

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

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

MANDATORY CASH OFFER BY CORPORATION FINANCIÈRE EUROPÉENNE S.A. ("CFE")

FOR

CIP MERCHANT CAPITAL LIMITED ("CIP")

SUMMARY

- CFE has today unconditionally agreed to acquire 1,091,000 CIP Shares at a price of 55 pence per CIP Share from a single shareholder (the "Acquisition"). It is expected that the Acquisition will settle on 18 January 2022. Following the Acquisition, CFE will, in aggregate, hold 17,490,317 CIP Shares, representing 31.8 per cent. of CIP's issued ordinary share capital.
- As a result of the Acquisition, under Rule 9 of the Takeover Code, CFE is required to make a mandatory cash offer (the "Offer") for the CIP Shares not already held by CFE (or any persons acting in concert with it), at a price of 55 pence per CIP Share (such price being no less than the highest price paid by CFE (or any persons acting in concert with it) for any CIP Share during the 12 months prior to the date of this announcement).
- CFE will make the Offer through the despatch of the Offer Document which will be posted to CIP Shareholders (or made available electronically in accordance with the Takeover Code) no sooner than 14 days nor no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of the Offer.
- Under the terms of the Offer, CIP Shareholders shall be entitled to receive:

55 pence in cash per CIP Share
- The Offer values CIP's issued share capital at approximately £30.3 million.
- The Offer will be conditional upon receipt of valid acceptances which will result in CFE and persons acting in concert with it holding CIP Shares which, together with the CIP Shares acquired, or agreed to be acquired, by CFE and persons acting in concert with it before or during the Offer Period, carry, in aggregate, over 50 per cent. of the voting rights then normally exercisable at general meetings of CIP. The Offer will also be subject to the further terms set out in Appendix 1 to this announcement and to the full terms to be set out in the Offer Document.
- CFE currently holds approximately 29.8 per cent. of CIP's issued ordinary share capital.
- The Offer Price represents a premium of:
 - 7.8 per cent to CIP's share price of 51.0 pence at the close of business on 13 January 2022, the last business day before this announcement;
 - 12.2 per cent. to CIP's three month volume weighted average price of 49.0 pence to 13 January 2022;
 - 7.7 per cent. to CIP's six month volume weighted average price of 51.0 pence to 13 January 2022; and
 - 4.2 per cent. to CIP's 12 month volume weighted average price of 52.8 pence to 13 January 2022.

- The Offer provides certain value today for CIP's portfolio of assets and provides an opportunity for CIP Shareholders to realise their Shares for cash at a premium to the current trading market value of CIP.
- Since June 2018, CIP Shares have consistently traded at a significant discount to net asset value ("NAV") and closed trading on 13 January 2022 (being the last practicable date prior to the publication of this announcement) at a price of 51.0 pence per Share, representing a discount of approximately 41.8 per cent. to CIP's last quoted NAV per Share of 87.6 pence (as announced on 11 January 2022).
- CIP Shares' discount to CIP's NAV per Share compares to the average NAV discount of the Association of Investment Companies' (the "AIC") Flexible Investment sector (of which CIP is a constituent) of 7.0 per cent., as at 31 December 2021 (the latest monthly figure available prior to the publication of this announcement). The AIC's UK Smaller Companies sector, a comparable sector for CIP in CFE's opinion, was trading at an average discount of 7.6 per cent. as at 31 December 2021.
- CIP Shares have provided a negative total return to Shareholders since IPO of 49.0 per cent., as at 13 January 2022. This negative return only takes into account the fall in CIP's share price since IPO of 49.0 pence as no dividends have been made or declared to Shareholders over the same period.
- CFE considers that the principal benefits CIP and its Shareholders should expect from its Shares being publicly traded including, access to capital and liquidity for Shareholders, are not being achieved and the costs of maintaining CIP's public quote are a drain on CIP's resources.
- Furthermore, the median daily volume of Shares traded over the last six months was 35,587 Shares, which implies that it would take 8 days to trade 275,000 Shares on market, equivalent to a shareholding of 0.5 per cent. Accordingly, CFE considers that the Offer should be of interest to existing CIP Shareholders as it would enable CIP Shareholders to exit their investment in full for cash.
- The consideration payable under the Offer will be funded out of CFE's existing cash resources.
- Information on the Acceptance Condition and the further terms to which the Offer will be subject is set out in Appendix 1 to this announcement and will be set out in the Offer Document, which CFE will despatch to CIP Shareholders in due course.

This summary should be read in conjunction with the attached announcement.

This announcement and all other documents, announcements or information published in relation to the Offer by CFE will be available on the website of CFE at <https://cfe-finance.com/public-documents/>.

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Important Notices

This announcement is not intended to and does not constitute an offer to sell, or form part of, or constitute the solicitation of an offer to purchase any securities. The full terms and conditions of the Offer will be set out in the Offer Document and the accompanying form of acceptance. In deciding whether or not to accept the Offer, CIP Shareholders must rely solely on the terms and conditions of the Offer and the information contained, and the procedures described, in the Offer Document and the accompanying form of acceptance.

Investec Bank plc ("Investec"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively as financial adviser for CFE and no one else in relation to the Offer and/or other matters set out in this announcement and will not be responsible to anyone other than CFE for providing the protections afforded to the clients of Investec, or for providing advice in relation to the Offer, the contents of this announcement or any other matter referred to herein. Neither Investec nor any of its subsidiaries, branches or 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 Investec in connection with the Offer, this announcement, any statement contained herein or otherwise.

The Offer will not be made, in or into, and will not be capable of acceptance in or from certain jurisdictions by virtue of the securities laws of those jurisdictions. The availability of the Offer to persons who are not resident in the United Kingdom may therefore be affected by laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. Custodians, nominees and trustees should observe these restrictions and should not send or distribute this announcement in or into the Restricted Jurisdictions.

The directors of CFE accept responsibility for the information (including any expressions of opinion) contained in this announcement. To the best of the knowledge and belief of the directors of CFE (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

Forward looking statements

This announcement may contain statements that are or may be forward-looking with respect to the financial condition, results of operation(s) and business(es) of CIP and CFE. These 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 which could or may cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. The statements have been made with reference to forecast price changes, economic conditions, and the current regulatory environment.

Disclosure requirements of the Takeover Code on Takeovers and Mergers

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent or more of any class of relevant securities of an CIP 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) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (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 Code, any person who is, or becomes, interested in 1 per cent 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (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.

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).

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, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for CFE or CIP respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for CFE or CIP respectively.

Publication on website and availability of hard copies

A copy of this announcement and all other documents, announcements or information published in relation to the Offer, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be made available, free of charge, at <https://cfe-finance.com/public-documents/> by no later than 12 noon (London time) on 17 January 2022.

You may request a hard copy of this announcement, free of charge, by contacting Carlo Spingardi at Investec on +44 (0)20 7597 5970.

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FOR IMMEDIATE RELEASE

CASH OFFER BY CFE S.A. ("CFE")

FOR

CIP MERCHANT CAPITAL LIMITED ("CIP")

1. INTRODUCTION

CFE has today unconditionally agreed to acquire 1,091,000 CIP Shares at a price of 55 pence per CIP Share from a single shareholder (the "Acquisition"). It is expected that the Acquisition will settle on 18 January 2022. Following the Acquisition, CFE will, in aggregate, hold 17,490,317 CIP Shares, representing 31.8 per cent. of CIP's issued ordinary share capital.

As a result of the Acquisition, under Rule 9 of the Takeover Code, CFE is required to make a mandatory cash offer (the "Offer") for the CIP Shares not already held by CFE (or any persons acting in concert with it), at a price of 55 pence per CIP Share (such price being no less than the highest price paid by CFE (or any persons acting in concert with it) for any CIP Share during the 12 months prior to the date of this announcement).

CFE will make the Offer through the despatch of the Offer Document which will be posted to CIP Shareholders (or made available electronically in accordance with the Takeover Code) no sooner than 14 days nor no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of the Offer.

Under the terms of the Offer, CIP Shareholders shall be entitled to receive:

55 pence in cash per CIP Share

The Offer values CIP's current issued share capital at approximately £30.3 million.

The Offer provides certain value today for CIP's portfolio of assets and provides an opportunity for CIP Shareholders to realise their Shares for cash at a premium to the current trading market value of CIP.

The Offer Price represents a premium of:

- 7.8 per cent. to CIP's share price of 51.0 pence at the close of business on 13 January 2022, the last business day before this announcement;
- 12.2 per cent. to CIP's three month volume weighted average price of 49.0 pence to 13 January 2022;
- 7.7 per cent. to CIP's six month volume weighted average price of 51.0 pence to 13 January 2022;
- 4.2 per cent. to CIP's 12 month volume weighted average price of 52.8 pence to 13 January 2022.

Information on the Acceptance Condition and the further terms to which the Offer will be subject is set out in Appendix 1 to this announcement and will be set out in the Offer Document, which CFE will despatch to CIP Shareholders in due course.

2. THE OFFER

The Offer will be made on the following basis:

for each CIP Share 55 pence in cash

The Offer will be conditional upon receipt of valid acceptances which will result in CFE and persons acting in concert with it holding CIP Shares which, together with the CIP Shares acquired, or agreed to be acquired, by CFE and persons acting in concert with it before or during the Offer Period, carry, in aggregate, over 50 per cent. of the voting rights then normally exercisable at general meetings of CIP. The Offer will also be subject to the further terms set out in Appendix 1 to this announcement and to the full terms to be set out in the Offer Document, and (for holders of CIP Shares in certificated form), the Form of Acceptance.

As of the date of this announcement, CFE holds approximately 29.8 per cent. of CIP's issued ordinary share capital.

The CIP Shares shall be acquired under the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by CIP in respect of a CIP Share on or after the date of this announcement, CFE will have the right to reduce the value of the consideration payable for each CIP Share by up to the amount per CIP Share of such dividend, distribution or return of value except where the CIP Share is or will be acquired pursuant to the Offer on a basis which entitles CFE to receive the dividend, distribution or return of value and to retain it.

If any such dividend, distribution or return of value is paid or made after the date of this announcement and CFE exercises its rights described above, any reference in this announcement to the consideration payable under the Offer shall be deemed to be a reference to the consideration as so reduced. Any exercise by CFE of its rights referred to in this Section 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 terms of the Offer.

The Offer shall be conditional upon the Acceptance Condition having been fulfilled by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Code and, where applicable, the consent of the Panel).

3. INFORMATION RELATING TO CIP

CIP is a closed-ended investment company which was incorporated in Guernsey in September 2017 and was admitted to trading on AIM on 22 December 2017. It was incorporated as a vehicle through which to exploit the expertise of Merchant Capital Manager Limited, an affiliate of Continental Investment Partners SA, to generate returns for its Shareholders through investment in listed equity and other financial products and instruments using a private equity approach.

CIP's investment objective is to generate risk-adjusted returns for its Shareholders through investment in equity and equity-related products and instruments, by targeting appreciation in the value of its investments over the medium to longer term, principally through capital growth.

4. INFORMATION RELATING TO CFE

CFE is an independent investment banking boutique focused on special situation opportunities. It is recognised as a leading non-bank player in the origination of trade finance opportunities. CFE was founded in 2001 and is majority-owned and controlled by Mario Cordoni, CFE's CEO. Its core offering is in building tailor-made credit-focused portfolios for sophisticated investors. CFE is registered in Luxembourg (registration number B82680) and also has operations in Geneva, London and Monaco.

Mario Cordoni is the founder and CEO of CFE since 2001 and has more than 30 years' experience in trade finance. Before launching CFE, Mario served as Managing Director of Socona Holding since 1985, a company operating in metal trading and export financing towards emerging markets. Prior to that, he was the Co-Managing Director of COFIME (Compagnia Finanziaria Mercantile di Torino), a company specialized in financial and business consultancy to Italian exporters. Before launching CFE, starting from the early nineties, he was also Managing Director of Metalkomerint Espana SL, a Spanish company trading with metals.

CFE's investment strategies consist of:

- Private credit and special situations: origination of portfolios of non-performing loans, trade finance claims, corporate bankruptcy claims and other illiquid assets. Where applicable, CFE structures and organises securitisation transactions of assets that it originates;
- Trade Finance: helping clients to access liquidity and manage risk; and
- Healthcare receivables: a low volatility option capitalising on money flow dislocations in Italy.

As at 30 June 2021, CFE had a net assets of EUR 317 million (2020: EUR 245 million) and profits after tax of EUR 3.9 million (2020: EUR 3.6 million).

CFE is an existing CIP shareholder. CFE invested in CIP on its admission to trading on AIM in 2017 and as at the date of this announcement holds approximately 29.8 per cent. of CIP's existing issued ordinary share capital.

5. BACKGROUND TO AND REASONS FOR THE OFFER

CFE became a shareholder in CIP at the time of its IPO in 2017. CFE currently holds a 29.8 per cent. interest in CIP and is CIP's largest shareholder. Following the Acquisition, CFE will, in aggregate, hold 17,490,317 CIP Shares, representing 31.8 per cent. of the existing issued share capital, and voting rights, of CIP. As a result of the Acquisition, and pursuant to Rule 9 of the Takeover Code, CFE is therefore required to make an offer for all the CIP Shares not already owned by it or by persons acting in concert with it.

CFE has continued to be supportive of the business since its admission to AIM in 2017, however, CIP's Shares have consistently traded at a discount to its net asset value since June 2018. CIP's Shares closed trading on 13 January 2022 (being the last practicable date prior to the publication of this announcement) at a price of 51.0 pence per Share, representing a discount of approximately 41.8 per cent. to CIP's last quoted NAV per Share of 87.6 pence (as announced on 11 January 2022).

CIP Shares' discount to CIP's NAV per Share compares to the average NAV discount of the Association of Investment Companies' (the "AIC") Flexible Investment sector (of which CIP is a constituent) of 7.0 per cent., as at 31 December 2021, the latest monthly figure available prior to the publication of this announcement. The AIC's UK Smaller Companies sector, a comparable sector for CIP, in CFE's opinion, was trading at an average NAV discount of 7.6 per cent. as at 31 December 2021. CIP Shares have provided a negative total return to Shareholders since IPO of 49.0 per cent., as at 13 January 2022: this

only takes into account the fall in CIP's share price since IPO of 49 pence as no dividends have been paid to Shareholders over the period.

It is the opinion of CFE that the principal benefits CIP should expect from its Shares being publicly traded, principally access to capital and liquidity for Shareholders, are not being achieved and the costs of maintaining the quote are an inefficient use of CIP's resources. During the financial year ending 31 December 2020, CIP incurred operating costs of approximately £1.2 million, including a fee of approximately £0.8 million paid to CIP's investment manager, resulting in a total expense ratio of approximately 2.8 per cent., which in light of CIP's share price performance, CFE believes that these costs are excessive, more so given the negative total return generated by an investment in CIP's Shares since CIP's IPO.

Furthermore, the median daily volume of Shares traded in CIP over the last six months was 35,587 Shares, which implies that it would take 8 days to trade 275,000 Shares on market, equivalent to a shareholding of 0.5 per cent. Accordingly, CFE considers that the Offer should be of interest to existing CIP Shareholders as, if an offer is made, it would enable CIP Shareholders to exit their investment in full for cash.

Due to the size and market positioning of CFE, it is ideally placed to execute such a transaction and can offer certain value today for CIP's portfolio of assets which would represent a compelling opportunity for CIP Shareholders to realise a premium to the current trading market value of their CIP Shares. CFE believes this is an attractive offer in particular due to the low levels of liquidity in CIP's Shares and hence the challenges Shareholders would currently face should they look to sell their entire holdings in the market. CFE has already successfully provided a liquidity opportunity to Shareholders by purchasing approximately 23.0 per cent. of the issued share capital of CIP between 50 pence and 55 pence since 26 January 2021.

As further detailed in Section 9 below, the Directors of CFE intend to cancel CIP's admission to trading on AIM should the Offer receive sufficient valid acceptances. They believe CIP would be better suited to being private and, having conducted an extensive review of publicly available information with regards to CIP, that it would fit within CFE's investment portfolio.

6. MANAGEMENT, EMPLOYEES, RESEARCH AND DEVELOPMENT AND LOCATIONS

As set out in Section 5 (Background to and reasons for the Offer) above, CFE believes that CIP's existing investments would be complementary to its existing investment strategy.

CIP has no employees and, therefore, does not operate any pension scheme, nor does it have any arrangement in place for any employee involvement in its capital. CIP has no fixed assets and research and development function. CFE has no intention to change these features of CIP. CFE does not intend on changing CIP's registered place of business.

If the Offer becomes, or is declared, unconditional, in accordance with the Acceptance Condition and further terms set out in Appendix 1 to this announcement, CFE intends to terminate the investment management agreement dated 15 December 2017 between CIP and Merchant Capital Manager Limited in accordance with the agreement's terms. CFE would intend to appoint a new investment manager; CFE has not yet concluded upon which investment manager it would intend on appointing however CFE expects to have identified a suitable replacement within three months. Any investment manager CFE proposed would be expected to manage the existing assets held by CIP in a way that generates returns in the best interest of all Shareholders, taking into account wider market conditions, macro factors and adhering to CIP's existing investment policy.

CIP Shares are currently admitted to trading on AIM. As set out in Section 9 of this announcement, should CFE, by virtue of its shareholdings and valid acceptances of the Offer, acquire or agree to acquire CIP Shares carrying at least 75 per cent of the voting rights attaching to the share capital of CIP, it is CFE's intention that CIP will apply for the cancellation of CIP's Shares from trading on AIM.

If the Offer becomes, or is declared, unconditional, in accordance with the Acceptance Condition and further terms set out in Appendix 1 to this announcement, CFE may request the appointment of a representative to the Board of CIP. Any such appointment to the Board of CIP will be made in accordance with the requirements of the AIM Rules for Companies and subject to regulatory approval by the Guernsey Financial Services Commission ("GFSC"). The identity of any such appointee has not yet been confirmed.

Should CFE apply for the cancellation of CIP's Shares from trading on AIM, CIP will not require quoted company governance structures and accordingly it is intended that the CIP Directors will, subject to GFSC approval, be asked to step down from their roles following cancellation of CIP's Shares from trading on AIM.

No statements in this Section 6 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

7. DISCLOSURE OF INTERESTS IN CIP SHARES

As at the close of business on the Last Practicable Date, save for the 16,399,317 CIP Shares currently held by CFE, representing approximately 29.8 per cent. of the issued ordinary share capital of CIP, neither CFE nor, so far as CFE is aware, any person acting in concert with CFE for the purposes of the Offer, has an interest in or right to subscribe for, or has any arrangement in relation to, relevant securities of CIP, or had any short position in relation to any relevant securities of CIP, 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 of relevant securities of CIP, or has borrowed or lent (including for these purposes, entering into any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of CIP. For these purposes, "arrangement" includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to CIP Shares which may be an inducement to deal or refrain from dealing in such shares. In this Section, "relevant securities of CIP" means CIP Shares and securities convertible into, or rights to subscribe for, options (including trade options) in respect thereof and derivatives referenced thereto.

8. GENERAL

The Offer Document will be posted to CIP Shareholders as soon as practicable but in any case no sooner than 14 days nor no later than within 28 days of this announcement.

The Offer will be subject to the Acceptance Condition and further terms set out in Appendix 1 to this announcement.

Please be aware that addresses, electronic addresses and certain other information provided by CIP Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from CIP may be provided to CFE during the course of the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

9. COMPULSORY ACQUISITION, CANCELLATION OF ADMISSION AND RE-REGISTRATION

If the Offer becomes, or is declared, unconditional and CFE has by virtue of its shareholdings and valid acceptances of the Offer, acquired or agreed to acquire CIP Shares carrying at least 75 per cent of the voting rights attaching to the share capital of CIP (the "Cancellation Requirement"), CFE intends to procure that CIP will make an application for the cancellation of admission to trading of the CIP Shares on AIM.

It is anticipated that the cancellation of admission to trading on AIM will take effect no earlier than 20 Business Days after either: (a) the date on which CFE has fulfilled the Cancellation Requirement; or (b) the first date of issue of compulsory acquisition notices under Part XVIII of the Companies Law, as applicable. CFE will notify CIP Shareholders when the Cancellation Requirement has been satisfied and confirm that the 20 Business Day notice period has commenced and the anticipated date of cancellation.

The cancellation of the admission to trading on AIM of the CIP Shares would significantly reduce the liquidity and marketability of any CIP Shares in respect of which valid acceptances of the Offer have not been submitted at that time and their value may be affected as a consequence. Any remaining CIP Shareholders would become minority shareholders in a privately controlled company and may be unable to sell their CIP Shares and there can be no certainty that any dividends or other distributions shall be made by CIP, or that the CIP Shareholders shall again be offered as much for the CIP Shares held by them as under the Offer.

If CFE receives valid acceptances under the Offer in respect of, or otherwise acquires, 90 per cent in value of the CIP Shares to which the Offer relates, CFE intends to exercise its rights pursuant to Part XVIII of the Companies Law to acquire compulsorily the remaining CIP Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

10. FINANCING THE OFFER

The cash consideration payable under the Offer will be provided from CFE's existing resources.

Investec, as financial adviser to CFE, is satisfied that sufficient resources are available to CFE to satisfy in full the cash consideration payable to CIP Shareholders under the terms of the Offer.

11. OVERSEAS SHAREHOLDERS

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

12. REQUESTING HARD COPY DOCUMENTS

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this announcement in hard copy form by contacting Carlo Spingardi at Investec on +44 (0)20 7597 5970. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. 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.

13. DOCUMENTS PUBLISHED ON WEBSITE

This announcement will be available, free of charge, on the website of CFE at <https://cfe-finance.com/public-documents/> from no later than 12 noon on 17 January 2022 until the end of the Offer.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Certain terms used in this announcement are defined in Appendix 3.

Enquiries:

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Important Notices

This announcement is for information purposes only. It is not intended to and does not constitute an offer to sell, or form part of, or constitute the solicitation of an offer to purchase any securities. The full terms and conditions of the Offer will be set out in the Offer Document and the accompanying form of acceptance. The Offer Document and Form of Acceptance will be made available to all CIP Shareholders not in Restricted Jurisdictions at no cost to them. Shareholders are advised to read the Offer Document and the accompanying Form of Acceptance when they are sent to them because they will contain important information. In deciding whether or not to accept the Offer, CIP Shareholders must rely solely on the terms and conditions of the Offer and the information contained, and the procedures described, in the Offer Document and the accompanying form of acceptance.

The Offer will not be made, directly or indirectly, in or into and will not be capable of acceptance in or from certain jurisdictions by virtue of the securities law of those jurisdictions. The availability of the Offer to persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

Investec is acting exclusively for CFE and no one else in connection with the Offer and other matters described in this announcement and will not be responsible to anyone other than CFE for providing the protections offered to clients of Investec or for providing advice in relation to the Offer and other matters described in this announcement. The directors of CFE accept responsibility for the information (including any expressions of opinion) contained in this announcement. To the best of the knowledge and belief of the directors of CFE (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

Forward looking statements

This announcement may contain statements that are or may be forward-looking with respect to the financial condition, results of operation(s) and business(es) of CIP. These 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 which could or may cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. The statements have been made with reference to forecast price changes, economic conditions, and the current regulatory environment.

Disclosure requirements of the Takeover Code on Takeovers and Mergers

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent 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) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange CFE 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 Code, any person who is, or becomes, interested in 1 per cent 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (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.

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).

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, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for CFE or CIP respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for CFE or CIP respectively.

Purchases outside the Offer

CFE or its nominees or brokers (acting as agents) may purchase CIP Shares otherwise than under the Offer, such as in the open market or through privately negotiated purchases. Such purchases shall comply with the Takeover Code and the AIM Rules.

Publication on website and availability of hard copies

A copy of this announcement and all other documents, announcements or information published in relation to the Offer, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be made available, free of charge, at <https://cfe-finance.com/public-documents/> by no later than 12 noon (London time) on 17 January 2022.

You may request a hard copy of this announcement, free of charge, by contacting Carlo Spingardi at Investec on +44 (0)20 7597 5970 .

APPENDIX 1 ACCEPTANCE CONDITION AND CERTAIN FURTHER TERMS OF THE OFFER

The Offer, which will be made by CFE, will comply with the Takeover Code, the AIM Rules and all applicable rules and regulations of the FCA, will be governed by English law and will be subject to the jurisdiction of the Courts of England.

In addition, the Offer will be subject to the terms to be set out in the Offer Document and (in the case of CIP Shares in certificated form) the Form of Acceptance.

PART A: ACCEPTANCE CONDITION

Acceptance Condition

The Offer is conditional upon valid acceptances of the Offer having been received (and not validly withdrawn in accordance with the rules and requirements of the Code and the terms of the Offer) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such other times and/or dates as CFE may specify, subject to the rules of the Code and where applicable with the consent of the Panel) in respect of such number of CIP Shares which, when aggregated with the CIP Shares held by CFE, or any person acting in concert with CFE, at the date of the Offer and any CIP Shares acquired or agreed to be acquired by CFE, or any person acting in concert with CFE, on or after such date, carry more than 50 per cent. of the voting rights then exercisable at a general meeting of CIP, including for this purpose any such voting rights attaching to CIP Shares that are unconditionally allotted but not issued before the Offer becomes or is declared unconditional whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. For the purpose of this condition, CIP Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon being entered into the register of members of CIP.

PART B: CERTAIN FURTHER TERMS OF THE OFFER

The Acceptance Condition cannot be waived. The Offer will therefore be subject to the satisfaction of the Acceptance Condition, to the further terms set out in this Part B, and full terms which will be set out in the Offer Document and (for CIP Shares held in certificated form), the Form of Acceptance.

The Offer shall lapse unless the Acceptance Condition has been fulfilled by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Code and, where applicable, the consent of the Panel). Under Rule 13.5(a) of the Code, CFE may not invoke a condition to the Offer so as to cause the Offer 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 CFE in the context of the Offer. **The Acceptance Condition is not subject to Rule 13.5(a) of the Code.**

CIP Shares will be acquired by CFE fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching to them at 14 January 2022 or thereafter including voting rights and entitlement to all dividends and other distributions announced, declared, made or paid, or any return of capital (whether by way of reduction of share capital, repurchase or redemption or otherwise) made on or after 14 January 2022.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by CIP in respect of a CIP Share on or after the date of this announcement, CFE will have the right to reduce the value of the consideration payable for each CIP Share by up to the amount per CIP Share of such dividend, distribution or return of value except where the CIP Share is or will be acquired pursuant to the Offer on a basis which entitles CFE to receive the dividend, distribution or return of value and to retain it.

If any such dividend, distribution or return of value is paid or made after the date of this announcement and CFE exercises its rights described above, any reference in this announcement to the consideration payable under the Offer shall be deemed to be a reference to the consideration as so reduced. Any exercise by CFE of its rights referred to in this Section 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 terms of the Offer.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer will be governed by English law and be subject to the jurisdiction of the English courts, to the Acceptance Condition and further terms set out in this announcement and in the formal Offer Document and (for CIP Shares held in certificated form) the Form of Acceptance. The Offer will comply with the applicable rules and regulations of the AIM Rules and the Code.

APPENDIX 2 BASES AND SOURCES

- 1 The value attributed to the existing issued share capital of CIP is based upon the 55,000,000 CIP Shares in issue on 14 January 2022.
- 2 For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Offer.
- 3 Unless otherwise stated, the financial information on CIP is extracted from CIP's Annual Report and Accounts for the year ended 31 December 2020 and from the announcement of CIP's interim results for the six months ended 30 June 2021.
- 4 All financial information relating to CFE has been quoted on the basis of current Luxembourg Generally Accepted Accounting Practice as at the date of this announcement.
- 5 CIP share prices have been derived from the AIM appendix to the Daily Official List and represent the Closing Prices on the relevant date.
- 6 References to a percentage of CIP's issued ordinary share capital are based on the number of CIP Shares in issue as set out in paragraph 1 above.
- 7 Volume weighted average prices are derived from FactSet data and based on the volume weighted intra-day average price.
- 8 All information related to the Association of Investment Companies has been sourced from the AIC Advanced Compare archive, found at <https://www.theaic.co.uk/aic/statistics/aic-interactive-statistics-archive>.
- 9 The International Securities Identification Number for CIP Shares is GG00BF8NW879.

APPENDIX 3 DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

'Acceleration Statement' a statement in which CFE in accordance with Rule 31.5 of the Code, brings forward the latest date by which the Acceptance Condition must be satisfied or waived;

'Acceptance Condition' means the condition set out in Part A of Appendix I;

'AIM' means the AIM Market operated by the London Stock Exchange;

'AIM Rules' means the AIM Rules for Companies published by the London Stock Exchange from time to time;

'Board' means the board of directors of CFE and the term **'CFE Board'** shall be construed accordingly;

'Business Day' means any day other than Saturday or a Sunday when banks generally are open in London for general banking business;

'Closing Price' means the closing middle-market quotation of a CIP Share as derived from the AIM appendix to the Daily Official List;

'Companies Act' means the Companies Act 2006, as amended from time to time;

'Companies Law' means the Companies (Guernsey) Law, 2008, as amended from time to time;

'CFE' means CFE S.A.;

'CFE Group' means collectively, CFE and its subsidiary undertakings from time to time and **'member of the CFE Group'** shall be construed accordingly;

'CFE Shareholders' means holders of CFE Shares;

'CIP' means CIP Merchant Capital Limited;

'CIP Group' means collectively, CIP and its subsidiary undertakings from time to time and **'member of the CIP Group'** shall be construed accordingly;

'CIP Shareholders' means holders of CIP Shares and the term **'Shareholders'** shall be construed accordingly;

'CIP Shares' means the existing unconditionally allotted or issued and fully paid ordinary shares of no par value in the capital of CIP and any further ordinary shares of no par value in the capital of CIP which are unconditionally allotted or issued and fully paid before the Offer closes (or such earlier date as CFE may, subject to the City Code, decide), but excluding any shares held as treasury shares on such date as CFE may determine before the Offer closes; the terms **'Shares'** shall be construed accordingly;

'Day 60' means the 60th day following the publication of the Offer Document or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Code

'Daily Official List' means the AIM appendix to the daily Official List of the London Stock Exchange;

'Disclosed' means the information disclosed by, or on behalf of CIP: (i) in the Annual Report; and (ii) in any announcement to a Regulatory Information Service by, or on behalf of, CIP, prior to this announcement;

'Investec' means Investec Bank plc;

'FCA' or **'Financial Conduct Authority'** means the UK Financial Conduct Authority;

'FCA Handbook' means the handbook of rules and guidance made by the FCA;

'Form of Acceptance' means the form of acceptance and authority relating to the Offer accompanying the Offer Document;

'Independent Shareholder' means an independent shareholder as defined in the Listing Rules, being a person entitled to vote on the election of directors of a listed company that is not a controlling shareholder of the listed company.

'Listing Rules' means the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000, and contained in the Financial Conduct Authority's publication of the same name;

'Long-Stop Date' means the date after which the offer will not proceed, will lapse or will be withdrawn

'London Stock Exchange' means the London Stock Exchange plc;

'NAV' means net asset value

'Offer' means the offer made by CFE to acquire the CIP Shares not already owned by CFE on the terms and subject to the conditions set out in the Offer Document and the Form of Acceptance and including where the context so requires, any subsequent revision, variation, extension or renewal of such offer and any election or alternative available in connection with it;

'Offer Document' means the Offer Document and any other document containing the Offer;

'Offer Price' means 55 pence per CIP Share;

'Overseas Shareholders' means CFE Shareholders (or nominees of, or custodians or trustees for CFE Shareholders) not resident in or citizens of the United Kingdom;

'Panel' means the Panel on Takeovers and Mergers;

'Restricted Jurisdiction' means the United States, Canada, Australia, Japan and any other jurisdiction where the local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure where the offer is made available to CIP Shareholders in that jurisdiction

'Regulatory Information Service' means a regulatory information service as defined in the FCA Handbook;

'Securities Act' means the United States Securities Act of 1933, as amended;

'subsidiary' or **'subsidiary undertaking'** or **'undertaking'** or **'associated undertaking'** or **'holding company'** or **'parent undertaking'** means shall be construed in accordance with the Companies Act 2006;

'Takeover Code' or **'Code'** means the City Code on Takeovers and Mergers;

'Unconditional Date' means Day 60, or such earlier date as CFE may specify in the Offer Document or any Acceleration Statement unless, where permitted, it has set aside that statement;

'UK' or **'United Kingdom'** means the United Kingdom of Great Britain and Northern Ireland; and

'United States of America' or 'US' means the United States of America, its territories and possessions, all areas subject to its jurisdiction or any subdivision thereof any state of the United States and the District of Columbia.

All references to legislation in this announcement are to English legislation unless the contrary is indicated. References to legislation shall include any amendment, modification, re-enactment or extension to such legislation and to any regulation, instrument or order or other subordinate legislation made under such legislation.

All references to time in this announcement are to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.