

RNS Disposal

Proposed sale of TerraQuest Solutions Limited

MEARS GROUP PLC

Released 07:00:02 06 November 2020

RNS Number : 4963E
Mears Group PLC
06 November 2020

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6 November 2020

Mears Group PLC
("Mears", the "Group", or "the Company")

Proposed sale of TerraQuest Solutions Limited
for up to £72 million

Mears (LSE: MER), the UK Housing solutions provider, today announces that it has entered into a conditional agreement to sell the entire issued share capital of TerraQuest Solutions Limited ("**TerraQuest**") and its subsidiary undertakings to a newly incorporated private limited company (the "**Buyer**") controlled by funds advised by Apse Capital Limited (together, the "**Disposal**").

Highlights

- The Buyer will acquire the entire issued share capital of TerraQuest for a maximum valuation of £72.0m¹. The consideration is as follows:
 - minimum cash proceeds are expected to be £61.8 million²;
 - up to a further £5.0 million in cash, payable subject to the performance of TerraQuest in the financial year to 31 December 2021; and
 - £3.2 million in interest bearing loan notes³ together with ordinary shares equating to a 6.2 per cent. of the share capital of the Buyer's holding company, providing the potential for further value to Shareholders.
- Following the Disposal Mears will:
 - be solely focused on its core proposition as a trusted provider of specialist housing solutions to central and local government; and
 - have a significantly strengthened balance sheet, where unaudited pro forma net debt as at 30 June 2020 would have been £10.8 million⁴ (actual net debt 30 June 2020: £62.4 million).
- Mears has built a significant asset through the TerraQuest business since 2009, including the contract to re-develop and operate the National Planning Portal - a web-based platform which processes c.90% of all planning applications in England & Wales. In the financial year ended 31 December 2019, the TerraQuest Group generated revenues of £20.9 million and a profit before tax of £4.9 million.
- Trading across the Continuing Group in the period since 30 June 2020 has been in line with the Board's expectations. The Board keeps under close review the changing COVID-19 backdrop. Mears continues to benefit from the supportive financial arrangements agreed with clients through the first half of this year. Given this, and the relative proximity of the year end, the Board expects that the recently implemented England-wide lockdown restrictions and the restrictions in Scotland will not have a materially adverse impact on performance in 2020. The Group intends to make a scheduled Q4 trading update in due course.
- The Group also announces that to support the Class 1 working capital exercise it has undertaken in conjunction with the Disposal, and in recognition of the impact of Covid-19, it has entered into an amendment of its Revolving Credit Facility to provide materially greater covenant headroom as at 31 December 2020 and 30 June 2021 .
- The Disposal is conditional upon the approval of Mears Shareholders and the consent of TerraQuest's joint venture partner MHCLG; completion of the Disposal is expected to occur in early December 2020.
- The Board believes the Disposal is in the best interests of Shareholders as a whole and will be unanimously recommending in the circular to Shareholders that they vote in favour of the Disposal.

Notes: 1. Maximum valuation before locked box adjustments and on a cash and debt free basis. 2. Minimum expected cash consideration payable £56.8m on completion (before transaction costs but after anticipated locked box adjustments) and £5m deferred consideration payable in March 2022 3. Loan notes to be issued by a new holding company of TerraQuest and accruing rolled-up interest at a rate of 10% per annum. 4. Excluding the benefit of any deferred consideration. Net debt is defined as long term borrowings and overdrafts less cash and cash equivalents.

Terms used in this announcement are defined in the Definitions section below.

David Miles, Chief Executive Officer of the Group, commented:

"TerraQuest has been a great success story within the Mears Group. Through the provision of both financial and intellectual capital we have created a leading digital and technical services provider to the planning, infrastructure and property sectors across the UK. This transaction secures the next stage of TerraQuest's development and allows Mears shareholders to realise significant value from this investment.

"The Disposal materially strengthens the Mears Group balance sheet and completes our strategic programme to focus on our core activities of specialist Housing services to local and central government clients. We are also delighted at the support we have received from our relationship banks who, in conjunction with the Disposal, have significantly increased our covenant headroom over the next twelve months.

"Our portfolio of high-quality contracts focused on our core Housing services and the Group's strengthened balance sheet mean we look to the future with confidence."

This summary should be read in conjunction with the full text of this announcement. This announcement is available at <http://www.mearsgroup.co.uk>. A circular containing further details of the Disposal (the "**Circular**") and a notice convening a general meeting of the Company will be sent to Shareholders shortly.

A conference call will be held for analysts and shareholders at 9am GMT on 6 November 2020 hosted by David Miles, CEO and Andrew Smith, CFO. Joining instructions are below:

Dial-in: +44 20 3655 9505

Pin code: 1171266#

A recording of this call will be available in the Investor section of the Mears Group website later today.

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The person responsible for arranging the release of this announcement on behalf of Mears Group PLC is Ben Westran, Company Secretary.

Market Abuse Regulation

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation. Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION FOR SHAREHOLDERS

This announcement contains forward-looking statements. Statements containing the words "intends", "aims", "anticipates", "assumes", "budgets", "could", "contemplates", "continues", "plans", "predicts", "projects", "schedules", "seeks", "shall", "should", "targets", "would", "believes", "anticipates", "may", "will", "estimates" "expects" and "outlook" or, in each case, their negative or other variations, or words of similar meaning are forward looking. By their nature, all forward-looking statements are subject to assumptions, risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct and because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. These forward-looking statements include all matters that are not current or historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Directors', the Group's and/or the Company's intentions, beliefs or current expectations concerning, amongst other things, the Group's operational results, financial condition, prospects, growth, dividend policy, strategies and the industries in which the Group operates, and the financial effect of the proposed Disposal of TerraQuest on the Group.

Shareholders should not place undue reliance on forward-looking statements (which speak only as of the date of this announcement) because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Group. By their nature, forward-looking statements involve risk and uncertainty because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance; the actual results of operations and financial condition of the Group, and the development of the industries in which the Group operates, may differ materially from those described in or suggested by the forward-looking statements contained in this announcement. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: conditions in the markets; the market position of the Group; earnings, financial position, cash flows, return on capital and operating margins of the Group; anticipated investments and capital expenditures of the Group; industry trends; changing business or other market conditions; competition and changes in business strategy; and general economic and business conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue.

The Company does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the FCA, the Listing Rules, the Prospectus Regulation, Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the rules of the London Stock Exchange, the Market Abuse Regulation or by applicable law.

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in connection with the Disposal or any other matters referred to in this announcement and will not regard any other person as a client (whether or not a recipient of this announcement) in relation to the Disposal or any other matters referred to in this announcement and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Disposal or any other matters referred to in this announcement.

Mears's Shareholders will be able to obtain a copy of the Circular (when available) from Mears' website at www.mearsgroup.co.uk.

Proposed sale of TerraQuest Solutions Limited

1. Introduction

The Company today announces that it has reached conditional agreement with Apse Capital Limited for the sale of the entire issued share capital of TerraQuest Solutions Limited ("**TerraQuest**") and its subsidiary undertakings, which includes PortalPlanQuest Limited (the "**TerraQuest Group**"), subject to the fulfilment of certain conditions (the "**Disposal**"). A newly-formed company controlled by funds advised by Apse Capital Limited, Mason Bidco Limited (the "**Buyer**"), will acquire the entire issued share capital of TerraQuest for a maximum valuation of £72 million, before locked box adjustments, on a cash and debt free basis.

The Disposal constitutes a Class 1 transaction under the Listing Rules. As a consequence, completion of the Disposal is conditional on, among other things, the Disposal receiving the approval of Shareholders. A General Meeting is expected to be held at the Company's registered office on 25 November 2020 at 10 a.m. for the purpose of seeking such approval. Accordingly, a circular containing further details of the Disposal, and a notice convening the General Meeting will be sent to Shareholders shortly.

Completion of the Disposal is expected (subject to the approval by Shareholders of the Disposal and receiving MHCLG Consent) to occur in early December 2020.

2. Background to and Reasons for the Disposal

The long-term strategy of the Mears Group is to be the UK's most respected and trusted provider of housing solutions.

The TerraQuest Group provides a range of land and planning services to a wide range of customers, notably the National Planning Portal which provides planning and building control application services, processing some 90 per cent. of all digital planning applications in England and Wales. The TerraQuest Group has developed successfully and grown in profitability while under the ownership of the Mears Group. However, the Board considers that the business activities of the TerraQuest Group are different in kind from those provided by the Continuing Group. After a thorough review, the Board concluded that the prospects of the TerraQuest Group would be optimised under new ownership.

Accordingly, the Group commenced a competitive sale process, advised by KPMG. A number of counterparties submitted proposals from which the Board selected Apse as providing the optimal outcome for the TerraQuest Group and its MHCLG partner, as well as Mears Shareholders.

The disposal of the TerraQuest Group will contribute to the Board's stated objective of reducing the indebtedness of the Group and hence strengthening its balance sheet. The continuing winding down of the Group's property development activities and the disposal of the domiciliary care activities have also contributed to this objective. The proceeds from the disposal of the TerraQuest Group will be used to reduce the Continuing Group's indebtedness.

3. Information on the TerraQuest Group

The TerraQuest Group is a software and technical services provider to the infrastructure, property, and planning sectors in the UK. It processes c.90 per cent. of planning applications made digitally in England and Wales through its running of the National Planning Portal and is a leading provider of land referencing services in national, long-term infrastructure projects. In addition, the TerraQuest Group provides specialist data management for clients such as the Land Registry and holds a large volume of planning and property sector data.

The business operates two closely linked service lines - Software Solutions and Technical Services.

Software Solutions

Software Solutions are platform-based solutions including planning, mapping, digital workspaces and bespoke tools. This business includes planning application software, bespoke portals for clients such as Crossrail, and pre-employment checks for private companies and government authorities.

The planning application business, the National Planning Portal, is held within a 75 per cent. owned subsidiary, with the balancing stake held by MHCLG. It is through this system that the business engages with its core customers: Local Authorities in England and Wales, architects to property agents, and other government departments.

Technical Services

These services include the provision of technical services and consulting on data analysis and process optimisation. This business includes land referencing for major infrastructure projects, data curation for governmental authorities, and planning services.

In the financial year ended 31 December 2019, the TerraQuest Group generated revenues of £20.9 million and a profit before tax of £4.9 million. As at 31 December 2019, the TerraQuest Group had gross assets of £12.7 million. For the six months ended 30 June 2020, the TerraQuest Group generated revenues of £9.0 million and a profit before tax of £2.4 million. As at 30 June 2020, the TerraQuest Group had gross assets of £17.1 million.

A summary of the trading results of the TerraQuest Group for the three years ended 31 December 2019 and the six months ended 30 June 2020 and the net asset statement as at 31 December 2019 and 30 June 2020 will be set out in the Circular.

4. Summary of the Principal Terms of the Disposal

The Buyer is a company indirectly owned by Topco. The Topco Group has been formed by Apse for the purposes of the Disposal. The Buyer and the Company entered into the Disposal Agreement, pursuant to which the Buyer agreed to acquire, subject to the fulfilment of certain conditions, the entire issued share capital of TerraQuest.

The consideration payable to the Company pursuant to the terms of the Disposal Agreement is structured as follows:

- £56.7 million, plus an amount of further consideration equal to £6,112 per day (the "**Daily Factor**") for the period from the date of the Disposal Agreement to the date of Completion, payable in cash at Completion. The Daily Factor is paid in consideration for the profits accrued by the TerraQuest Group in that period;
- the issue to the Company of (i) 64,823 B Ordinary Shares in Topco, representing 6.2 per cent. of the entire issued share capital of Topco immediately following Completion and (ii) Consideration Loan Notes with an aggregate

nominal value of £3.2 million accruing an interest rate of 10 per cent. per annum payable upon redemption of the Consideration Loan Notes; and

- a maximum amount of £10 million of deferred consideration payable in cash conditional upon the TerraQuest Group achieving an aggregate EBITDA of £9.5 million in the financial year ending on 31 December 2021 (the "**Earn Out Period**"). If the TerraQuest Group does not achieve the £9.5 million EBITDA target, £5 million in deferred consideration will be payable in cash and, provided the aggregate EBITDA in the financial year ending on 31 December 2021 is greater than that of the previous financial year, an additional £333,333 is payable in cash for every £100,000 of EBITDA achieved in the Earn Out Period in excess of £8 million up to EBITDA of £9.5 million.

In connection with the Disposal, the Buyer has agreed terms with the management team of TerraQuest by which they will subscribe for C Ordinary Shares in Topco representing 20 per cent. of the entire issued share capital of Topco immediately following Completion (the "**Sweet Equity Arrangement**"). Under the terms of the Sweet Equity Arrangement, Geoffrey Keal, the Managing Director of TerraQuest will acquire C Ordinary Shares.

The Continuing Group expects to incur certain operational expenses and transaction costs in connection with the Disposal.

As part of the Disposal, the Continuing Group has agreed to provide certain transitional services already being provided by it to the TerraQuest Group for a limited period following Completion pursuant to the terms of the Transitional Services Agreement. TerraQuest has agreed to provide certain transitional services already being provided by it to the Continuing Group for a limited period following Completion pursuant to the terms of the Reverse Transitional Services Agreement.

Completion of the Disposal is conditional upon (i) the approval of the Disposal by Shareholders by the passing of the Resolution and (ii) MHCLG Consent.

Completion shall take place on the tenth Business Day following satisfaction or waiver of the conditions precedent. In the event that the conditions are not satisfied by the Long Stop Date (or such later time as the parties may agree), the Disposal Agreement will automatically terminate and the Disposal will not proceed.

5. **Smaller Related Party Transaction**

As set out above, as part of the Consideration, the Company will receive £3.16 million Consideration Loan Notes and B Ordinary Shares in Topco, representing 6.16 per cent. of the entire issued share capital of Topco. In addition, under the terms of the Sweet Equity Arrangement, Geoffrey Keal, the Managing Director of TerraQuest will acquire approximately 40% of the C Ordinary Shares in Topco (which represents 8 per cent. of the entire issued share capital of Topco) for a subscription value of £84,185.

Geoffrey Keal is a related party of Mears under the Listing Rules. His investment in Topco alongside that of Mears constitutes a related party transaction pursuant to Listing Rule 11.5.1(2).

A smaller related party transaction does not require the approval of independent Shareholders of the Company. The transaction falls within Listing Rule 11.1.10R (smaller related party transactions) and this announcement is made in accordance with Listing Rule 11.1.10R(2)(c).

6. **Use of Proceeds and Financial Effects of the Disposal**

The initial gross cash proceeds before transaction costs arising from the Disposal are expected to be approximately £56.8 million. The Continuing Group will retain the net cash proceeds to strengthen the Continuing Group's balance sheet by reducing the amount drawn down under the Group's Revolving Credit Facility. Unaudited pro forma net debt as at 30 June 2020 would have been £10.8 million (actual net debt 30 June 2020: £62.4 million).

The Disposal will have the net effect, after taking into account any interest cost saving from reducing indebtedness, of reducing the Continuing Group's profit before tax and is expected to be dilutive to the earnings per share of the Group for the current financial year and beyond.

7. **Amendments to Revolving Credit Facility**

In connection with the Disposal, the Group has entered into an amendment to the terms of the existing Revolving Credit Facility Agreement (as defined below) with its lenders (the "**Amendment**").

The principal amendments to the Revolving Credit Facility Agreement effected by the Amendment are summarised as follows:

- the existing financial covenants will not be tested on the December 2020 and June 2021 testing dates provided for under the Revolving Credit Facility Agreement;
- new financial covenants requiring a minimum level of EBITDA and a maximum level of net borrowings will be introduced and tested at the December 2020 and June 2021 testing dates only. In setting these amended covenants, the Company was required to prepare projections on the basis of the reasonable worst scenario for the working capital statement contained in the Circular. This has also involved making certain assumptions regarding the potential evolution of the COVID-19 pandemic and its potential impact on the Group in that reasonable worst case scenario;

If Shareholders do not vote in favour of the Resolution and the Disposal does not complete, the new financial covenants to be tested at the December 2020 and June 2021 testing dates will be varied to reflect the fact that the TerraQuest Group remains part of the Group. In addition, the Core Commitments will remain at £170 million.

The amended covenants based on the outcome of the Resolution are detailed below. EBITDA is calculated on a pre-IFRS 16 basis.

	If Shareholders vote in favour of the Resolution		If Shareholders do not vote in favour of the Resolution	
Covenant Test Date	Minimum Consolidated Adjusted EBITDA	Maximum Consolidated Net Borrowings	Minimum Consolidated Adjusted EBITDA	Maximum Consolidated Net Borrowings
Relevant Period Ending 31 December 2020	(£9,000,000)	£63,000,000	(£5,000,000)	£108,000,000
Relevant Period Ending 30 June 2021	£3,800,000	£95,000,000	£7,800,000	£140,000,000

- a new minimum liquidity financial covenant will be introduced and tested monthly which requires the Company to maintain a minimum liquidity headroom at each month end of £40 million reducing by any subsequent reduction in the Commitments;

- changes to what is permitted regarding future acquisitions and disposals; and
- following the occurrence of the Disposal, the commitments provided under the Revolving Credit Facility Agreement (other than the Non-Core Commitments) (the "**Core Commitments**") will be reduced from £170 million to £145 million.

From the occurrence of the December 2021 testing date, the financial covenants shall revert to the requirements (including the covenant levels) set out in the Revolving Credit Facility Agreement in force immediately prior to the occurrence of the Amendment, save that the leverage covenant for the December 2021 testing date only shall be 3.5:1.

8. Strategy of the Continuing Group Subsequent to the Disposal

The Mears Group is a specialist provider of Housing Maintenance and Management services to central and local government clients across the UK. Following the Disposal, it will employ around 5,700 people.

In partnership with its local council and housing association clients, the Mears Group is responsible for the repair, maintenance and upgrade of social housing in communities from remote rural villages to large inner-city estates. The Mears Group also provides broader Housing Management solutions to its local and central government clients, which include the Home Office and Ministry of Defence. These programmes help solve the challenge posed by the lack of affordable housing through the provision of accommodation and support to a range of user groups, including many of society's most vulnerable.

Following the Disposal, the strategy of the Continuing Group is to focus on these core Housing Maintenance and Management activities and secure further long-term contract wins, retentions and extensions. The Mears Group considers its competitive strengths to include its leading market position and brand, national scale and coverage, sophisticated contract management systems and long-standing, trusted client relationships. In addition, the Continuing Group will continue to wind down its housing development portfolio to enhance further its operating cash conversion.

9. Current Trading, Financial Position and Outlook of the Continuing Group

On 18 August 2020, the Company announced the interim results for the Group for the six months to 30 June 2020 (the "**2020 Interim Financial Statements**"). The following update on the current trading and prospects of the Company has been extracted without material amendment from that announcement:

"Maintenance:

Recovery in activity levels expected during the second half, as working arrangements progressively return towards more normal levels.

Management:

Levels of demand to remain strong, with some easing in the operational challenges.

The Board continues to evaluate Mears' portfolio of businesses, and where assets are seen as peripheral to the Group's core strategy of providing services to the Housing sector in the UK, actions are being taken in order to deliver the best financial return for shareholders, and accelerate the Board's stated desire to see a reduction in debt levels.

The Group is progressing well with its planned disposal of the Scotland Domiciliary Care business and expects to complete the disposal during 2020.

While the Covid crisis has impacted short-term financial performance, the business remains resilient, volumes are returning and win rates are healthy."

Subsequent to the announcement of its 2020 Interim Financial Statements, the Company announced on 28 September 2020 that it had sold its Scottish domiciliary care business and thereby exited from domiciliary care services.

Trading across the Continuing Group in the period since 30 June 2020 has been in line with the Board's expectations. The Board keeps under close review the changing COVID-19 backdrop. Mears continues to benefit from the supportive financial arrangements agreed with clients through the first half of this year. Given this, and the relative proximity of the year end, the Board expects that the recently implemented England-wide lockdown restrictions and the restrictions in Scotland will not have a materially adverse impact on performance in 2020. The Group intends to make a scheduled Q4 trading update in due course.

10. Information on the Buyer

Apse Capital is a London-based private equity firm that specialises in backing tech-enabled B2B information and services businesses in high-growth sectors across Europe. Apse Capital was co-founded by Tim Green, Ashley Long and Vikram Krishna, who have worked together for over fifteen years, have 80 years of combined private equity experience and over the last five years have completed a total of 24 transactions in tech-enabled businesses, with an aggregate Enterprise Value of €1.5 billion. Apse Capital typically backs fast-growing European SMEs with an enterprise value of €50-€200 million.

11. Costs and Risks Relating to the Disposal

Whilst the Board considers the Disposal to be in the best interests of the Company and its Shareholders as a whole there are a number of potential risks and uncertainties that Shareholders should consider before voting on the Resolution. A discussion of these risks and uncertainties will be set out in the Circular to be sent to Shareholders.

The Company will also incur a number of other customary costs in relation to the Disposal more generally (including legal, accounting, financial adviser, sponsor and other transaction fees), some of which will be payable regardless of whether the Disposal reaches Completion.

12. Expected Timetable to Completion

The Circular which contains further details of the Disposal and the resolution to approve the Disposal (the "**Resolution**"), the Board's unanimous recommendation to vote in favour of the Resolution, and the Notice of General Meeting, will be sent to Shareholders shortly. Completion of the Disposal is expected to occur in early December 2020.

Definitions

"Apse"	Apse Capital Bridge Fund LP
"B Ordinary Shares"	B ordinary shares in the capital of Topco
"Board" or "Directors"	the board of directors of the Company
"Buyer"	Mason Bidco Limited, the acquisition vehicle incorporated on behalf of Apse
"C Ordinary Shares"	C ordinary shares in the capital of Topco
"Completion"	the completion of the Disposal in accordance with the terms of the Disposal Agreement

"Consideration Loan Notes"	the consideration loan notes with an aggregate nominal value equal to £3,160,100 to be issued by Holdco to the Company
"Continuing Group"	the Company and its subsidiary undertakings following Completion being the continuing business of the Group following Completion (and excluding the TerraQuest Group)
"Disposal"	the proposed disposal of the entire issued share capital of TerraQuest by the Company pursuant to the Disposal Agreement
"Disposal Agreement"	the share purchase agreement dated 5 November 2020 entered into by the Buyer and the Company pursuant to which the Buyer has conditionally agreed to acquire the entire issued and to be issued share capital of TerraQuest
"General Meeting"	the general meeting of the Company expected to be convened for 10 a.m. on 25 November 2020, notice of which is to be set out in the Circular, and including any adjournment thereof
"Group" or "Mears Group"	the Company and its subsidiary undertakings
"Holdco"	Mason Holdco Limited, the direct subsidiary of Topco
"Long Stop Date"	5 January 2021
"Market Abuse Regulation"	Regulation (EU) No. 2014/596
"MHCLG"	the Ministry of Housing, Communities and Local Government, which hold a 25% interest in PortalPlanQuest Limited
"MHCLG Consent"	written consent to the Disposal from MHCLG pursuant to the terms of the joint venture agreement in relation to PortalPlanQuest Limited
"Notice of General Meeting"	the notice of General Meeting set out in the circular to Shareholders
"Resolution"	the resolution to be proposed at the General Meeting (and set out in the Notice of General Meeting) being an ordinary resolution to approve the Disposal
"Revolving Credit Facility Agreement"	the revolving credit facility agreement dated 9 September 2011 and amended on 23 August 2012, 12 November 2013, 1 February 2016, amended and restated on 29 November 2017 and as further amended on 9 June 2020, to which the Company is a party together with, amongst others, certain of its subsidiaries as borrowers and guarantors and Barclays Bank PLC, HSBC UK Bank plc and The Governor and Company of the Bank of Ireland as lenders and Barclays Bank PLC as agent
"Share"	an ordinary share of 1 penny in the capital of the Company and "Shares" shall be construed accordingly
"Shareholders" and each a "Shareholder"	holders of Shares
"TerraQuest"	TerraQuest Solutions Limited
"TerraQuest Group"	TerraQuest and its subsidiary undertakings, including PortalPlanQuest Limited
"Topco"	Mason Topco Limited, the indirect holding company of the Buyer
"Topco Group"	Topco and its subsidiary undertakings including the Buyer, Holdco and the TerraQuest Group

The release, publication or distribution of this announcement in 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 about, and observe, any applicable requirements. This announcement has been prepared for the purposes of complying with the Listing Rules and the 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 and regulations of any jurisdiction outside of England.

This announcement is not intended to, and does not constitute, or form part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. Shareholders are advised to read carefully the formal documentation in relation to the Disposal once it has been despatched. Any response to the proposals should be made only on the basis of the information in the formal documentation to follow.

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