provisions if the Scheme should switch to an Offer. The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if prior to the Long Stop Date any Condition has been invoked by AssetCo, if the RMG Directors withdraw their recommendation of the Acquisition or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between AssetCo and RMG. Pursuant to the terms of the Cooperation Agreement, AssetCo undertakes that it will deliver a notice in writing to RMG on the last Business Day prior to the Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Scheme Conditions); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

## **11 DISCLOSURE OF INTERESTS IN RMG SECURITIES**

Except for the irrevocable undertakings referred to in section 9 above and as disclosed below, as at close of business on 24 January 2022 (being the last Business Day prior to the date of this announcement) neither AssetCo, nor any of the AssetCo Directors, nor, so far as AssetCo is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition (i) had any interest in or right to subscribe for or had borrowed or lent any RMG Shares or securities convertible or exchangeable into RMG Shares, or (ii) had any short positions in respect of relevant RMG Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant RMG

Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

<b>Name</b>	<b>Status</b>	<b>Nature of Interest</b>	<b>Number of RMG Shares</b>
AssetCo	Offeror	Interest in securities	5,000,000
Harwood Capital LLP	Acting in concert with offeror	Interest in securities	1,721,842
Toscafund Asset Management LLP	Acting in concert with offeror	Interest in securities	400,000
Cadoc Ltd*	Acting in concert with offeror	Interest in securities	100,000
Mark Butcher	Acting in concert with offeror	Interest in securities	26,500

\* Cadoc Ltd is a company of which Tudor Davies (a non-executive director of AssetCo) is a director and which is controlled and owned by members of Tudor Davies' family.

“Interests in securities” for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

The RMG Shares owned or controlled by the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares), being 2,248,342 RMG Shares, are not Scheme Voting Shares. Each member of the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares) will consent not to vote such Scheme Shares at the Court Meeting, but will be permitted to vote such Scheme Shares at the RMG General Meeting and the Return of Capital General Meeting. Upon the Acquisition becoming Effective, the RMG Shares owned or controlled by each member of the AssetCo Concert Party (other than AssetCo) would be acquired by AssetCo under the terms of the Scheme.

## **12 DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT AND LOCATIONS**

### ***Strategic plans for RMG***

The board of AssetCo note that the Acquisition is conditional on the Solutions Sale, which will lead to a significant change in the operating structure of RMG, and currently there is no certainty around the extent to which the proposed reduction in the cost base of the retained business announced in the Solutions Sale Circular will be implemented ahead of the Effective Date.

As a result, following the Acquisition becoming Effective, AssetCo will conduct a detailed assessment of the broad capabilities and functions of RMG. As at the date of this announcement, the results of this assessment are uncertain and no firm decisions have been made in relation to specific actions which may be taken.

AssetCo expects that this evaluation will be completed within approximately four months from the Effective Date.

The AssetCo Directors expect that RMG will retain its brand and the majority of its investment strategies to ensure clients can take comfort in continuing strategies and service. The AssetCo Directors anticipate that RMG will form the core of AssetCo's active equities business, alongside AssetCo's existing active equities asset manager, Saracen, leveraging the investment expertise of both businesses to deliver best-in-class strategies and performance to investors. RMG's infrastructure capabilities and strategy are anticipated to be the first, and very important, building block in AssetCo's private markets business.

The Acquisition will create an asset management group with interests in businesses with over £13.8 billion AuM and asset management capabilities across UK active equities and infrastructure through RMG and Saracen, UK wealth management/platform distribution through Parmenion, and the rapidly growing global ETF market through Rize ETF.

Post the Solutions Sale, as well as any potential future sale of RMG's US Solutions business, there will be a need to right size the RMG business for a significant reduction in scale.

RMG will remain a subsidiary of AssetCo and partner with other companies in the Combined Group where appropriate to leverage selectively elements of a shared operating platform, distribution, relationships with leading asset allocators and strategic direction and guidance.

### ***Employment and management***

AssetCo attaches significant importance to the skills and experience of RMG's existing management team, portfolio managers and employees in protecting and growing the value of RMG and believes there is a strong cultural alignment between the two groups. AssetCo and RMG have highly complementary businesses and the AssetCo Board expects that RMG employees will contribute significantly to the success of the Combined Group following completion of the Acquisition, with RMG's employees also benefitting from wider career opportunities as part of a larger and more diverse asset and wealth management group whilst working within a nimble and efficient business.

Consistent with the proposals announced in the Solutions Sale Circular, following a significant reduction in the scale and complexity of the RMG Group with the completion of the Solutions Sale, AssetCo will move quickly to materially reduce the cost base of the retained business to right size the RMG operations for the strategic growth plans of the business. This will be undertaken whilst respecting the terms of the transitional services agreement to be entered into with Schroders for the duration of the transition of the Solutions business to Schroders. The AssetCo Board's intention is to define a post-Solutions Sale combined operating model for RMG that leverages other AssetCo businesses and capabilities. It is anticipated that RMG's investment function will not be materially impacted by cost reductions which will provide certainty to RMG's management, its investment teams and clients. It is expected that the majority of cost savings will arise within support functions to reflect the smaller footprint of the business.

The AssetCo Board intends to safeguard the existing statutory and contractual employment and pension rights of RMG employees and management in accordance with applicable law, and does not envisage making any material changes to the conditions of employment or to the balance of skills and functions, subject to the 'Strategic plans for RMG' above, of employees and management in the Combined Group.

The AssetCo Directors are not expecting any employee or other cost synergies with the existing AssetCo businesses.

### ***Incentive arrangements***

AssetCo would look to work closely with RMG to ensure key people are retained and that competitive remuneration arrangements are put in place. Initially, existing retention arrangements will be continued, before being reviewed in due course to ensure they remain effective in retaining and attracting key staff. AssetCo has the benefit of not having significant legacy remuneration structures that would impede reaching agreement quickly and in the best interest of all stakeholders.

### ***Existing rights and pensions***

AssetCo confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights of any employees that remain in the RMG Group following the Solutions Sale, including defined contribution pension rights, of employees of the RMG Group will be fully safeguarded in accordance with applicable law.

RMG makes available to certain employees a UK group personal pension scheme and auto enrolment scheme in accordance with its legal obligations, but does not itself offer any group defined benefit pension scheme. AssetCo confirms it does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members.

### ***Locations, fixed assets and research and development***

Following completion of the Acquisition, AssetCo intends that both RMG and the Combined Group be headquartered in London, in AssetCo's current offices. It is intended that AssetCo's London offices will be the primary place of business for the Combined Group for the near term. Smaller office locations in the US and Australia will be reviewed as part of the right sizing assessment of the business post the Solutions Sale.

Subject to AssetCo's assessment of the broad capabilities and functions of RMG following the Effective Date and the extent to which the proposed reduction in the cost base of the retained business announced in the Solutions Sale Circular has been implemented ahead of the Effective Date, certain head office support functions may be integrated within the broader AssetCo business.

The AssetCo Board does not envisage any other changes with regard to the redeployment of AssetCo or RMG's existing material fixed assets.

Owing to the nature of its business, RMG has no research and development function.

### ***Trading facilities***

RMG Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in section 17 (Delisting, cancellation of trading and re-registration), applications will be made for the cancellation of the listing of RMG Shares on the Official List and the cancellation of trading of RMG Shares on the London Stock Exchange.

AssetCo has a high growth strategy based on leveraging its existing platform and adding incremental capabilities through acquisitions and partnerships to build and scale its asset and wealth management business. AssetCo Shares are currently listed on AIM. At this stage of development, an AIM listing has some benefits in terms of process, competitiveness and execution efficiency in delivering AssetCo's strategy. Whilst the AssetCo Board and management anticipate operating the Combined Group in a manner consistent with the principles of a Main Market premium listed company, including governance, operations and controls, AssetCo intends to remain listed on AIM and, at the appropriate time, would consider the merits of a move to the Main Market.

None of the statements in this section 12 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **13 CONDITIONS AND SCHEME OF ARRANGEMENT**

The Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as AssetCo and RMG may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Voting Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75% or more in value of each class of the Scheme Voting Shares held by those Scheme Voting Shareholders;
- the RMG Resolutions are passed by the requisite majority of RMG Shareholders at the RMG General Meeting;
- following the Court Meeting and RMG General Meeting, the Scheme is approved and sanctioned by the Court (without modification, or with modification on terms agreed by AssetCo and RMG); and
- following such sanction, an office copy of the Court Order is delivered to the Registrar of Companies

The RMG Shares owned or controlled by the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares), being 2,248,342 RMG Shares, are not Scheme Voting Shares. Each member of the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares) will consent not to vote such Scheme Shares at the Court Meeting, but will be permitted to vote such Scheme Shares at the RMG General Meeting and the Return of Capital General Meeting. Upon the Acquisition becoming Effective, the RMG Shares owned or controlled by each member of the

AssetCo Concert Party (other than AssetCo) would be acquired by AssetCo under the terms of the Scheme.

The Conditions in paragraph 2 of Appendix 1 to this announcement provide that the Scheme will lapse if:

- the Court Meeting and the RMG General Meeting are not held by the 22nd day after the expected date of the Court Meeting and the RMG General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between AssetCo and RMG);
- the Sanction Hearing to approve the Scheme is not held by the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between AssetCo and RMG); or
- the Scheme does not become effective by 11.59 p.m. on the Long Stop Date (or such later date as may be agreed between AssetCo and RMG and the Panel and the Court may allow).

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, AssetCo shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. on the Business Day following the date so specified, stating whether AssetCo has invoked that Condition, (where applicable) waived that Condition or, with the agreement of RMG, specified a new date by which that Condition must be satisfied.

Once the necessary approvals from Scheme Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction (or waiver, if applicable) of the Conditions, the Scheme is expected to become effective during the second quarter of 2022. The Conditions include the Solutions Sale Condition, the Return of Capital Condition, the AIM Admission Condition and the FCA Condition as set out in paragraphs 3(a), 3(c), 3(f) and 3(g) of Appendix 1 to this announcement, respectively.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting (if eligible) or the RMG General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of RMG Shares will cease to be valid and entitlements to RMG Shares held within the CREST system will be cancelled.

Any RMG Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The RMG Resolutions to be proposed at the RMG General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any RMG Shares issued after the Scheme Record Time (other than to AssetCo and/or its nominees) to be automatically transferred to AssetCo on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than AssetCo and its nominees) holding shares in the capital of AssetCo after the Effective Date.

AssetCo reserves the right to elect to implement the Acquisition by way of an Offer (as defined in section 974 of the 2006 Act) as an alternative to the Scheme (subject to the Panel's consent and the terms of the Cooperation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75% (or such other percentage as AssetCo may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, AssetCo under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Offer are received and/or sufficient RMG Shares are otherwise acquired, it is the intention of AssetCo to apply the provisions of the 2006 Act to acquire compulsorily any outstanding RMG Shares to which such Offer relates.

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the RMG General Meeting and the Sanction Hearing, together with notices of the Court Meeting and the RMG General Meeting, will be set out in the Scheme Document, which will be published as soon as reasonably practicable after the date of this announcement.

#### **14 THE SOLUTIONS SALE AND RETURN OF PROCEEDS TO RMG SHAREHOLDERS**

On 26 October 2021, RMG announced that it had entered into a contract with Schroders in relation to the acquisition by Schroders of RMG's Solutions business for an enterprise value of £230 million. RMG sent the Solutions Sale Circular to RMG Shareholders on 23 November 2021 and RMG Shareholders approved the Solutions Sale on 13 December 2021. Change of control approval has been received from the FCA.

In the Solutions Sale Circular, the RMG Directors stated that it was proposed to return £180 million of the net cash proceeds expected to be received by RMG from the Solutions Sale to RMG Shareholders (subject to required regulatory and shareholder approvals) via a tender offer or other means. In light of the Acquisition and following discussions with AssetCo the Independent RMG Directors now intend to return £190 million to RMG Shareholders in conjunction with the Acquisition. As set out in the Solution Sale Circular, were it not for the Acquisition, the RMG Directors would be minded to implement a return of capital via a tender offer. However, a tender offer would return a variable aggregate amount depending on elections of individual RMG Shareholders. In light of the Acquisition and based on discussions with AssetCo, it is necessary to ensure that a certain aggregate amount is returned to RMG Shareholders and not a variable amount. Therefore, the Independent RMG Directors propose to implement this return of capital by means of either the B Share Scheme or the combination of the Tender Offer and the Tender Offer Special Dividend (subject to required regulatory and shareholder approvals). The Independent RMG Directors expect that the Return of Capital is more likely to be implemented by way of the B Share Scheme.

The Return of Capital will be conditional on, *inter alia*, the passing of the Return of Capital Resolutions by RMG Shareholders. The Independent RMG Directors intend that the Return of Capital Resolutions will be put to RMG Shareholders at a general meeting on or around the date of the Court Meeting. The RMG Independent Directors intend that the Return of Capital Resolutions will be conditional on RMG Shareholders approving the Scheme and the RMG Resolutions at the Court Meeting and the RMG General Meeting respectively and that the Return of Capital will be implemented before the Sanction Hearing, but only after AssetCo has satisfied or waived the FCA Condition.

If the Acquisition does not proceed for any reason, the RMG Directors will consider in light of the relevant circumstances at the time what action to take in relation to returning capital to RMG Shareholders out of the net proceeds of the Solutions Sale.

The Return of Capital Circular, which is expected to be sent by RMG to RMG Shareholders at or around the same time as the Scheme Document, will set out whether the Return of Capital will be implemented via the B Share Scheme or via the Tender Offer and the Tender Offer Special Dividend.

If the Return of Capital is implemented by way of the B Share Scheme, this is likely to involve:

- RMG issuing irredeemable preference B shares to RMG Shareholders *pro rata* to their holdings of RMG Shares;
- such B shares being purchased by the Broker (acting as principal not as agent for RMG) for an aggregate amount equal to £190 million;
- the Broker receiving a dividend on such B shares equal to £190 million plus an amount equal to any stamp duty arising on the purchase of the B shares (or in the unlikely scenario that the Broker has not purchased the B shares, RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million less the aggregate nominal value of the B shares); and
- the B shares converting into C shares with no dividend rights and being repurchased and cancelled by RMG (via the Broker, if being repurchased from RMG Shareholders rather than from the Broker) for an amount equal to their nominal value,

on terms to be more particularly described in the Return of Capital Circular.

If the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend, this is likely to involve:

- a tender offer by the Broker (acting as principal not as agent for RMG) to all RMG Shareholders to purchase RMG Shares up to an aggregate value equal to £190 million;
- the purchase of such RMG Shares from the Broker by RMG for the same amount and their cancellation; and
- the payment by RMG of a special dividend in an aggregate amount equal to the difference between: (i) £190 million; and (ii) the aggregate amount paid to RMG Shareholders pursuant to the Tender Offer,

on terms to be more particularly described in the Return of Capital Circular. If the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend, the Exchange Ratio will be adjusted to reflect that there will be fewer RMG Shares in issue following completion of the Tender Offer (and, as a consequence, RMG Shareholders will be entitled to receive a proportionally greater number of New AssetCo Shares in exchange for each remaining RMG Share under the terms of the Offer). In that circumstance, the Exchange Ratio will be multiplied by the Adjustment Factor to give the Adjusted Exchange Ratio.

If the Return of Capital is implemented by way of the B Share Scheme, there will be no consequential adjustment to the Exchange Ratio as the B Share Scheme will not affect the number of RMG Shares in issue.

## **15 ASSETCO SHAREHOLDER APPROVAL AND ASSETCO CIRCULAR**

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting.

AssetCo will prepare and send to AssetCo Shareholders the AssetCo Circular summarising the background to and reasons for the Acquisition which will include a notice convening the AssetCo General Meeting. The Acquisition is conditional on, among other things, the AssetCo Resolutions being passed by the requisite majority of AssetCo Shareholders at the AssetCo General Meeting (but not, for the avoidance of doubt, any other resolutions to be proposed at the AssetCo General Meeting which shall not be conditions to the Acquisition).

It is expected that the AssetCo Circular will be posted to AssetCo Shareholders at the same time as the Scheme Document is posted to RMG Shareholders.

## **16 ADMISSION OF NEW ASSETCO SHARES**

As noted above, applications will be made to the London Stock Exchange for the New AssetCo Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the New AssetCo Shares will commence on the London Stock Exchange at 8.00 a.m. on the first Business Day following the Effective Date.

## **17 DELISTING, CANCELLATION OF TRADING AND RE-REGISTRATION**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in RMG Shares on the London Stock Exchange's market for listed securities and the listing of the RMG Shares from the Official List on or shortly after the Effective Date.

It is expected that the last day of dealings in RMG Shares on the Main Market of the London Stock Exchange will be the date of the Sanction Hearing and no transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that RMG be re-registered as a private limited company as part of the Scheme and for this to take effect as soon as practicable on or following the Effective Date.

Share certificates in respect of the RMG Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date. In addition, entitlements held within the CREST system to the RMG Shares will be cancelled on the first Business Day following the Effective Date.

## **18 RMG SHARE PLANS**

Participants in the RMG Share Plans will be contacted regarding the effect of the Acquisition on their rights under these schemes in due course.

## 19 DOCUMENTS

Copies of the following documents will be available promptly on AssetCo's website and RMG's website, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/) and <https://riverandmercantile.com/investor-relations/> and in any event by no later than noon on the Business Day following this announcement:

- this announcement;
- the Confidentiality Agreements;
- the Cooperation Agreement;
- the irrevocable undertakings from RMG Directors referred to at section 9 above;
- the irrevocable undertakings from AssetCo Directors and AssetCo Shareholders referred to at section 9 above; and
- consent letters from each of Numis, Arden, Lazard and Fenchurch Advisory Partners.

The content of neither the websites referred to in this announcement, nor of any website accessible from hyperlinks, is incorporated into or forms part of this announcement.

## 20 GENERAL

The Acquisition will be on the terms and subject to the conditions set out herein and in Appendix 1, and to be set out in the Scheme Document. Appendix 2 to this announcement contains the sources and bases of certain information contained in the summary and this following announcement. Appendix 3 to this announcement contains details of the irrevocable undertakings received by AssetCo. Appendix 4 to this announcement contains the definitions of certain terms used in the summary and this announcement.

It is intended that the formal Scheme Document, including the associated forms of proxy, will be sent to Scheme Shareholders within 28 days of this announcement (or such later time as RMG, AssetCo and the Panel agree). The Scheme Document and associated forms of proxy shall be made available to all Scheme Shareholders at no charge to them.

The AssetCo Circular, including the associated forms of proxy will be sent to AssetCo Shareholders as soon as practicable after the date of this announcement. The AssetCo Circular and associated forms of proxy shall be made available to all AssetCo Shareholders at no charge to them.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

Numis (as financial adviser to AssetCo), Arden (as nominated adviser and broker to AssetCo), Lazard and Fenchurch (as joint financial advisers to RMG) have given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

## Enquiries

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Gowling WLG (UK) LLP is acting as legal adviser to AssetCo.

Allen & Overy LLP is acting as legal adviser to RMG.

## **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 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 how to vote 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) (in the case of RMG Shareholders) or the AssetCo Circular (in the case of AssetCo Shareholders).

AssetCo will prepare the AssetCo Circular to be distributed to AssetCo Shareholders containing information on the New AssetCo Shares and the Combined Group. AssetCo urges AssetCo Shareholders to read the AssetCo Circular when it becomes available.

RMG and AssetCo shall prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to Scheme Shareholders. RMG and AssetCo urge Scheme Shareholders to read the Scheme Document and the AssetCo Circular when they becomes available because they will contain important information relating to the Acquisition, the New AssetCo Shares and the Combined Group.

Any vote in respect of resolutions to be proposed at the RMG Meetings or the AssetCo General Meeting to approve the Acquisition, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (in the case of RMG Shareholders), and the AssetCo Circular (in the case of the AssetCo Shareholders).

RMG will prepare the Return of Capital Circular to be distributed to RMG Shareholders containing information on the Return of Capital. RMG urges RMG Shareholders to read the Return of Capital Circular when it becomes available. Any vote in respect of resolutions to be proposed by RMG in relation to the Return of Capital should be made only on the basis of the information contained in the Return of Capital Circular.

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

## **Important information relating to the advisers**

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AssetCo and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Numis nor for providing advice in relation to the matters set out in this announcement. Neither Numis 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 Numis in connection with this announcement, any statement contained herein or otherwise.

Arden Partners plc, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting exclusively as nominated adviser and broker to

AssetCo and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Arden nor for providing advice in relation to the matters set out in this announcement. Neither Arden 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 Arden in connection with this announcement, any statement contained herein or otherwise.

The Maitland Consultancy Ltd ("**Maitland/AMO**") is acting as financial public relations adviser to AssetCo and no one else in connection with the matters set out in this announcement. Maitland/AMO does not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser to RMG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this announcement. Neither Lazard 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 Lazard in connection with this announcement, any statement contained herein or otherwise.

Fenchurch Advisory Partners LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser to RMG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Fenchurch Advisory Partners nor for providing advice in relation to the matters set out in this announcement. Neither Fenchurch Advisory Partners 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 Fenchurch Advisory Partners in connection with this announcement, any statement contained herein or otherwise.

Jefferies International Limited, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as corporate broker to RMG and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the matters set out in this announcement. Neither Jefferies 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 Jefferies in connection with this announcement, any statement contained herein or otherwise.

Montfort Communications Limited is acting as financial public relations adviser to RMG and no one else in connection with the matters set out in this announcement. Montfort does not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person in connection with this announcement, any statement contained herein or otherwise.

## Overseas Shareholders

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the UK Market Abuse Regulation 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.

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

The availability of the Acquisition to Scheme Shareholders and/or the availability of the Return of Capital to RMG Shareholders who are not resident in and citizens of the UK 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 UK 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 UK to vote their Scheme Voting Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, or to vote on resolutions relating to the Return of Capital, 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 and/or the Return of Capital disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document and the Return of Capital Circular.

Unless otherwise determined by AssetCo or required by the Takeover Code, and permitted by applicable law and regulation, 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. 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 or 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 or 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, email 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.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Details of the Return of Capital will be set out in due course in the Return of Capital Circular. Unless otherwise determined by RMG, and permitted by applicable law and regulation, the Return of Capital Circular will not be made available, directly or indirectly, in any jurisdiction where to do so would violate the laws in that jurisdiction. Copies of this announcement and any formal documentation relating to the Return of Capital are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any such jurisdiction and persons receiving this announcement and all such documents relating to the Return of Capital (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. The Return of Capital will be subject to the applicable requirements of the Listing Rules, the London Stock Exchange and the FCA.

### **Notice to US investors in RMG**

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) has been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If, in the future, AssetCo exercises its right to implement the Acquisition by means of an Offer which is to be made into the United States, such an Offer would be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by AssetCo and no one else.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal United Kingdom practice, AssetCo or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of RMG outside of the US, other than pursuant to such an Offer, during the period in which such an Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

RMG and AssetCo are both incorporated under the laws of England and Wales. Some or all of the officers and directors of AssetCo and RMG, respectively, are residents of countries other than the United States. In addition, some of the assets of AssetCo and RMG are located outside the United States. As a result, it may be difficult for US holders of Scheme 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. US holders of Scheme 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 judgment.

The New AssetCo Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. It is expected that any New AssetCo Shares to be issued pursuant to the Scheme would be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

### **Forward-looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by AssetCo and RMG contain 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 AssetCo and RMG 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.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on AssetCo and RMG (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AssetCo's, RMG's, any member of the AssetCo Group's or any member of the RMG Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on AssetCo's, RMG's, any member of the AssetCo Group's or any member of the RMG Group's business.

Although AssetCo and RMG believe that the expectations reflected in such forward-looking statements are reasonable, AssetCo and RMG can give no assurance that such expectations will prove to be correct. 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. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business

conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which AssetCo and RMG operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which AssetCo and RMG operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither AssetCo nor RMG, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances by their nature involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the RMG Group, there may be additional changes to the RMG Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither AssetCo nor RMG is under any obligation, and AssetCo and RMG expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any

securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk) including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

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

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on RMG's website at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/) and AssetCo's website at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/) 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 as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for RMG for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for RMG.

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

In accordance with Rule 30.3 of the Takeover Code, Scheme Shareholders and persons with information rights may request a hard copy of this announcement by contacting RMG's registrars, Equiniti, between 9.00 a.m. to 5:30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 384 2030 from the UK (calls to this number are charged at the standard national rate and will vary by provider) or +44 121 415 7047 from outside the UK (charged at the applicable international rate) or by submitting a request in writing to Equiniti at *Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA*. Please note that Equiniti 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 Scheme Shareholders, persons with information rights and other relevant persons for the receipt of communications from RMG may be provided to AssetCo during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) 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 figures that precede them.

### **General**

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, AssetCo intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining RMG Shares in respect of which the Offer has not been accepted.

Investors should be aware that AssetCo may purchase RMG Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

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.

## APPENDIX 1

### CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

#### PART A: Conditions of the Acquisition

- 1 The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date, or such later date (if any) as AssetCo and RMG may agree, with the consent of the Panel, and the Court may allow.

#### Scheme approval

- 2 The Scheme will be conditional upon:
- (a)
    - (i) its approval by a majority in number representing not less than 75% in value of Scheme Voting Shareholders who are on the register of members of RMG (or the relevant class or classes thereof) at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and
    - (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve if required));
  - (b)
    - (i) the RMG Resolutions being duly passed at the RMG General Meeting (or any adjournment thereof); and
    - (ii) such RMG General Meeting being held on or before the 22nd day after the expected date of the RMG General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve if required)); and
  - (c)
    - (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to AssetCo and RMG)) and the delivery of the office copy of the Court Order to the Registrar of Companies; and

- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve)).

### **General Conditions**

- 3 In addition, subject as stated in Part B of this Appendix 1, AssetCo and RMG have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### **Solutions Sale**

- (a) The Solutions Sale having completed pursuant to the Solutions SPA;
- (b) There having been no material change to the terms of the Solutions Sale that would require RMG, in accordance with Listing Rule 10.5.2, to comply again separately with Listing Rule 10.5.1 in relation to the Solutions Sale;

#### **Return of Capital**

- (c) RMG having completed the Return of Capital;
- (d) The aggregate amount paid by RMG to RMG Shareholders and/or the Broker pursuant to the Return of Capital not exceeding an amount equal to £190 million plus the Broker's costs and expenses;

#### **AssetCo Shareholder approval**

- (e) the passing at the AssetCo General Meeting (or at any adjournment thereof) of such resolutions as are necessary to approve, implement and effect the Acquisition and the acquisition of any RMG Shares including resolutions to authorise the allotment of New AssetCo Shares pursuant to the Acquisition and approve the Acquisition in accordance with reverse takeover requirements under AIM Rule 14 (such resolutions shall be set out in the AssetCo Circular in due course);

#### **Admission to trading**

- (f) the London Stock Exchange having acknowledged to AssetCo or its agent (and such acknowledgement not having been withdrawn) that the New AssetCo Shares will be admitted to trading on AIM;

#### **Approval under FSMA**

- (g) in respect of AssetCo and any AssetCo Shareholders or RMG Shareholders who, following completion of the Acquisition, would be interested in 10% or more of the issued share capital and/or voting rights of AssetCo, the FCA, in respect of each UK authorised person (as defined in section 191G of FSMA) within the Wider RMG Group

in which AssetCo and such AssetCo Shareholder(s) and/or RMG Shareholder(s) intends to acquire or increase control:

- (i) having given notice for the purposes of section 189(4) (a) of FSMA that it has determined to approve the acquisition or increase in control on terms reasonably satisfactory to AssetCo and such AssetCo Shareholder(s) and/or RMG Shareholder(s); or
- (ii) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control,

(the "FCA Condition");

#### **Other regulatory approvals**

- (h) no government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, association, institution or professional body having responsibility for the regulation or supervision of banking, consumer credit or financial services having:
  - (i) withdrawn or refused to renew, or threatened to withdraw or to refuse to renew, any licence or permission; or
  - (ii) instituted, implemented, taken or omitted, or threatened to take or to omit, any other action,

the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider RMG Group (save as Disclosed) or the Wider AssetCo Group, and upon no such licences or permissions terminating or otherwise becoming invalid as a result of the Acquisition or its implementation the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider RMG Group or the Wider AssetCo Group;

#### **General Third Party clearances**

- (i) excluding the Condition set out in paragraph 3(g) above, no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the requirement or action) and there not continuing to be outstanding any statute, regulation, decision or order which would or might:

- (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group or require amendment of the Scheme;
- (ii) require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider AssetCo Group or by any member of the Wider RMG Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider RMG Group taken as a whole;
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider AssetCo Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in RMG (or any member of the Wider RMG Group) or on the ability of any member of the Wider RMG Group or any member of the Wider AssetCo Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider RMG Group to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (iv) other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the 2006 Act, require any member of the Wider AssetCo Group or the Wider RMG Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider RMG Group or any asset owned by any third party which is material in the context of the Wider RMG Group or the Wider AssetCo Group, in either case taken as a whole;
- (v) require, prevent or delay a divestiture by any member of the Wider AssetCo Group of any shares or other securities (or the equivalent) in any member of the Wider RMG Group;
- (vi) result in any member of the Wider RMG Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition; or
- (vii) impose any limitation on the ability of any member of the Wider AssetCo Group or any member of the Wider RMG Group to conduct, integrate or co-ordinate

all or any part of their respective businesses with all or any part of the business of any other member of the Wider AssetCo Group and/or the Wider RMG Group in a manner which is adverse and material to the Wider AssetCo Group and/or the Wider RMG Group, in either case, taken as a whole or in the context of the Acquisition; or

- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider RMG Group or any member of the Wider AssetCo Group in each case in a manner which is adverse to and material in the context of the Wider RMG Group taken as a whole or of the financing of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any RMG Shares or otherwise intervene having expired, lapsed, or been terminated;

- (j) excluding the Condition set out in paragraph 3(g) above, all notifications, filings or applications which are deemed by AssetCo, acting reasonably, to be necessary or reasonably considered by AssetCo to be appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations which are deemed by AssetCo, acting reasonably, to be necessary or reasonably considered by AssetCo to be appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, RMG by any member of the Wider AssetCo Group having been obtained in terms and in a form reasonably satisfactory to AssetCo from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider RMG Group or the Wider AssetCo Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider RMG Group taken as a whole, any member of the AssetCo Group or the ability of AssetCo to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (k) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group, or the

implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group;

#### **Confirmation of absence of adverse circumstances**

- (l) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider RMG Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider AssetCo Group of any shares or other securities in RMG or because of a change in the control or management of any member of the Wider RMG Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider RMG Group taken as a whole or to the financing of the Acquisition:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider RMG Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider RMG Group or any member of the Wider AssetCo Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider RMG Group or any member of the Wider AssetCo Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider RMG Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider RMG Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider RMG Group otherwise than in the ordinary course of business;
  - (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member

of the Wider RMG Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;

- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance, of any member of the Wider RMG Group being prejudiced or adversely affected to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition; or
- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider RMG Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider RMG Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

**No material transactions, claims or changes in the conduct of the business of the RMG Group**

- (m) except as Disclosed, no member of the Wider RMG Group having since 30 June 2021:
  - (i) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or agreed to issue or authorised or announced its intention to authorise the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of RMG Shares out of treasury;
  - (ii) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to RMG or one of its wholly-owned subsidiaries (other than a dividend on the B shares if the Return of Capital is implemented by way of the B Share Scheme, or the Tender Offer Special Dividend if the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend);
  - (iii) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, or announced any intention to do so, in each case to an extent which is material in the context of the Wider RMG Group taken as a whole;
  - (iv) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, or announced an intention to

propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider RMG Group taken as a whole;

- (v) issued, authorised or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (vi) entered into, varied, authorised entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider RMG Group to an extent which is or is reasonably likely to be material to the Wider RMG Group taken as a whole;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider RMG Group which are material in the context of the Wider RMG Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider RMG Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider RMG Group which, taken as a whole, are material in the context of the Wider RMG Group taken as a whole;
- (x) (excluding the trustee of any pension scheme(s) established by a member of the Wider RMG Group unless that trustee is RMG itself):
  - (l) made, agreed or consented to or procured any significant change to:
    - (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider RMG Group or their dependants and established by a member of the Wider RMG Group (a "**Relevant Pension Plan**");
    - (b) the basis on which benefits accrue, pensions which are payable or the persons

entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the basis or rate of employer contribution to any Relevant Pension Plan, in each case to the extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or

- (II) entered into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or
- (III) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- (xi) other than to replace a vacancy on the board of directors of a corporate trustee, changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of RMG) is material in the context of the Wider RMG Group taken as a whole, in each case other than as required in relation to the Return of Capital;
- (xiv) other than with respect to claims between RMG and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;

- (xv) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;
- (xvi) (other than in respect of a member of the Wider RMG Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider RMG Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider RMG Group taken as a whole; or
- (xx) having taken (or agreed to take) any action which requires, or would require, the consent of the Panel or the approval of RMG Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

**No material adverse change**

- (n) since, in the case of RMG, 30 June 2021 or, in the case of AssetCo, 31 March 2021, and except as Disclosed, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or any operational performance of any member of the Wider RMG Group or the Wider AssetCo

Group to an extent which is material to the Wider RMG Group or Wider AssetCo Group taken as a whole or to the financing of the Acquisition;

- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider RMG Group or Wider AssetCo Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider RMG Group or Wider AssetCo Group or to which any member of the Wider RMG Group or Wider AssetCo Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might reasonably be expected to have a material adverse effect on the Wider RMG Group or Wider AssetCo Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider RMG Group or Wider AssetCo Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider RMG Group or Wider AssetCo Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider RMG Group or Wider AssetCo Group taken as a whole;
  - (iii) no contingent or other liability having arisen, increased or become apparent to AssetCo or RMG, which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider RMG Group or Wider AssetCo Group to an extent which is material to the Wider RMG Group or Wider AssetCo Group taken as a whole;
  - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider RMG Group or Wider AssetCo Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider RMG Group taken as a whole; and
  - (v) no member of the Wider RMG Group or Wider AssetCo Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider RMG Group or Wider AssetCo Group taken as a whole;
- (o) except as Disclosed, AssetCo not having discovered:
- (i) that any financial, business or other information concerning the Wider RMG Group publicly announced or disclosed to any member of the Wider AssetCo Group or to any of their advisers at any time prior to the date of this announcement by or on behalf of any member of the Wider RMG Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case,

material in the context of the Wider RMG Group taken as a whole in the context of the Acquisition;

- (ii) that any member of the Wider RMG Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider RMG Group taken as a whole; or
- (iii) any information which affects the import of any information disclosed to AssetCo at any time prior to the date of this announcement by or on behalf of any member of the Wider RMG Group which is material in the context of the Wider RMG Group taken as a whole;

### **Intellectual property**

- (p) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider RMG Group which would have a material adverse effect on the Wider RMG Group taken as a whole, or is otherwise material in the context of the Acquisition, including:
  - (i) any member of the Wider RMG Group losing its title to any intellectual property material to the Wider RMG Group taken as a whole, or any intellectual property owned by the Wider RMG Group and material to the Wider RMG Group taken as a whole being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider RMG Group, or the validity or effectiveness, of any intellectual property of the Wider RMG Group that is material to the Wider RMG Group taken as a whole; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider RMG Group that is material to the Wider RMG Group taken as a whole being terminated or varied;

### **Anti-corruption and sanctions**

- (q) except as Disclosed, AssetCo not having discovered that (to an extent that is material in the context of the Wider RMG Group taken as a whole):
  - (i) any past or present member of the Wider RMG Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider RMG Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);

- (iii) any past or present member of the Wider RMG Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the RMG Group has engaged in a transaction which would cause the AssetCo Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;

#### **No criminal property**

- (r) except as Disclosed, AssetCo not having discovered that any asset of any member of the Wider RMG Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

### **Part B**

#### **Further terms of the Acquisition**

- 1 Subject to the requirements of the Panel in accordance with the Takeover Code, AssetCo reserves the right in its sole discretion to waive:
  - (a) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, RMG General Meeting and the Sanction Hearing. If any such deadline is not met, AssetCo shall make an announcement by 7.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with RMG to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the Conditions listed in Part A of this Appendix 1, except for Conditions 2(a)(i), 2(b)(i), and 2(c)(i) and the Solutions Sale Condition which cannot be waived by AssetCo alone and the Return of Capital Condition which cannot be waived by AssetCo.
- 2 Subject to the requirements of the Panel in accordance with the Takeover Code, RMG reserves the right in its sole discretion to waive the Return of Capital Condition.
- 3 Subject to the requirements of the Panel in accordance with the Takeover Code, the Solutions Sale Condition may only be waived by agreement between RMG and AssetCo or if required by the Panel.
- 4 Conditions 3(b) and 3(d) to 3(r) (inclusive) must each be fulfilled, determined by AssetCo to be

or to remain satisfied or (if capable of waiver) be waived by AssetCo by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will lapse. AssetCo shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

- 5 The Solutions Sale Condition must be fulfilled, determined by RMG and AssetCo (acting jointly) to be or to remain satisfied or be waived by RMG and AssetCo (acting jointly) by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will lapse. RMG and AssetCo shall be under no obligation to waive or treat as satisfied the Solutions Sale Condition by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 6 The Return of Capital Condition must be fulfilled, determined by RMG to be or to remain satisfied or be waived by RMG by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will lapse. RMG shall be under no obligation to waive or treat as satisfied the Return of Capital Condition by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 7 If AssetCo is required by the Panel to make an offer for RMG Shares under the provisions of Rule 9 of the Takeover Code, AssetCo may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
- 8 Under Rule 13.5(a) of the Takeover Code, AssetCo may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to AssetCo in the context of the Acquisition. The Conditions contained in paragraphs 1 and 2 of this Appendix 1, and, if applicable, any acceptance condition if the Acquisition is implemented by means of a takeover offer, are not subject to this provision of the Takeover Code.
- 9 Under Rule 13.6 of the Takeover Code, RMG should not invoke, or cause or permit AssetCo to invoke, any condition to the Acquisition unless the circumstances which give rise to the right to invoke the Condition are of material significance to the shareholders in RMG in the context of the Acquisition. The Return of Capital Condition is not subject to this provision of the Takeover Code.
- 10 AssetCo reserves the right to elect to implement the Acquisition by way of a takeover offer (as defined in section 974 of the 2006 Act) as an alternative to the Scheme (subject to the Panel's consent and the terms of the Cooperation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without

limitation) the inclusion of an acceptance condition set at 75 % (or such other percentage as AssetCo may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, AssetCo under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient RMG Shares are otherwise acquired, it is the intention of AssetCo to apply the provisions of the 2006 Act to acquire compulsorily any outstanding RMG Shares to which such offer relates.

- 11 The Acquisition and the Scheme will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. The Acquisition and the Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
- 12 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 13 Fractions of New AssetCo Shares will not be issued to RMG Shareholders. Instead, RMG Shareholders who otherwise would have received a fraction of a New AssetCo Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo Shares on AIM on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date.
- 14 The New AssetCo Shares to be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New AssetCo Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
- 15 The New AssetCo Shares will be issued credited as fully paid and will rank pari passu in all respects with the existing AssetCo Shares. Applications will be made to the London Stock Exchange for the New AssetCo Shares to be admitted to trading on AIM.
- 16 RMG Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date, excluding any amount in respect of the Excluded Shares.
- 17 If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of capital is declared, paid or made or becomes payable by RMG in respect of the RMG Shares (other than a dividend on the B shares if the Return of Capital is implemented by way of the B Share Scheme, or the Tender Offer Special Dividend if the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer

Special Dividend), AssetCo reserves the right (without prejudice to any right of AssetCo, with the consent of the Panel, to invoke the Condition set out in paragraph 3(m)(ii) of Part A of this Appendix 1) to reduce the consideration payable under the terms of the Acquisition for the RMG Shares by way of an adjustment to the Exchange Ratio reflecting an amount up to the aggregate amount of such dividend, distribution or other return of capital or excess, excluding any amount in respect of the Excluded Shares. In such circumstances, RMG Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid.

If and to the extent that any such dividend, distribution or other return of capital is paid or made in respect of the RMG Shares prior to the Effective Date, and AssetCo exercises its rights under this paragraph 9 to reduce the consideration payable under the terms of the Acquisition for the RMG Shares, any reference in this announcement to the consideration payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of capital has been declared or announced but not paid or made or is not payable in respect of the RMG Shares prior to the Effective Date or by reference to a record date prior to the Effective Date or is (i) transferred pursuant to the Acquisition on a basis which entitles AssetCo to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Acquisition for the RMG Shares shall not be subject to change in accordance with this paragraph 9.

Any exercise by AssetCo of its rights referred to in this paragraph 9 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme or the Acquisition.

- 18 The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of 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 jurisdiction where to do so would violate the laws of that jurisdiction.
- 19 The Acquisition will be subject, inter alia, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and the Cooperation Agreement and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
- 20 The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.

## APPENDIX 2

### SOURCES AND BASES OF INFORMATION

- 1 As at 24 January 2022 (being the last Business Day before the date of this announcement), RMG had in issue 85,453,634 RMG Shares and AssetCo had in issue 8,424,847 AssetCo Shares. The ISIN for RMG Shares is GB00BLZH7X42 and for AssetCo Shares is GB00B42VYZ16.
- 2 In this announcement, the value attributed to RMG's entire issued and to be issued share capital has been calculated on the basis of a fully diluted issued share capital of 86,247,609 RMG Shares, which is based on the following assumptions:
  - (a) 85,453,634 unconditionally allotted or issued and fully paid RMG Shares in issue (as referred to above); and
  - (b) any further RMG Shares which may be issued on or after the date of this announcement on the exercise or options or vesting of awards under the RMG Share Plans. The number of such RMG Shares will depend on the date of completion of the Acquisition, the level of vesting and the level of exercise, which are not known as at the date of this announcement. Therefore, this number of RMG Shares has been assumed to be in aggregate 793,975 RMG Shares. This is based on an assumed completion date of 31 May 2022 and assumptions on the level of vesting and exercise based on previous experience, discussions between AssetCo and RMG and discussions with the RMG Remuneration Committee. It also takes into account the 1,272,960 RMG Shares currently held in the RMG employee benefit trust.
- 3 As at 24 January 2022 (being the last Business Day before the date of this announcement), there were 80,453,634 Scheme Shares in issue, being equal to the 85,453,634 RMG Shares in issue referred to in paragraph 1 above less the 5,000,000 RMG Shares beneficially owned by AssetCo.
- 4 As at 24 January 2022 (being the last Business Day before the date of this announcement), there were 78,205,292 Scheme Voting Shares in issue, being the 80,453,634 Scheme Shares in issue referred to in paragraph 3 above less the 2,248,342 Scheme Shares beneficially owned or controlled by the AssetCo Concert Party.
- 5 The value of the Acquisition is based on a price of 114.6 pence for each RMG Share multiplied by the entire issued and to be issued share capital of RMG set out in paragraph 2 above.
- 6 Unless otherwise stated, all prices quoted for RMG Shares and AssetCo Shares are closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange on the relevant date(s) and have been rounded to the nearest whole number.
- 7 All RMG Share prices and AssetCo Share prices are derived from data provided by FactSet for the relevant time periods and have been rounded to the nearest whole number.
- 8 Unless otherwise stated, financial information relating to RMG has been extracted from the 2021 RMG Annual Report.

## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS

#### 1 Irrevocable undertakings from RMG Directors

The following RMG Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the RMG Resolutions at the RMG General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in relation to the following RMG Shares currently held by them as well as any further RMG Shares they may acquire:

<b>Name of RMG Director</b>	<b>Number of RMG Shares</b>	<b>Percentage of RMG issued share capital as at 24 January 2022 (being the last Business Day prior to the release of this announcement)</b>
James Barham	1,677,226	1.96%
Angela Crawford-Ingle	24,924	0.03%
Jonathan Dawson	100,800	0.12%
Miriam Greenwood	7,144	0.01%
John Misselbrook	3,000	0.00%
Simon Wilson	44,114	0.05%

Alex Hctor-Duncan has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the RMG Resolutions at the RMG General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in relation to any RMG Shares he may acquire.

The obligations of the RMG Directors under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if, among other things:

- the Acquisition has not become Effective by 6.00 p.m. (London time) on the Long Stop Date (or such later time and/or date as agreed between AssetCo and RMG, with the approval of the Court and/or the Panel if required);
- AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Takeover Code

at the same time; or

- the Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

## 2 Irrevocable undertakings from AssetCo Directors

The following AssetCo Directors have given irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in relation to the following AssetCo Shares currently held by them (or their close relatives, related trusts and connected persons) as well as any further AssetCo Shares they may acquire:

Name of AssetCo Director	Number of AssetCo Shares	Percentage of AssetCo issued share capital as at 24 January 2022 (being the last Business Day prior to the release of this announcement)
Martin Gilbert	720,000	8.55%
Peter McKellar	259,482	3.08%
Campbell Fleming	150,000	1.78%
Mark Butcher	6,896	0.08%
Tudor Davies	200,000*	2.37%
Christopher Mills	-	-

*\*Beneficially owned by Cadoc Ltd, a company of which Tudor Davies (a non-executive director of AssetCo) is a director and which is controlled and owned by members of Tudor Davies' family.*

The obligations of the AssetCo Directors under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- the AssetCo Circular has not been despatched to AssetCo Shareholders on or before 29 April 2022; or
- prior to the AssetCo General Meeting, AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

### 3 Irrevocable undertakings from AssetCo Shareholders

The following AssetCo Shareholders have given irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in relation to the following AssetCo Shares currently held by them as well as any further AssetCo Shares they may acquire:

<b>Name of AssetCo Shareholder</b>	<b>Number of AssetCo Shares</b>	<b>Percentage of AssetCo issued share capital as at 24 January 2022 (being the last Business Day prior to the release of this announcement)</b>
Harwood Capital LLP	1,796,500	21.32%
Toscafund Asset Management LLP	1,048,368	12.44%
Gordon Neilly	125,000	1.48%

The obligations of the AssetCo Shareholders under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- the AssetCo Circular has not been despatched to AssetCo Shareholders on or before 29 April 2022; or
- prior to the AssetCo General Meeting, AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

<b>2006 Act</b>	the Companies Act 2006, as amended from time to time
<b>2021 RMG Annual Report</b>	the annual report and accounts for the RMG Group for the financial year ended 30 June 2021
<b>Acquisition</b>	the proposed acquisition by AssetCo of the entire issued, and to be issued, ordinary share capital of RMG to be effected by means of the Scheme or, should AssetCo so elect in accordance with the terms of the Cooperation Agreement with the consent of the Panel, by means of an Offer, and where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>Adjusted Exchange Ratio</b>	if the Return of Capital is implemented by way of the combination of the Tender Offer and the Tender Offer Special Dividend, the increased exchange ratio under the Offer (to reflect that there will be fewer RMG Shares in issue following completion of the Tender Offer), being the product of the Exchange Ratio multiplied by the Adjustment Factor
<b>Adjustment Factor</b>	the number (rounded down to six decimal places) which is the product of the following formula:  $\text{Pre-Tender Share Count} / \text{Post-Tender Share Count}$
<b>Admission</b>	the admission of the New AssetCo Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Admission Condition</b>	the Condition set out at paragraph 3(f) of Appendix 1 of this announcement
<b>AIM Rules</b>	the AIM Rules for Companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange
<b>Arden</b>	Arden Partners plc

<b>Articles</b>	the articles of association of RMG from time to time
<b>AssetCo</b>	AssetCo plc
<b>AssetCo Board or AssetCo Directors</b>	the directors of AssetCo
<b>AssetCo Circular</b>	the circular (which will also constitute an Admission Document for the purposes of the AIM Rules) to be sent by AssetCo to AssetCo Shareholders summarising the background to the reasons for the Acquisition, which will include a notice convening the AssetCo General Meeting
<b>AssetCo Concert Party</b>	AssetCo, Harwood Capital LLP, Toscafund Asset Management LLP, Cadoc Ltd and Mark Butcher, being AssetCo and those persons deemed acting in concert with AssetCo who have an interest in RMG Shares
<b>AssetCo General Meeting</b>	the general meeting of AssetCo Shareholders to be convened to consider and, if thought fit, pass, <i>inter alia</i> , the AssetCo Resolutions, including any adjournments thereof
<b>AssetCo Group</b>	AssetCo and its subsidiaries and its subsidiary undertakings and where the context permits, each of them
<b>AssetCo Resolutions</b>	the shareholder resolutions of AssetCo to approve, effect and implement the Acquisition and to grant authority to the AssetCo Directors to allot the New AssetCo Shares
<b>AssetCo Shares</b>	the issued and fully paid ordinary shares of £0.10 each in the capital of AssetCo and any further shares in the capital of AssetCo which are unconditionally allotted or issued before the Scheme becomes Effective
<b>AssetCo Shareholder(s)</b>	holders of AssetCo Shares
<b>associated undertaking</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
<b>AuM</b>	assets under management
<b>Authorisations</b>	regulatory authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party

<b>B Share Scheme</b>	the issue of irredeemable preference B shares in the capital of RMG to RMG Shareholders pro rata to their holdings of RMG Shares, such B shares being purchased by the Broker (acting as principal not as agent for RMG) for an aggregate amount equal to £190 million, the Broker receiving a dividend on such B shares equal to £190 million plus an amount equal to any stamp duty arising on the purchase of the B shares or, if the Broker has not purchased the B shares, RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million with the B shares then converting into C shares with no dividend rights and being repurchased and cancelled by RMG (if from RMG Shareholders rather than the Broker, then via the Broker) for an amount equal to their nominal value, on terms to be more particularly described in a circular from RMG to RMG Shareholders in due course
<b>Broker</b>	a bank or securities dealer selected by RMG to participate in implementation of the Return of Capital
<b>Business Day</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>Closing Price</b>	the closing middle market price of a RMG Share or an AssetCo Share (as the case may be) as derived from the Daily Official List on any particular date
<b>Combined Group</b>	the combined group following completion of the Acquisition, comprising the AssetCo Group and the RMG Group
<b>Condition(s)</b>	the conditions to the implementation of the Acquisition, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
<b>Confidentiality Agreements</b>	the First Confidentiality Agreement and the Second Confidentiality Agreement
<b>Cooperation Agreement</b>	the cooperation agreement between AssetCo and RMG, dated on or around the date of this announcement
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Meeting</b>	the meeting of Scheme Voting Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act at which a resolution will be proposed to consider and, if thought fit, approve the Scheme (with or without amendment), including any adjournments thereof

<b>Court Order</b>	the order of the Court sanctioning the Scheme under Part 26 of the 2006 Act
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
<b>Daily Official List</b>	the daily official list of the London Stock Exchange
<b>Dealing Disclosure</b>	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code
<b>Disclosed</b>	the information fairly disclosed by or on behalf of RMG: (i) in the 2021 RMG Annual Report; (ii) in this announcement; (iii) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; (iv) to AssetCo or AssetCo's advisers (in their capacity as such) (a) in writing (including via the virtual data room operated by or on behalf of RMG in respect of the Acquisition); or (b) orally in due diligence meetings or calls prior to the date of this announcement
<b>Disclosure Guidance and Transparency Rules</b>	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
<b>Effective</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code
<b>Effective Date</b>	the date on which the Acquisition becomes Effective
<b>ESG</b>	environmental, social, governance
<b>ETF</b>	exchange traded fund
<b>Euroclear</b>	Euroclear UK & International Limited
<b>EUWA</b>	the European Union (Withdrawal) Act 2018
<b>Exchange Ratio</b>	the exchange ratio of 0.07392 New AssetCo Shares in exchange for each RMG Share
<b>Excluded Shares</b>	any RMG Shares (i) held by RMG in treasury or (ii) beneficially owned by AssetCo

<b>FCA</b>	the Financial Conduct Authority or its successor from time to time
<b>FCA Condition</b>	the Condition set out at paragraph 3(g) of Appendix 1 of this announcement
<b>FCA Handbook</b>	the FCA's Handbook of rules and guidance as amended from time to time
<b>Fenchurch Advisory Partners</b>	Fenchurch Advisory Partners LLP
<b>First Confidentiality Agreement</b>	the confidentiality agreement between AssetCo and RMG dated 1 September 2021
<b>FSMA</b>	the Financial Services and Markets Act 2000
<b>Independent RMG Directors</b>	the RMG Directors, other than Martin Gilbert
<b>Jefferies</b>	Jefferies International Limited
<b>Lazard</b>	Lazard & Co., Limited
<b>Listing Rules</b>	the listing rules made under FSMA by the FCA and contained in the FCA's publication of the same name, as amended from time to time
<b>London Stock Exchange</b>	the London Stock Exchange plc or its successor
<b>Long Stop Date</b>	31 January 2023 or such later date as may be agreed between AssetCo and RMG and, if required, the Panel and the Court may allow
<b>Main Market</b>	the premium segment of the main market for listed securities of the London Stock Exchange
<b>Market Abuse Regulation</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and the delegated acts, implementing acts, technical standards and guidance made thereunder
<b>New AssetCo Shares</b>	the new AssetCo Shares to be issued pursuant to the Scheme
<b>Numis</b>	Numis Securities Limited
<b>Offer</b>	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the 2006 Act, the offer to be made

	by or on behalf of AssetCo to acquire the entire issued and to be issued share capital of RMG, other than the Excluded Shares and, where the context admits,
<b>Offer Period</b>	the offer period (as defined by the Takeover Code) relating to RMG which commenced on 23 November 2021
<b>Official List</b>	the Official List of the FCA
<b>Opening Position Disclosure</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition
<b>Overseas Shareholders</b>	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Parmenion</b>	the business undertaken by Parmenion Capital Partners LLP
<b>Post-Tender Share Count</b>	the aggregate number of RMG Shares in issue immediately following the completion of the cancellation of all RMG Shares repurchased by RMG as part of the Tender Offer
<b>Pre-Tender Share Count</b>	the aggregate number of RMG Shares in issue immediately prior to the closing date of the Tender Offer and the cancellation of RMG Shares repurchased by RMG as part of the Tender Offer
<b>PVT</b>	has the meaning given in section 8 of this announcement
<b>RAMIL</b>	River and Mercantile Investments Limited
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulations</b>	the Uncertificated Securities Regulations 2001
<b>Regulatory Information Service</b>	a regulatory information service as defined in the FCA Handbook
<b>relevant securities</b>	as the context requires, RMG Shares, other RMG share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing

<b>Resolutions</b>	the RMG Resolutions and the resolution to be proposed at the Court Meeting to approve the Scheme
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Scheme Shareholders in that jurisdiction
<b>Return of Capital</b>	the proposed return of £190 million in cash by RMG to RMG Shareholders to be effected (at the sole election of the Independent RMG Directors) by way of either: (i) the B Share Scheme; or (ii) the combination of the Tender Offer and the Tender Offer Special Dividend
<b>Return of Capital Circular</b>	the circular to be sent to RMG Shareholders in respect of the Return of Capital
<b>Return of Capital Condition</b>	the Condition set out at paragraph 3(c) of Appendix 1 of this announcement
<b>Return of Capital General Meeting</b>	the general meeting of RMG Shareholders to be convened to consider and, if thought fit, pass, <i>inter alia</i> , the Return of Capital Resolutions, including any adjournments thereof
<b>Return of Capital Resolutions</b>	the resolutions of RMG Shareholders that need to be passed in order to implement the Return of Capital
<b>Reverse Takeover</b>	a reverse takeover within the meaning of AIM Rule 14
<b>Rize ETF</b>	Rize ETF Limited, a subsidiary of AssetCo
<b>RMG</b>	River and Mercantile Group PLC
<b>RMG Board or RMG Directors</b>	the directors of RMG
<b>RMG General Meeting</b>	the general meeting of RMG Shareholders to be convened to consider and, if thought fit, pass, <i>inter alia</i> , the RMG Resolutions, including any adjournments thereof
<b>RMG Group</b>	RMG and its subsidiary undertakings and where the context permits, each of them
<b>RMG Meetings</b>	the Court Meeting and the RMG General Meeting
<b>RMG Resolutions</b>	the resolutions to be proposed at the RMG General Meeting including, amongst other things, in connection with implementation of the Scheme and certain amendments to be made to the articles of association of RMG

<b>RMG Share Plans</b>	the River and Mercantile Group PLC Deferred Equity Plan, the River and Mercantile Value Transformation Plan and the River and Mercantile Group PLC SAYE Scheme
<b>RMG Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of £0.003 each in the capital of RMG and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective
<b>RMG Shareholder(s)</b>	holders of RMG Shares
<b>RMHL</b>	River and Mercantile Holdings Limited
<b>Sanction Hearing</b>	the hearing of the Court to sanction the Scheme
<b>Saracen</b>	Saracen Funds Managers Limited, a subsidiary of AssetCo
<b>Scheme</b>	the proposed scheme of arrangement under Part 26 of the 2006 Act between RMG and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by RMG and AssetCo
<b>Scheme Document</b>	the document to be sent to Scheme Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the RMG Meetings and accompanied by proxy forms in respect of the RMG Meetings
<b>Scheme Record Time</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the date of the Sanction Hearing
<b>Scheme Shareholders</b>	holders of Scheme Shares
<b>Scheme Shares</b>	all RMG Shares: (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme and which remain in issue at the Scheme Record Time, in each case other than the Excluded Shares
<b>Scheme Voting Shareholders</b>	holders of Scheme Voting Shares

<b>Scheme Voting Shares</b>	the Scheme Shares other than any Scheme Shares beneficially owned or controlled by any member of the AssetCo Concert Party
<b>Schroders</b>	Schroder International Holdings Limited
<b>Second Confidentiality Agreement</b>	the confidentiality agreement between AssetCo and RMG dated 13 December 2021
<b>Solutions</b>	has the meaning given to it in section 8 of this announcement
<b>Solutions Sale</b>	the sale by RMHL to Schroders of the entire issued share capital of RAMIL on the terms of the Solutions SPA
<b>Solutions Sale Condition</b>	the Condition set out at paragraph 3(a) of Appendix 1 of this announcement
<b>Solutions Sale Circular</b>	the circular from RMG to RMG Shareholders dated 23 November 2021 in relation to the Solutions Sale
<b>Solutions SPA</b>	the acquisition agreement dated 26 October 2021 between Schroders, RMHL and RMG in relation to the Solutions Sale (as amended from time to time)
<b>Standard Life Aberdeen</b>	Abrdn plc, previously Standard Life Aberdeen PLC
<b>subsidiary, subsidiary undertaking and undertaking</b>	shall be construed in accordance with the 2006 Act
<b>Takeover Code</b>	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time
<b>Tender Offer</b>	a tender offer by the Broker (acting as principal not as agent for RMG) to all RMG Shareholders to purchase RMG Shares up to an aggregate value equal to £190 million and the subsequent repurchase of such RMG Shares from the Broker by RMG for the same price per share and their cancellation, on terms to be more particularly described in a circular from RMG to RMG Shareholders in due course
<b>Tender Offer Special Dividend</b>	a special dividend by RMG of an aggregate amount equal to the difference between: (i) £190 million; and (ii) the aggregate amount paid to RMG Shareholders pursuant to the Tender Offer
<b>UK or United Kingdom</b>	United Kingdom of Great Britain and Northern Ireland

<b>UK Market Abuse Regulation</b>	the UK version of the Market Abuse Regulation which is part of UK law by virtue of the EUWA
<b>uncertificated or in uncertificated form</b>	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST
<b>US Solutions</b>	has the meaning given to it in section 8 of this announcement
<b>Voting Record Time</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
<b>Wider AssetCo Group</b>	AssetCo Group and its associated undertakings and any other body corporate, partnership, joint venture or person in which AssetCo and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent
<b>Wider RMG Group</b>	RMG Group and its associated undertakings and any other body corporate, partnership, joint venture or person in which RMG and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, AssetCo and all of its associated undertakings which are not members of the Wider RMG Group)

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**GBP**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All times referred to are London time unless otherwise stated.

References to the singular include the plural and vice versa.