

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

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**30 August 2020**

**Statement regarding prospective £150m equity raise  
and strategic investment by Sir Roger De Haan**

Saga plc (“**Saga**” or the “**Company**”) notes recent media speculation and today announces that it is at the advanced stage of a prospective £150 million equity capital raise (the “**Proposed Equity Raise**”) in order to strengthen its balance sheet, improve liquidity and support the execution of its reinvigorated strategy under its strengthened management team. As such, the Company confirms the Proposed Equity Raise, which would be subject to shareholder approval, would comprise:

- Prospective £150m equity raise intended to be launched on or around 10 September with the Company’s interim results announcement, structured as a firm placing and a placing and open offer.
- Sir Roger De Haan intends to invest, subject to final documentation, up to £100m in the Proposed Equity Raise. It is expected that Sir Roger will make his investment through:
  - a firm placing of 224m new ordinary shares representing 20% of the current issued share capital of the Company, to be issued at 27p per share, a 98% premium to the 13.61p closing price of Saga shares on 28 August 2020, reflecting his belief in the underlying strength of the Saga brand and business and his confidence in the new strategy under the strengthened management team. This would contribute £60.6m of the proposed £150m capital raise;
  - a further firm placing, raising £14.9m on the same pricing and terms as will apply to Saga shareholders subject to a maximum issue price of 15p per share; and
  - participating as a conditional placee for shares representing £24.5m of the placing and open offer (expected to raise total proceeds of £74.5m), also subject to a maximum issue price of 15p per share, subject to clawback by Saga shareholders in the open offer.
- Alongside his investment, Sir Roger would join the Board and become Non-Executive Chairman, taking over from Patrick O’Sullivan upon completion of the Proposed Equity Raise. Sir Roger would serve for an expected term of three years, subject to annual re-election by shareholders.
- Sir Roger (alongside affiliated family trusts) owned Saga prior to the sale of the Company to private equity group Charterhouse in 2004. He was Chief Executive and Chairman of Saga for 20 years, prior to the sale, a period of significant growth for the business, establishing it as a leading brand for older consumers. As such, he has significant expertise in the Insurance and Travel sectors and serving Saga’s distinct customer segment.
- Sir Roger’s proposed investment in the Company has received regulatory approval from the UK’s Financial Conduct Authority, the Gibraltar Financial Services Commission and the Jersey Financial Services Commission.
- The launch of the Prospective Equity Raise is subject to approval of the Prospectus by the FCA, which is at an advanced stage.

The Board unanimously considers that the Proposed Equity Raise will support the execution of its reinvigorated strategy under its strengthened management team, which it believes will return Saga to sustainable growth and lead to the restoration of significant shareholder value. Saga has continued to make good progress against the plan launched last year and has taken a series of actions in the last six months to protect the business from the significant disruption that has resulted from COVID-19, especially in relation to the Group’s travel operations. In the last six months the Group has:

- Strengthened its financial position by completing key non-core disposals, ensuring sufficient available liquidity to fund the travel business through a period of severe disruption and further implementing initiatives to reduce future run rate costs by £20m per annum;

- Agreed amendments to its corporate and ship debt facilities;
- Taken decisive actions to react to the COVID-19 outbreak to ensure the Company maintained its operations throughout by rapidly shifting to a full remote working model and minimising the burn costs within its Travel business, completing the sale of the *Saga Sapphire* cruise ship, successfully repatriating all Saga customers, colleagues and crew and docking Saga's *Spirit of Discovery* cruise ship in Tilbury;
- Made continued progress in Insurance, supported by the success of the three-year fixed-price product and the offer to customers of one of the first inclusive, stand-alone travel policies to offer some cover for COVID-19;
- Continued the transformation of the Cruise business, which will be completed with delivery of *Spirit of Adventure*, expected at the end of September 2020;
- Taken actions to reshape the strategy of Tours business; and
- Completed an in-depth strategy review, with conclusions and reshaped plans to be published alongside the interim results and launch of the Proposed Equity Raise on or around 10 September:
  - The management team has reviewed every facet of Saga's strategy
  - The revised strategy will be based on management's belief that Saga is a strong brand with significant potential and that it is successful where it offers truly differentiated products and services
  - Plans will be set out to correct the under-investment in brand, data and digital and to continue to drive efficiencies and organisational and cultural change designed to make Saga more customer focused
- Recent trading has been in line with expectations and consistent with the commentary in the AGM trading statement, published on 22 June 2020.

The Board is encouraged by the progress made since the start of the year and by the resilience of the business through a time of unprecedented challenge and change and believes the current COVID-19 crisis highlights the strength of the Saga brand, its diversified business model and its direct relationship with its customers.

The Proposed Equity Raise is intended to strengthen the Company's financial position against the backdrop of the COVID-19 outbreak and the ongoing suspension of Travel and to better position Saga for longer-term recovery and growth.

In determining to proceed with this capital raising and place the Company on a stronger financial footing, the Board considered a number of options and also recently evaluated and rejected an unsolicited and highly conditional 33p indicative approach for the Company from a consortium of two US financial investors. This 33p offer followed several earlier indicative approaches from the consortium which commenced at a significantly lower valuation. The investors have since confirmed that they are no longer considering an offer for the Company. This is not a statement to which Rule 2.8 of the City Code on Takeovers and Mergers applies.

While preparations to finalise the Proposed Equity Raise are well-advanced, there can be no certainty that the Proposed Equity Raise will go ahead and the Board will keep shareholders updated as appropriate.

**Enquiries:**

**Saga plc**  
**(Director of Investor Relations and Corporate Finance)**  
Mark Watkins

Tel: +44 (0) 77 3877  
7479

**J.P. Morgan Cazenove**  
**(Joint corporate broker and financial adviser)**  
Edward Squire / James A. Kelly / Andrew Stockdale

Tel: +44 (0) 20 7742  
4000

**Numis**  
**(Joint corporate broker)**  
Charles Farquhar / Stephen Westgate / Jamie Loughborough

Tel: +44 (0) 20 7260  
1000

**Goldman Sachs**  
**(Joint financial adviser)**  
Anthony Gutman / Chris Emmerson

Tel: +44 (0) 20 7774  
1000

**Headland Consultancy**  
**(Communications adviser)**  
Susanna Voyle / Henry Wallers / Sophie O'Donoghue

Tel: +44 (0) 20 3805  
4822

The person responsible for making this Announcement on behalf of the Company is Mark Watkins, Director of Investor Relations and Corporate Finance.

***Additional information***

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities of the Company (the "**Securities**"), or the solicitation of any vote or approval in, the United States (including its territories and possessions, any state of the United States and the District of Columbia) (the "**United States**" or "**US**") or in any other jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted. The distribution of this announcement in jurisdictions other than the UK and the availability of any offer to shareholders of Saga who are not resident in the UK may be affected by the laws of relevant jurisdictions. Therefore, any persons who are subject to the laws of any jurisdiction other than the UK or shareholders of Saga who are not resident in the UK will need to inform themselves about and observe any applicable requirements.

The Securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States, and accordingly may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any relevant state or jurisdiction of the United States. There will be no public offering of Securities in the United States and there is no intention to register any portion of any offering in the United States.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the Financial Conduct Authority and the PRA in the United Kingdom, is acting exclusively for Saga and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Saga for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this announcement.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), and which is authorised in the United Kingdom by the PRA and regulated by the PRA and the Financial Conduct Authority, is acting as financial adviser exclusively for

Saga and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Saga for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter or arrangement referred to herein.

### ***Other***

This announcement contains "forward-looking statements", which include statements other than statements of historical facts, including, without limitation, those regarding the Company's intentions, beliefs or current expectations concerning, among other things, its future financial condition and performance and results of operations; its strategy, plans, objectives, prospects, growth, goals and targets; future developments in the industry and markets in which the Company participates or is seeking to participate; and anticipated regulatory changes in the industry and markets in which the Company operates. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "project", "should" or "will" or, in each case, their negative, or other variations or comparable terminology. By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are based on numerous assumptions, some of which are outside of the Company's influence and/or control, regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Shareholders and potential investors are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial condition, results of operations, cash flows and distributions to shareholders and the development of its financing strategies, and the development of the industry in which it operates, may differ materially from the impression created by the forward-looking statements contained in this announcement. In addition, even if the Company's financial condition, results of operations, cash flows and distributions to Shareholders and the development of their financing strategies, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. No statement in this announcement is intended to be a profit forecast.

This announcement does not constitute a recommendation concerning any shareholder's or investor's options with respect to the Proposed Equity Raise. The price of shares may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.