

## **SANDPIPERCI GROUP LIMITED**

(“**Sandpiper**”, the “**Company**” or the “**Issuer**”)

Registered office: 1-2 L'Avenue Le Bas Longueville St Saviour Jersey JE4 8NB

(a company incorporated under the laws of Jersey with registered number 97651)

This Circular includes particulars given in compliance with the Listing Rules of The International Stock Exchange Authority Limited (the “**Authority**”). Subject as set out below, the Issuer accepts responsibility for the information contained in this Circular and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the proposed admission of the Placing Shares (defined below) to the Official List nor the publication of this Circular pursuant to the listing requirements of the Authority shall constitute a warranty or representation by the Authority as to the competence of the service providers or any other party connected with the Issuer, the adequacy and accuracy of information contained in this Circular or the suitability of the Issuer for investment or for any other purpose.

### **PARTICULARS OF THE TRANSACTION**

The transaction consists of the acquisition of the entire issued share capital of The Guernsey Pub Company Limited (“**GPC**”), a company registered in Guernsey under registration number 44427 with its registered office at La Piette Brewery, St Georges Esplanade, St Peter Port, Guernsey GY1 3JG (the “**Acquisition**”) from a consortium of local investors (the “**Vendors**”). The Company has incorporated a wholly owned subsidiary in the form of a Guernsey company named Sandpiper Castle Limited to enter into the agreement for the Acquisition.

GPC has one direct wholly owned subsidiary, R. W. Randall Limited (“**Randalls**”). In turn, Randalls has two direct wholly owned subsidiaries, Three Fingers Distillery Limited (“**3FL**”) and Wine and Beer Importers (Guernsey) Limited (“**WBI**”).

### **DESCRIPTION OF THE ASSETS BEING ACQUIRED / NATURE OF THE BUSINESS**

GPC is a pure investment holding company.

The principal activities of Randalls are 1) the operation of 13 tenanted and 6 managed pubs plus 1 managed fish bar in Guernsey and 1 managed pub in Sark (all but 4 of the sites are freehold); and 2) the brewing of beer and the wholesaling of beer, wine, spirits, tobacco and minerals.

The principal activity of 3FL is the manufacture and wholesale of gin.

The principal activities of WBI are 1) the operation of the duty free concessions at Guernsey Airport and Alderney Airport; 2) the retail of beer, wine, spirits and minerals through off-licence stores; and 3) the wholesale of beer, wine, spirits and minerals to the free trade / third party customers.

Randalls' property portfolio was independently valued at £25,760,000 in November 2019 by Colliers International Ltd. This valuation does not include the short-term leasehold pub in Sark nor any of the 3FL and WBI leasehold properties.

### **PROFITS ATTRIBUTABLE TO THE ASSETS BEING ACQUIRED**

The EBITDA of GPC for the year ended 31 March 2019 was £2.552m (audited). The moving annual total EBITDA for the 12 months ended 30 September 2019, on which the consideration is based, was £2.835m (unaudited).

### **VALUE OF THE ASSETS SUBJECT TO THE ACQUISITION**

The audited net assets of GPC as at 31 March 2019 were £21.194m. The unaudited net assets as at 30 September 2019 were £22.756m. After allowing for the write-off of goodwill relating to the original acquisition of WBI and the repayment of net debt (which will be repaid from the Acquisition Consideration) the relevant net assets of GPC as at 30 September 2019 were £29.363m

### **FULL CONSIDERATION AND HOW IT IS BEING SATISFIED**

Consideration for the Acquisition is £28.500m plus interest payable in accordance with the terms of the Acquisition agreement. If the Acquisition completes before the end of February 2020, the total consideration will be £28.658m. This amount will be used to discharge the net debt at completion with the balance to be paid in cash from the Issuer to the Vendor on completion, and will be funded by a) the drawing down of additional term loan facilities from HSBC Bank; and b) the net proceeds of the Placing (as defined below).

### **PLACING**

On 18 November 2019 the Company announced the proposed placing of up to 20,000,000 ordinary shares of no par value each in the capital of the Company ("**Placing Shares**") (the "**Placing**").

The Placing closed on 31 December 2019 raising a total of £15,000,000, which will be used to part fund the Acquisition. The Placing is not underwritten.

Subject to the satisfaction of various conditions relating to the Acquisition, primarily the approval of the Issuer's shareholders and the consent of The Channel Islands Competition and Regulatory Authorities, the Placing Shares are, subject to application to the Authority, expected to be issued and admitted to trading on the Official List on or about 4 March 2020.

## **EXTRAORDINARY GENERAL MEETING**

A Notice of Extraordinary General Meeting (“**EGM**”) has been sent to shareholders at the same time as this Circular. The purpose of the EGM is to consider and if thought appropriate pass the following resolution, which is being proposed as an ordinary resolution (the “**Resolution**”):

**THAT** the proposed acquisition of the entire issued share capital of The Guernsey Pub Company Limited by a wholly-owned subsidiary of the Company, as described in further detail in the circular dated 13 January 2020 circulated to the shareholders of the Company together with this notice of meeting, (the “**Transaction**”) be approved for all purposes, including without limitation for the purpose of Rules 3.1.1 and 3.2.4 of the Listing Rules of The International Stock Exchange published by The International Stock Exchange Authority Limited.

The Issuer has received irrevocable undertakings to vote in favour of the Resolution from investors holding in aggregate 60.09% of the Issuer’s total voting rights.

## **SERVICE CONTRACTS OF ANY PROPOSED DIRECTORS**

There will be no changes to the board of directors of the Issuer (the “**Directors**”) as a result of the Acquisition, nor will there be any changes to the existing Directors’ service contracts as a result of the Acquisition.

## **MATERIAL INTERESTS AND POTENTIAL CONFLICTS OF INTEREST OF ALL INTERESTED PARTIES**

### Ravenscroft

Ravenscroft Limited (“**Ravenscroft**”) is acting for the Issuer as Listing Sponsor, Market Maker, Consultant and Placing Agent. Ravenscroft is also the investment manager and market maker to Bailiwick Investments Limited (“**BIL**”), which holds 29.99% of the issued share capital of Sandpiper.

In light of this information, Ravenscroft has advised that it considers the Issuer to be a connected stock. Where shareholders hold their ordinary shares in an account with Ravenscroft, whereby Huntress (CI) Nominees Limited (“**Huntress**”) is the registered holder of the ordinary shares, as a matter of best practice Ravenscroft has confirmed that Huntress will not, except as expressly instructed by the beneficial owner, exercise its voting rights in connection with the ordinary shares.

### Directors

The interests of the Directors and the Associates (having the meaning defined in the TISEA Listing Rules) of each Director (as known to each Director having made all reasonable enquiries) insofar as is known to the Issuer in the equity securities of the Issuer or its enlarged group, is (at the date of this document) and is expected to be (immediately following the Acquisition), as follows:

<i>Director</i>	<i>Date of this document</i>		<i>Immediately following the Acquisition</i>	
	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>
Anthony O'Neill	6,318,100	6.32%	6,318,100	5.27%
Antony van der Hoorn	40,000	0.04%	50,000	0.04%
Stephen Harrison	666,667	0.67%	666,667	0.56%
Thomas Scott <sup>1</sup>	14,725,522	14.73%	16,058,855	13.38%
Jonathan Ravenscroft <sup>2</sup>	350,000	0.35%	500,000	0.42%

1 These shares are held by Sealyham Investments Limited, an investment company where Thomas Scott is a beneficial owner.

2 These shares are held by TEMK Investments Limited, an investment company where Jonathan Ravenscroft is a beneficial owner.

3 All the shareholdings detailed above are held by Huntress (CI) Nominees Limited as nominee.

Pursuant to the intention to grant share options described in the Issuer's listing document dated 29 May 2019, the Directors have interests in options over the ordinary shares in the Company as shown below:

<i>Director</i>	<i>Date of this document</i>		<i>Immediately following the Acquisition</i>	
	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>
Anthony O'Neill	3,500,000	3.50%	3,500,000	2.92%
Antony van der Hoorn	3,250,000	3.25%	3,250,000	2.71%

Save as disclosed above, no Director has any interest in the share capital or loan capital of the Company nor does any person connected with the Directors have any such interests, whether beneficial or non-beneficial.

Jon Ravenscroft is the Group Chief Executive Officer of, and has an 11.84% beneficial interest in Ravenscroft Holdings Limited, the parent company of Ravenscroft.

Tom Scott is a director and one of the ultimate beneficial owners of Sealyham Investments Limited, a significant investor in the Company. Tom is the ultimate beneficial owner of certain companies that act as landlords of certain Sandpiper properties set out opposite their name in the table below:

<b>Property</b>	<b>Landlord company</b>
M&S, King Street, St Helier	Lentar and Lagrat Property Limited
M&S, St Clement	St Clement Holdings Limited
M&S, St John	LDM Properties (St John) Limited
M&S, St Peter	St Peter Maltster House Limited

Stephen Harrison is providing services to the Issuer in respect of the Acquisition, namely due diligence support, preparation of the application to The Channel Islands Competition and Regulatory Authorities and negotiation of the agreement for the Acquisition.

### Major Shareholders

Save as disclosed above, and as set out below, the Issuer is not aware of any person who, at the date of this document and immediately following the Acquisition, is directly or indirectly interested in 3 per cent. or more of the issued share capital or voting rights of the Issuer:

<i>Shareholder</i>	<i>Date of this document</i>		<i>Immediately following the Acquisition</i>	
	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>	<i>Number of ordinary shares</i>	<i>Percentage of ordinary share capital</i>
Bailiwick Investments Limited	29,992,776	29.99%	35,400,000	29.5%
Pula Investments Limited	15,375,705	15.38%	18,600,000	15.5%
Noel Coburn	4,952,482	4.95%	4,952,482	4.13%
Coburn & Associates Blossom Investments Limited	3,301,656	3.30%	3,301,656	2.75%
Moulton Goodies Limited	2,000,000	2.00%	4,800,000	4.00%

Notes:

(1) Pula Investments Limited has a 27.43% shareholding in Ravenscroft Holdings Limited ("**RHL**"), which is the ultimate parent company of Ravenscroft. The beneficial owners of Pula Investments Limited are Mr Stephen Lansdown CBE and his wife. Mr Lansdown is the non-executive Chairman of RHL.

(2) Noel Coburn has a 1.64% shareholding in RHL.

(3) Noel Coburn has an indirect beneficial interest in Coburn & Associates Blossom Investments Limited.

(4) Moulton Goodies Limited has a 1.22% shareholding in RHL.

(5) All the shareholdings detailed above are held by Huntress (CI) Nominees Limited as nominee.

Bailiwick Investments Limited, its Chairman Sir Geoffrey Rowland QC and its director John Henwood MBE (together, the “**Concert Party**”) are deemed to be acting in concert for the purposes of the Takeover Code. At the date of this document the Concert Party owns 30.49% of the Issuer’s ordinary share capital. Immediately following the Acquisition, the Concert Party is expected to own in aggregate 35,993,334 ordinary shares representing 29.99% of the Issuer’s ordinary share capital. Please see section 11 of Part VI of the Listing Document dated 29 May 2019 for further information relating to the Takeover Code.

None of the Issuer's major holders of ordinary shares listed above has voting rights different from the other holders of ordinary shares. Save as disclosed herein, and insofar as is known to the Issuer, the Directors are not aware of any person or persons who either alone or, if connected jointly following the Acquisition, will (directly or indirectly) exercise or could exercise control over the Issuer. So far as is known to the Directors, no arrangements are in place, the operation of which may at a later date result in a change of control of the Issuer.

### Minority Shareholders

Certain minority interest holders of Sandpiper have interests in the shares of GPC.

### Carey Olsen

Carey Olsen are acting for both the Vendors and Sandpiper in relation to the Acquisition, with written consent to do so from both parties. Appropriate information barriers have been put in place in-house at Carey Olsen in respect of the relevant client files.

In addition, certain partners and former partners of Carey Olsen (Guernsey) LLP have an indirect interest in GPC. However, none of these partners are involved in advising Sandpiper in relation to the Acquisition. Again, appropriate information barriers have been put in place in-house at Carey Olsen in respect of the relevant client files.

### RED fund Limited (“RED”)

RED is a private property fund managed by Ravenscroft which may have a dilapidations claim against Randalls in relation to a property that was sold to RED in 2019. The amount of the potential claim is not expected to exceed £75,000. Anthony O’Neill has a 1.59% indirect shareholding in RED and Jon Ravenscroft is connected to Ravenscroft as disclosed above.

## **RELEVANT RISK WARNINGS**

The Directors have considered whether the Acquisition gives rise to any additional risks over and above those set out in the Issuer’s Listing Document dated 29 May 2019. They consider that the risks as set out previously apply similarly to the business of GPC and its subsidiaries.

## **PARTICULARS OF ANY ALTERATION TO THE SHARE CAPITAL WITHIN THE LAST 2 YEARS**

The Listing Document dated 29 May 2019 sets out details of the alterations to the share capital of the Issuer in the two years immediately preceding the date of this document. The Issuer currently has 100,000,000 ordinary shares of no par value in issue, fully paid up, and the mid-market price is currently 77.5p per ordinary share. The Issuer has no other securities in issue.

The share capital of the Issuer immediately following completion of the Acquisition is expected to be 120,000,000 ordinary shares of no par value each.

**Date: 13 January 2020**

**SANDPIPERCI GROUP LIMITED**

(the "Company")

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**meeting**") of the Company will be held in accordance with the Companies (Jersey) Law 1991 and the Company's articles of association at 1-2 L'Avenue Le Bas, Longueville, St Saviour Jersey JE4 8NB on 30 January 2020 at 9:00am to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

**THAT** the proposed acquisition of the entire issued share capital of The Guernsey Pub Company Limited by a wholly-owned subsidiary of the Company, as described in further detail in the circular dated 13 January 2020 circulated to the shareholders of the Company together with this notice of meeting, (the "**Transaction**") be approved for all purposes, including without limitation for the purpose of Rules 3.1.1 and 3.2.4 of the Listing Rules of The International Stock Exchange published by The International Stock Exchange Authority Limited.

**RECOMMENDATION**

The directors of the Company have concluded that they are in a position to unanimously recommend the Transaction to the shareholders of the Company, and confirm that they intend to vote any shares of which they are beneficial owners in favour of the above resolution.

**BY ORDER OF THE BOARD**



Tony van der Hoorn

**Company Secretary**

13 January 2020

Registered Office:  
1-2 L'Avenue Le Bas  
Longueville  
St Saviour  
Jersey JE4 8NB

*Registered in Jersey under the Companies (Jersey) Law 1991 with company number 97651*



## Notes:

### Entitlement to attend and vote

1. In accordance with Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company by **close of business (5:00pm) on 28 January 2020** (or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes in entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

### Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting and, on a poll, vote instead of him or her. A proxy need not be a shareholder of the Company.
3. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.
4. A proxy may only be appointed in accordance with the procedures set out in Note 7 and 12 and the notes to the proxy form.
5. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
6. You may request, if required, a hard-copy of the proxy appointment form, which can be obtained by contacting **Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**, by telephone on **0371 664 0300**. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
7. CREST members who wish to appoint a proxy or proxies or to give an instruction to a proxy (whether previously appointed or otherwise) by utilising the capital and CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted via the CREST system so as to be received by **Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (whose CREST ID is RA10) by the latest time for receipt of proxy appointments specified in this notice**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Companies (Uncertificated Securities) (Jersey) Order 1999.
8. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form, (hard copies of which can be obtained in accordance with Note 6, above). You may appoint more than one proxy to attend on the same occasion.
9. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by the proxy form being photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.
10. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the proxy form, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

12. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, **Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, no later than 5:00pm on 28 January 2020** (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).
13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Any amended proxy appointment received after the time specified above will be disregarded.
14. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Market Services (Jersey) Limited (see Note 6, above, for relevant contact details).
15. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
16. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Link Market Services (Jersey) Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Market Services (Jersey) Limited prior to the commencement of the meeting or adjourned meeting at which the vote is given or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, before the time appointed for taking the poll.
17. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

#### **Corporate representatives**

18. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares. A director, the secretary or other person authorised for the purpose by the secretary may require all or any such persons to produce a copy of the resolution of authorisation certified by an officer of the corporation before permitting him to exercise his powers.

#### **Voting**

19. Voting on all resolutions will be decided on a poll.
20. To be passed, an ordinary resolution must be passed by a majority of the members who (being entitled to do so) vote in person, or by proxy, at the meeting.

Two qualifying persons (as defined in Article 16.1 of the articles of association of the Company) present in person in person or by proxy shall be a quorum for all purposes provided that if a member is by any means in communication with one or more other members so that each member participating in the communication can hear what is said by any other of them, each member so participating shall be deemed to be present at the meeting with the other members so participating.