

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 and specialising in advising on the acquisition of shares and other securities if you are resident in the United Kingdom or, if not, seek your own personal financial advice from another appropriately authorised independent financial adviser.

You should read the whole of this document. In addition, this document should be read in conjunction with any accompanying Form of Acceptance (if you hold CIP Shares in certificated form).

If you sell or have sold or otherwise transferred all of your CIP Shares (other than pursuant to the Offer), please forward this document and the accompanying documentation, but not any personalised Form of Acceptance, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. These documents should not, however, be forwarded, distributed or transmitted in, into or from any Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of CIP Shares, you should retain these documents.

The release, publication or distribution of this document and the accompanying Form of Acceptance in, into or from jurisdictions other than Guernsey or the United Kingdom, and the availability of the Offer to CIP Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and the accompanying Form of Acceptance comes should inform themselves about, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, CFE disclaims any responsibility or liability for the violation of such restrictions by such persons.

Mandatory Cash Offer

by

CORPORATION FINANCIÈRE EUROPÉENNE S.A.

to acquire the entire issued and to be issued ordinary share capital of

CIP MERCHANT CAPITAL LIMITED

at a price of 55 pence per CIP Share

To accept the Offer in respect of CIP Shares held in certificated form, you must complete and return the accompanying Form of Acceptance (along with your Share Certificate(s) and/or other documents of title) as soon as possible and, in any event, so as to be received by Receiving Agent by no later than 1.00 p.m. (London time) on 1 April 2022.

To accept the Offer in respect of CIP Shares held in uncertificated form (that is, in CREST) you should make your acceptance electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on 1 April 2022. If you hold your CIP Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Investec Bank plc ('Investec') which is authorised by the PRA and regulated in the United Kingdom by the FCA and PRA, is acting exclusively as financial adviser for CFE and no one else in connection with the Offer and/or other matters described in this document and will not be responsible to anyone other than CFE for providing the protections afforded to clients of Investec or for providing advice in relation to the Offer, the content of this document or any other matter described in this document. 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 document, any statement contained herein or otherwise.

A copy of this document and the display documents required to be published pursuant to Rule 26.2 of the City Code will be made available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the website of CFE at <https://cfe-finance.com/public-documents/> by no later than 12 noon (London time) on the day following the date of this document until the end of the Offer Period. For the avoidance of doubt, the content of the website referred to above is not incorporated into and does not form part of this document.

IMPORTANT INFORMATION

Overseas shareholders

The distribution of this document in jurisdictions other than Guernsey or the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Unless otherwise determined by CFE, this document is not being, and will not be, delivered directly or indirectly, in or into any Restricted Jurisdiction. Accordingly, unless otherwise determined by CFE, copies of this document, the Form of Acceptance and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) should observe those restrictions and must not mail, or otherwise forward, distribute or send any such documents in or into or from any Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Any person (including nominees, trustees and custodians) who would or otherwise intends to, or who may have a legal or contractual obligation to, forward this document, the Form of Acceptance and any related documents to any jurisdiction outside Guernsey or the United Kingdom should inform themselves of, and observe any applicable legal or regulatory requirements of any relevant jurisdiction, seek appropriate advice and read paragraph 12 of the letter from the Chairman of CFE set out in Part II of this document and paragraph 6 of Part II to this document before doing so.

CFE will make the Offer to Restricted Overseas Persons by way of a notice in La Gazette Officielle, which may make reference to the Offer contained in this document and, for this purpose, this document will be made available on CFE's website at <https://cfe-finance.com/public-documents/>.

This document has been prepared in accordance with the City Code and United Kingdom disclosure requirements applicable to Guernsey companies admitted to trading on AIM, and the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Guernsey. This document has not been submitted to, or approved by, any regulatory authority of any such jurisdictions.

Notice to US holders of CIP Shares

The Offer is being made for securities of a Guernsey company and CIP Shareholders in the United States should be aware that this document and any other documents relating to the Offer have been or will be prepared in accordance with the City Code and United Kingdom disclosure requirements applicable to Guernsey companies admitted to trading on AIM; the format and style, all of which differ from those in the United States. CIP's and CFE's financial statements, and all financial information that is included in this document or any other documents relating to the Offer, have been or will be prepared in accordance with United Kingdom Generally Accepted Accounting Practice or International Financial Reporting Standards and may not be comparable to financial statements of United States companies.

The directors of CIP are residents of countries other than the United States. As a result, it may not be possible for CIP Shareholders in the United States to effect service of process within the United States upon CIP or their respective officers or directors or to enforce against any of them judgments of the United States predicated upon the civil liability provisions of the federal securities laws of the United States. It may not be possible to sue CIP or their respective officers or directors in a non-US court for violations of the United States securities laws. There is also substantial doubt as to enforceability in the United Kingdom in original actions, or in actions for the enforcement of judgments of US courts, based on the civil liability provisions of United States federal securities laws.

In accordance with the City Code and normal United Kingdom market practice and pursuant to Rule 14e-5(b)(12) under the US Exchange Act, CFE or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, CIP Shares outside the United States, otherwise than pursuant to the Offer. This could be before or during the period in which the Offer remains open for acceptance, such as in open market purchases at prevailing prices or privately negotiated purchases at negotiated prices. Such purchases, or arrangements to purchase, will comply with all

applicable United Kingdom rules, including the City Code, the AIM Rules and the Financial Conduct Authority. In addition, in accordance with the City Code, normal United Kingdom market practice and Rule 14e-5(b)(12) under the US Exchange Act, Investec will continue to act as exempt principal trader in CIP securities on the London Stock Exchange. These purchases may occur in the open market or as privately negotiated transactions.

Information regarding such purchases and activities which is required to be made public in Guernsey and the United Kingdom pursuant to the City Code will be reported to a Regulatory Information Service and will be available to all investors on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in Guernsey and the United Kingdom.

Notice to holders of CIP Shares resident in The Bahamas

This Offer has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt the Offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011 and, in the circumstances, no offer to the public to purchase the CIP Shares can occur in The Bahamas.

The Offer may only be accepted by persons resident in The Bahamas that qualify as an “accredited investor” as such term is defined under the Securities Industry Act, 2011 and the Securities Industry Regulations, 2012. In order for a person resident in The Bahamas to accept this Offer he/she/it must certify by way of affidavit that he/she/it qualifies as an accredited investor. The form of such accredited investor affidavit and the certifications that will need to be provided by persons resident in The Bahamas who intend to accept the Offer are set out in Part VI hereto. Persons resident in The Bahamas who intend to accept the Offer but who are unable to give the warranties set out in Part IV of this document may be deemed not to have validly accepted the Offer.

Purchases outside the Offer

CFE 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 City Code, the rules of the London Stock Exchange and the applicable laws of Guernsey as well as the articles of association of CIP.

Disclosure requirements of the City Code on Takeovers and Mergers

Under Rule 8.3(a) of the City Code, any person who is “interested” in 1 per cent. or more of any class of “relevant securities” of an offeree company (in this instance, CIP) 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 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the “relevant securities” of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City 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 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

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

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

Details of the offeree and offeror companies in respect of whose “relevant securities” Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the 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.

Terms in quotation marks in this section (Dealing Disclosure Requirements) are defined in the City Code, which can also be found on the Panel’s website.

Forward-looking Statements

This document, including information included or incorporated by reference in this document, may contain “forward-looking statements” concerning CFE and CIP. All statements other than statements of historical fact may be forward-looking statements. Generally, the words “will”, “may”, “should”, “continue”, “believes”, “expects”, “intends”, “anticipates” or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the relevant persons abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants and, therefore undue reliance should not be placed on such statements, which speak only as of the date of this document.

No profit forecasts of estimates

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

Publication on website and availability of hard copies

In accordance with Rule 26.1 of the City Code, a copy of this document together with those documents listed in paragraph 10 of Part V of this document, and all information incorporated into this document by reference to another source will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on CFE’s website (<https://cfe-finance.com/public-documents/>) by no later than 12 noon (London time) on the Business Day following the publication of this document. For the avoidance of doubt, the contents of the website are not incorporated by reference and do not form part of this document.

You may request a hard copy of this document (and/or any information incorporated by reference in this document) by contacting the Receiving Agent, Link Group, on 0371 664 0321. Calls will be charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Any such person may request that all future documents, announcements and information in relation to the Offer should be sent to them in hard copy form.

ACTION TO BE TAKEN TO ACCEPT THE OFFER

If you hold your CIP Shares in certificated form (that is, not in CREST), to accept the Offer you must:

1. complete the enclosed Form of Acceptance in accordance with the instructions printed on it; and
2. return the completed Form of Acceptance (along with your share certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, **so as to be received by no later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date.** If you are posting in the UK, the enclosed reply-paid envelope has been provided for your convenience.

If you hold your CIP Shares in uncertificated form (that is, in CREST), to accept the Offer you must:

1. follow the procedure set out in paragraph 13 of Part I of this document – acceptances should be made electronically through CREST; and
2. **ensure that the TTE Instruction settles as soon as possible and in any event no later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date.** If you hold your CIP Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance), or have questions in relation to making an electronic acceptance, please contact the Receiving Agent, Link Group, on 0371664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Except as provided in paragraph 6 of Section B of Part II to this document in the case of certain overseas shareholders, settlement of the consideration to which any CIP Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer will be effected by the despatch of cheques or by crediting CREST accounts (as applicable) in respect of acceptances received, complete in all respects, within 14 calendar days of the end of the offer period.

This document should be read as a whole, together with the information incorporated into it by reference, and, in the case of holders of CIP Shares in certificated form, in conjunction with the Form of Acceptance. CIP Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

ACCEPTANCES OF THE OFFER SHOULD BE MADE AS SOON AS POSSIBLE AND IN ANY EVENT MUST BE RECEIVED BY NO LATER THAN 1.00 P.M. (LONDON TIME) ON 1 APRIL 2022 OR, IF EARLIER, THE UNCONDITIONAL DATE.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below are indicative only and may be subject to change, in which event details of the new times and dates will be announced via RNS. References below and in this document to a time of day are to London time.

<i>Event</i>	<i>Time and Date</i>
Announcement of the Offer	14 January 2022
Publication and posting of this document and the Form of Acceptance	31 January 2022
Earliest date for closing date of the Offer	7 March 2022
Longstop Date	1 April 2022
Settlement of cash consideration to CIP Shareholders who accept the Offer	No later than 14 calendar days after the closing date of the Offer

PART I

Letter from the board of CFE

(Incorporated under the laws of Luxembourg with registered number B82680)



Corporation Financière Européenne SA

Directors:

Mario Cordoni	(Founder and Chief Executive Officer)	32 Boulevard Royal
Marco Paternò Castello	(Executive Director)	L-2449
Pierfrancesco Rampinelli-Rota	(Chairman and Non-Executive Director)	Luxembourg

31 January 2022

To CIP Shareholders only

Dear CIP Shareholder,

MANDATORY CASH OFFER FOR CIP BY CFE

1. Introduction

On 14 January 2022, CFE unconditionally agreed to acquire 1,091,000 CIP Shares at a price of 55 pence per CIP Share from a single shareholder (the “**Acquisition**”). That purchase has now settled. Following the Acquisition, CFE holds a total of 17,490,317 CIP Shares, representing 31.8 per cent. of the issued ordinary share capital, and voting rights, of CIP.

As a result of the Acquisition, under Rule 9 of the City 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 Announcement).

Pursuant to Rule 2.7 of the City Code, on 14 January 2022 CFE announced that it would make the Offer.

The Offer is subject to the Acceptance Condition and the further terms set out in Part II.

This document and, if you hold CIP Shares in certificated form, the accompanying Form of Acceptance contain the formal terms of the Offer and certain other information on CFE and CIP.

Please read carefully paragraph 13 below which sets out the procedures for acceptance of the Offer. Your attention is also drawn to the financial and other information on CIP and CFE contained in Part III and Part IV to this document.

2. The Offer

CFE is offering to acquire, on the terms set out or referred to in this document and in the Form of Acceptance, all of the CIP Shares on the following basis:

for each CIP Share 55 pence in cash (the “Offer Price”)

The Offer Price values CIP’s fully diluted ordinary share capital at approximately £30.3 million and represents a premium of approximately:

- 12.2 per cent. to CIP’s three month volume weighted average price of 49.0 pence to 13 January 2022, the last Business Day prior to the commencement of the Offer Period;

- 7.7 per cent. to CIP's six month volume weighted average price of 51.0 pence to 13 January 2022, the last Business Day prior to the commencement of the Offer Period; and
- 4.2 per cent. to CIP's 12 month volume weighted average price of 52.8 pence to 13 January 2022, the last Business Day prior to the commencement of the Offer Period.

CFE believes that the Offer provides CIP Shareholders with a compelling opportunity to realise full value from their investment in CIP in cash.

The Offer extends to all CIP Shares unconditionally allotted or issued whilst the Offer remains open for acceptance.

CIP Shares to be acquired under the Offer will be acquired fully paid and free from all security interests, liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at 14 January 2022 or subsequently attaching or accruing to them, including voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after 14 January 2022, being the date of the Rule 2.7 Announcement.

If any such dividend, distribution or return of value is announced, declared, paid or payable by CIP in respect of the CIP Shares on or after 14 January 2022, CFE will be entitled to reduce the consideration payable under the Proposals by an amount equivalent to such dividend, distribution or return of value. To the extent that CFE exercises its right to reduce the consideration by all or part of the amount of any such dividend, distribution or return of value, CIP Shareholders will be entitled to receive and retain such dividend, distribution or return of value.

Further terms of the Offer are set out in Part II to this document and, in respect of CIP Shares held in certificated form, in the accompanying Form of Acceptance.

The procedure for acceptance of the Offer is set out in paragraph 13 of this letter. The Offer will remain open for acceptance, subject to the provisions of this document, until 1.00 p.m. on 1 April 2022, or, if earlier, the Unconditional Date.

For summary information on certain limited aspects of the UK and Guernsey taxation consequences of accepting the Offer for certain CIP Shareholders resident in the UK or Guernsey for tax purposes, please refer to paragraph 11 of this letter. **If you are in any doubt as to your taxation position, you should consult an appropriately qualified independent professional adviser immediately.**

3. Financial effects of acceptance

The following table sets out, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects of acceptance of the Offer on capital value for an accepting holder of 100 CIP Shares.

Cash consideration for 100 CIP Shares under the Offer	£55.00
Less: Market Value of 100 CIP Shares*	£51.00
Increase in capital value	£7.84
Percentage increase in capital value	7.84%

* Based on the Closing Price of 51.00 pence on 13 January 2022, being the last Business Day prior to the commencement of the Offer Period.

4. Interests in CIP Shares

On 14 January 2022, immediately prior to the publication of the Rule 2.7 Announcement, CFE was interested in 16,399,317 CIP Shares, representing approximately 29.8 per cent. of the existing issued ordinary share capital of CIP. In addition, following the Acquisition and as at 28 January 2022 (being the latest practicable date prior to the posting of this document), CFE has interest in 17,490,317 CIP Shares, representing

approximately 31.8 per cent. of the existing issued ordinary share capital of CIP. Further details of the nature of these interests are set out in paragraph 4.2 of Part V of this document.

5. Background to and reasons for the Offer

Background to the Offer

CFE became a shareholder in CIP when CIP's shares were admitted to trading on AIM in 2017. At the date of this document, CFE holds 31.8 per cent. of the issued share capital of CIP and is CIP's largest shareholder.

CFE has continued to be supportive of the business since it became a shareholder, however, CIP's ordinary shares have consistently traded at a discount to its net asset value since admission to trading on AIM and this gap has increased significantly over the last year.

The discount at which CIP's ordinary shares are trading as compared to NAV compares to an average 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 document. 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 they were admitted to trading on AIM of 49.0 per cent., as at 13 January 2022 (being the latest practicable date prior to the commencement of the Offer Period): this only takes into account CIP's share price as no dividends have been paid to be 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 admission to trading on AIM 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. In light of CIP's share price performance, CFE believes that these costs are excessive.

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 it believes represents a compelling opportunity for CIP shareholders to realise a premium to the CIP Share price on 13 January 2022, being the last Business Day prior to the commencement of the Offer Period. 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.

Reasons for the Offer

As a result of the Acquisition, the percentage of CIP Shares carrying voting rights in which CFE is interested increased to more than 30 per cent. of the voting rights of CIP.

Rule 9 of the City Code requires that where a shareholder, together with persons acting in concert with him, has an interest of not less than 30 per cent., but does not hold more than 50 per cent., of a company's voting share capital, and then acquires an interest in any further shares he is required to make a mandatory cash offer for the entire issued share capital not already owned by him and persons acting in concert with him. As a result of the Acquisition, and pursuant to Rule 9 of the City 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.

6. Information on CFE

CFE is an independent investment banking boutique focused around 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 by Mario Cordoni, CFE's Chief Executive Officer. 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.

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.
- Healthcare Receivables: a low volatility option capitalising on money flow dislocations in Italy.

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

Full acceptance of the Offer (and assuming CIP becomes a wholly owned subsidiary of CFE) would result in the earnings, assets and liabilities of CIP being consolidated into the earnings, assets and liabilities of CFE. The earnings, assets and liabilities of CFE would thereby be increased.

Mario Cordoni (*Founder and Chief Executive Officer*)

Mario Cordoni is the founder and Chief Executive Officer of CFE, a position he has held since 2001, and has more than thirty years' experience in trade finance. Before launching CFE, Mr Cordoni served as Co-Managing Director of Socona Holding, 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 specialising in financial and business consultancy to Italian exporters. From the early 1990s, and prior to launching CFE, he was also Managing Director of Metalkomerint Espana SL, a Spanish company trading with metals.

Your attention is drawn to the financial information relating to the CFE Group incorporated by reference into this document, as set out in Part IV.

7. Information on CIP

CIP is a closed-ended investment company which was incorporated in Guernsey in 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.

Your attention is drawn to the financial information in respect of the CIP Group incorporated by reference into this document, as set out in Part III.

8. Financing the Offer

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

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

Full acceptance of the Offer is not expected to have a material impact on the earnings, assets and liabilities of CFE.

9. Management, employees, research and development and locations

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 all respects, in accordance with its terms, 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 proposes will 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.

If the Offer becomes, or is declared, unconditional, 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.

As explained in paragraph 10 below, in the event that CFE achieves the Cancellation Requirement, CFE may apply for the cancellation of CIP's Shares from trading on AIM. In these circumstances, 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.

10. Compulsory acquisition, delisting and re-registration

If 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 ordinary share capital of CIP (the "**Cancellation Requirement**"), CFE intends to procure that CIP will make an application to cancel trading in the CIP Shares on AIM.

It is anticipated that the cancellation of 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.

Although the Ordinary Shares will remain transferable, they will cease to be transferable through CREST. Shareholders who hold Ordinary Shares in uncertificated form in CREST will, following cancellation of trading on AIM becoming effective, be sent a share certificate for those Ordinary Shares.

The cancellation of the admission to trading 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.

If CFE receives valid acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the CIP Shares to which the Offer relates (excluding CIP Shares held by certain connected parties to CFE pursuant to section 337A of the Companies Law), CFE will 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.

11. Taxation

11.1 *United Kingdom*

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice as at the last practicable date prior to the issue of this document, which may change. They summarise certain limited aspects of the UK taxation treatment of acceptance of the Offer. They relate only to the position of CIP Shareholders who are resident and, in the case of individuals, domiciled in the UK for UK taxation purposes at all relevant times and who hold their CIP Shares directly and beneficially as an investment and who have not (and are not deemed to have) acquired their CIP Shares by reason of employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

(a) *UK taxation of chargeable gains*

The sale of CIP Shares by a CIP Shareholder pursuant to the Offer will constitute a disposal, or part disposal, of his shareholding. Such a disposal or part disposal may give rise to a liability to UK taxation of chargeable gains depending on that CIP Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the CIP Shareholder's base cost in his holding of CIP Shares.

(b) *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

No UK stamp duty or SDRT should be payable by CIP Shareholders as a result of accepting the Offer.

11.2 *Guernsey*

The following paragraphs, which are intended as a general guide only, and do not constitute tax advice, are based on current Guernsey tax legislation and the published practice of the Director of Income Tax in Guernsey, which is subject to change (possibly with retroactive effect). They summarise certain limited aspects of the anticipated Guernsey tax treatment of the Acquisition and they relate only to the position of Scheme Shareholders who are the absolute beneficial owners of their Scheme Shares, who hold their Scheme Shares as an investment and who are resident in Guernsey for taxation purposes. They do not apply to certain classes of Scheme Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Scheme Shareholders who have, or are deemed to have, acquired their Scheme Shares by reason of, or in connection with, an office or employment. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than Guernsey, you should consult an appropriate professional adviser immediately.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, capital transfers, wealth, sales or turnover (unless the varying of investments and turning of such investments to account is a business or part of a business), nor are there any estate duties, save for registration fees and an ad valorem duty for a Guernsey grant of representation where the deceased dies leaving assets in Guernsey which require presentation of such a grant.

(a) *Guernsey Resident Shareholders*

Taxation on capital gains

No capital gains tax will be charged under Guernsey law in respect of the disposal of CIP Shares.

Guernsey Stamp Duty

No stamp duty or similar duty or tax will be payable in Guernsey by CIP Shareholders in respect of the disposal of CIP Shares.

(b) *Non-Guernsey Resident Shareholders*

CIP Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the disposal of CIP Shares, except where and to the extent that they have a permanent establishment in Guernsey to which the holding of CIP Shares is attributable.

(c) *Anti-Avoidance*

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. On a discretionary basis, the director of income tax in Guernsey will make such adjustments to the tax liability to counteract the effects of the avoidance, reduction or deferral of the tax liability.

(d) *US Foreign Account Tax Compliance Act (FATCA)*

Guernsey has implemented FATCA following the entering into of an intergovernmental agreement with the United States regarding the implementation of FATCA (the "US-Guernsey IGA"). Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements are imposed in respect of certain CIP Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations are also imposed. Where applicable, information that needs to be disclosed includes certain information about CIP Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from CIP, including resulting from any disposal of CIP Shares. FATCA is implemented through Guernsey's domestic legislation in accordance with local guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are "regularly traded" on an established securities market, such as AIM, are not considered financial accounts and are not subject to reporting. For these purposes, CIP Shares are considered "regularly traded" if there is a meaningful volume of trading with respect to the CIP Shares on an ongoing basis. Notwithstanding the foregoing, a CIP Share is not considered to be "regularly traded" and is considered to be a financial account if the CIP Shareholder is not a financial institution acting as an intermediary. However, it is expected that whilst a CIP Share is held in uncertificated form within CREST, the holder of that CIP Share will likely be a financial institution acting as an intermediary. CIP Shareholders that own their CIP Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA.

(e) *Organisation For Economic Cooperation And Development's Common Reporting Standard (CRS)*

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements are imposed in respect of certain CIP Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations are also imposed. Where applicable, information that needs to be disclosed includes certain information about CIP Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from CIP, including resulting from any disposal of CIP Shares. The CRS is implemented through Guernsey's domestic legislation in accordance with local guidance that is supplemented by guidance issued by the Organisation for Economic Cooperation and Development.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market, although it is expected that whilst a CIP Share is held in uncertificated form within CREST, the holder of that CIP Share will likely be a financial institution acting as an intermediary. CIP Shareholders that own their CIP Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under the CRS.

12. Overseas Shareholders

Shareholders who are not resident in the United Kingdom or Guernsey may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The attention of CIP Shareholders who are citizens or residents of countries outside the United Kingdom or Guernsey or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom or Guernsey is drawn to paragraph 6 of Section B of Part II of this document, paragraph (c) of Section C of Part II, and/or paragraph (b) of Section D of Part II of this document, and, if their CIP Shares are held in certificated form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

This document has been prepared in accordance with the City Code and United Kingdom disclosure requirements applicable to Guernsey companies trading on AIM, and the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Guernsey. This document has not been submitted to, or approved by, any regulatory authority of any such jurisdictions outside the United Kingdom and Guernsey.

This document is not being, and will not be, delivered directly or indirectly in, into or from any Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facility from within any such jurisdiction. Accordingly, persons who are unable to give the warranties set out in paragraph (c) of Section C of Part II and/or paragraph (b) of Section D of Part II of this document may be deemed not to have validly accepted the Offer.

For the purposes of section 337(4) of the Companies Law, CFE has arranged for the Offer to be notified to those shareholders who are resident in any Restricted Jurisdiction by way of notice in La Gazette Officielle. This notice may make reference to the Offer contained in this document and, for this purpose, this document will be made available on CFE's website at <https://cfe-finance.com/public-documents/>.

Notwithstanding the foregoing, CFE will retain the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

13. Procedure for acceptance of the Offer

CIP Shareholders who hold their CIP Shares in certificated form (that is, not in CREST) should read this section in conjunction with the Form of Acceptance and Sections A and B of Part II of this document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Offer.

CIP Shareholders who hold their CIP Shares in uncertificated form (that is, in CREST) should read this section in conjunction with Sections A and C of Part II of this document.

13.1 **CIP Shares held in certificated form (that is, not in CREST)**

(a) *Completion of the Form of Acceptance*

To accept the Offer in respect of CIP Shares held in certificated form (that is, not in CREST), you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for CIP Shares held in certificated form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please contact Link Group, on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The instructions printed on the Form of Acceptance shall be deemed to form part of the terms of the Offer.

To accept the Offer in respect of all your CIP Shares in certificated form: you must complete Box 2 and sign Boxes 3A or 3B of the enclosed Form of Acceptance. In all cases, if you are an individual, you must sign Box 3A on the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it for execution by individuals. Any CIP Shareholder which is a company should execute Box 3B of the Form of Acceptance where indicated in accordance with the instructions printed on it for execution by a company. If you do not insert a number in Box 2 of the Form of Acceptance, or if you insert in Box 2 a number which is greater than the number of CIP Shares that you hold in certificated form and you have signed Boxes 3A or 3B, your acceptance will be deemed to be in respect of all the CIP Shares held by you in certificated form.

To accept the Offer in respect of less than all your CIP Shares in certificated form: you must insert in Box 2 on the enclosed Form of Acceptance such lesser number of CIP Shares in respect of which you wish to accept the Offer in accordance with the instructions printed on it. You should then follow the procedure set out in the paragraph above in respect of such lesser number of CIP Shares.

(b) *Return of Form of Acceptance*

To accept the Offer in respect of CIP Shares held in certificated form, the completed, signed and (where applicable) witnessed Form of Acceptance should be returned by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL, together (subject to paragraph 13.1(c) below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received not later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date. A reply-paid envelope is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction, or otherwise appearing to CFE or its agents to have been sent from any of these jurisdictions, may be rejected as an invalid acceptance of the Offer. For further information for CIP Shareholders resident overseas, see paragraph 12 of this Part I.

(c) *Share certificates not readily available or lost*

If your CIP Shares are in certificated form, a completed, signed and (where applicable) witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and return the Form of Acceptance by post, using the enclosed reply paid envelope, or by hand (during normal business hours) to the Receiving Agent at Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, so as to be received not later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible. If you have lost your share certificate(s) and/or other document(s) of title you should write as soon as possible to CIP's registrars, Computershare Investor Services (Guernsey) Limited, at 1st Floor, Tudor House, Le Bodge, St Peter Port, Guernsey GY1 1DB, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand to the Receiving Agent at the address given above.

(d) *Validity of acceptances*

Without prejudice to Section B and Section C of Part II to this document, subject to the provisions of the City Code, CFE reserves the right to treat as valid, in whole or in part, any acceptance of

the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to CFE have been received.

(e) *Overseas shareholders*

The attention of CIP Shareholders holding CIP Shares in certificated form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 12 of this Part I and paragraph 6 of Section B of Part II of this document and paragraph (c) of Section C of Part II of this document.

13.2 ***CIP Shares held in uncertificated form (that is, in CREST)***

(a) *General*

If your CIP Shares are held in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the CIP Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying the Receiving Agent (in its capacity as a CREST participant under the Escrow Agent's participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE Instruction settles not later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) you should therefore ensure you time the input of any TTE Instructions accordingly.**

The input and settlement of a TTE Instruction in accordance with this paragraph 13.2 will (subject to satisfying the requirements set out in Sections A and C of Part II) constitute an acceptance of the Offer in respect of the number of CIP Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your CIP Shares.

After settlement of a TTE Instruction, you will not be able to access the CIP Shares concerned in CREST for any transaction or charging purposes.

You are recommended to refer to the CREST Manual issued by Euroclear for further information on the CREST procedure outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your CIP Shares to settle prior to 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date. In this connection, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

(b) *To accept the Offer*

To accept the Offer in respect of your CIP Shares, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE Instruction in relation to such CIP Shares. A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the CIP Shares. This is GG00BF8NW879;
- the number of CIP Shares in respect of which you wish to accept the Offer (i.e. the number of CIP Shares to be transferred to escrow);
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent for the Offer. This is CFECIP01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

If you hold CIP Shares in uncertificated form through one or more intermediaries, such as a stockbroker, custodian bank or clearing system, you should confirm the instruction deadline which such intermediaries have established to accept the Offer on your behalf. The custodian bank or stockbroker may set an earlier deadline for receiving instructions from you in order to permit the custodian bank or stockbroker to communicate acceptances to the Receiving Agent in a timely manner.

(c) *Validity of acceptances*

Holders of CIP Shares in uncertificated form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled on or before 1.00 p.m. (London time) on that date. A Form of Acceptance which is received in respect of CIP Shares held in uncertificated form may be treated as an invalid acceptance and may be disregarded.

CFE will make an appropriate announcement if any of the details contained in this paragraph 13.2 alter for any reason.

(d) *Overseas shareholders*

The attention of CIP Shareholders holding CIP Shares in uncertificated form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 12 of this Part I, paragraph 6 of Section B of Part II of this document and paragraph (b) of Section D of Part II of this document.

(e) *Further information*

Normal CREST procedures (including timings) apply in relation to any CIP Shares that are, or are to be, converted from uncertificated form to certificated form, or from certificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of CIP Shares or otherwise). Holders of CIP Shares who are proposing to convert any such CIP Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the CIP Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of a Form of Acceptance or transfers to an escrow balance as described above) before 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date.

If you are in any doubt as to the procedure for acceptance of the Offer, please contact the Receiving Agent, Link Group, on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

14. Settlement

Except as provided in paragraph 6 of Section B of Part II to this document in the case of certain overseas shareholders, settlement of the consideration to which any CIP Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer will be effected by the despatch of cheques or by crediting CREST accounts (as applicable) in respect of acceptances received, complete in all respects, within 14 calendar days of the end of the offer period, in the manner set out below.

(a) ***CIP Shares in certificated form (that is, not in CREST)***

Where an acceptance relates to CIP Shares in certificated form, settlement of any cash due will be despatched by first class post (or such other method as may be approved by the Panel) to accepting CIP Shareholders or their appointed agents (but not in a Restricted Jurisdiction). All such cash payments will be made in Pounds Sterling by cheque drawn on a branch of the United Kingdom clearing bank.

(b) ***CIP Shares in uncertificated form (that is, in CREST)***

Where an acceptance relates to CIP Shares in uncertificated form, the cash consideration to which the accepting CIP Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting CIP Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. CFE reserves the right to settle all or any part of the consideration referred to in this paragraph 14, for all or any accepting CIP Shareholder(s), in the manner referred to in paragraph 13 above, if, for any reason, it wishes to do so, except in circumstances where the accepting CIP Shareholder has informed the Receiving Agent in writing prior to the end of the offer period that it is unwilling to accept settlement of the consideration by cheque.

(c) ***Lapsing or withdrawal of the Offer***

If the Offer lapses for any reason:

- (i) in the case of CIP Shares held in certificated form, the relevant Form of Acceptance and relevant share certificates and/or document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 7 calendar days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- (ii) in the case of CIP Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 7 calendar days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all CIP Shares which are held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the CIP Shareholders concerned.

15. Further information

Your attention is drawn to the letter from the board of CFE and the further information in the remaining Parts of this document, which each form part of this document and, if your CIP Shares are in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document. The Form of Acceptance contains material information relevant to those CIP Shareholders who hold CIP Shares in certificated form which may not be summarised elsewhere in this document.

You are advised to read the whole of this document and not just to rely on the summary information in this letter.

16. Action to be taken to accept the Offer

If you hold your CIP Shares in certificated form (that is, not in CREST), to accept the Offer you must:

- (a) complete the enclosed Form of Acceptance in accordance with the instructions printed on it; and
- (b) return the completed Form of Acceptance (along with your share certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, **so as to be received by no later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date.** If you are posting in the UK, the enclosed reply-paid envelope has been provided for your convenience.

If you hold your CIP Shares in uncertificated form (that is, in CREST), to accept the Offer you must:

- (a) follow the procedure set out in paragraph 13 of Part I of this document – acceptances should be made electronically through CREST; and
- (b) **ensure that the TTE Instruction settles as soon as possible and in any event no later than 1.00 p.m. (London time) on 1 April 2022 or, if earlier, the Unconditional Date. If you hold your CIP Shares as a CREST sponsored member,** you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

All remittances, communications, notices, certificates and documents of title sent by, to or from CIP Shareholders or their appointed agents will be sent at their own risk.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance), or have questions in relation to making an electronic acceptance, please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully

Mario Cordoni
Chief Executive Officer,

for and on behalf of

CORPORATION FINANCIÈRE EUROPÉENNE S.A.

PART II

Further terms of the Offer, Form of Acceptance and Electronic Acceptance

Section A: The Acceptance Condition

The Offer will be conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1:00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as CFE may, in accordance with the Code or with the consent of the Panel, decide) in respect of such number of CIP Shares which, together with the CIP Shares acquired, or agreed to be acquired, by CFE (or any person acting in concert with CFE) before or during the Offer Period (whether pursuant to the Offer or otherwise) will result in CFE (and any person acting in concert with it) beneficially holding CIP Shares carrying, in aggregate, 50 per cent. of the voting rights then normally exercisable at a general meeting of CIP.

For the purposes of this Acceptance Condition, CIP Shares which have been unconditionally allotted but not issued before the Offer becomes, or is declared, unconditional, whether pursuant to the exercises of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on issue.

The Offer is subject to the following further terms:

1. The Offer will extend to all issued CIP Shares in which CFE (or any persons acting in concert with it) is not already interested and, for the avoidance of doubt, the Offer will also extend to those CIP Shares which are unconditionally allotted or issued and fully paid before the Offer closes.
2. 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 is not being made, directly or indirectly, in or into, any Restricted Jurisdiction.
3. The Offer will remain open for acceptance until 1:00 p.m. on the Unconditional Date (if that day is a Saturday, Sunday or a public holiday) on the next succeeding Business Day.
4. CIP Shares will be acquired fully paid and free from all security interests, liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests together with all rights attaching thereto, including without limitation the right to receive all dividends and other distributions (if any) announced, declared, made or paid thereafter.
5. CFE reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) which is paid or becomes payable by CIP to the holders of CIP Shares.
6. The Acceptance Condition is not subject to Rule 13.5 of the Code, under which an offeror may not invoke a condition to an 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 the offeror in the context of the offer.
7. The Offer is subject to the applicable requirements of the Code. The Offer and any acceptances under the Offer will be governed by English law and will be subject to the jurisdiction of the courts of England.

Section B: Further terms of the Offer

The following further terms apply, unless the context requires otherwise, to the Offer. Except where the context requires otherwise, any reference in this Part II and in the Form of Acceptance:

- (a) to the **“Offer”** will include any revision, variation or extension of the Offer;
- (b) to the **“offer document”** will mean this document and any other document containing the Offer;
- (c) to the **“Offer becoming unconditional”** means the Acceptance Condition becoming or being declared satisfied, and references to the Offer having become or not becoming unconditional shall be construed accordingly;
- (d) **“acceptances”** of the Offer includes deemed acceptances of the Offer;

- (e) “**Day 39**” means 11 March 2022 (or such other date as CFE may decide with the agreement of the Panel);
- (f) “**Day 46**” means 18 March 2022 (or such other date as CFE may decide with the agreement of the Panel);
- (g) “**Day 60**” means 1 April 2022 (or such other date as CFE may decide with the agreement of the Panel);
- (h) “**Longstop Date**” means midnight on 1 April 2022 (or such other date as CFE may decide with the agreement of the Panel); and
- (i) “**Unconditional Date**” means Day 60 (or such other date as CFE may decide with the agreement of the Panel).

1. Acceptance Period

- (a) The Offer will be open for acceptance until 1.00 p.m. (London time) on Day 60, CFE reserves the right (but will not be obliged, other than as required by the Panel) to request at any time and from time to time that the Panel extends the Offer after such time and, in such event, it will make an announcement of such extension in the manner described in paragraph 2 of this Section B and give oral and written notice of extension to the Receiving Agent.
- (b) If the Offer is revised it will remain open for acceptance for a period of at least 14 days from the date on which CFE published the revised offer documentation. Except with the Panel’s consent, no revision of the Offer may be made or revised offer documentation published after Day 46 or, if later, the date which is 14 days before the last date on which the Offer can become unconditional.
- (c) The Offer, whether revised or not, shall not (except with the consent of the Panel or as otherwise permitted by the Code) be capable of becoming unconditional after midnight on Day 60 (or any other time and/or date beyond which CFE has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement), nor of being kept open for acceptance after that time and/or date unless it has previously become unconditional. Unless the Panel agrees otherwise, if the Offer has not become unconditional at such time (taking account of any permitted extension of the Offer), the Offer will lapse. If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and CFE and CIP Shareholders will cease to be bound by prior acceptances. CFE reserves the right, with the permission of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).
- (d) Except with the consent of the Panel, for the purpose of determining at any particular time whether the Condition is satisfied, CFE may only take into account acceptances received, or purchases of CIP Shares made, in respect of which relevant documents and/or TTE Instructions are received by the Receiving Agent:
 - (i) by 1:00 p.m. on Day 60 (or any other time and/or date beyond which CFE has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement); or
 - (ii) if the Offer is extended with the consent of the Panel, such later time(s) and/or date(s) as CFE may, with the permission of the Panel, determine.
- (e) If the latest time at which the Offer may become unconditional is extended beyond midnight on Day 60, acceptances received and purchases made in respect of which the relevant documents have been received by the Receiving Agent after 1:00 p.m. (London time) on the relevant date may (except where the Code otherwise permits) only be taken into account with the agreement of the Panel.
- (f) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer had become unconditional and it is stated by or on behalf of CFE that the Offer will remain open until further notice, then not less than 14 days’ notice in writing will be given by or on behalf of CFE prior to the closing of the Offer to those CIP Shareholders who have not accepted the Offer.
- (g) If CFE makes a statement that the value or type of consideration of the Offer will not be increased (a “no increase” statement) then only in exceptional circumstances will it be allowed subsequently to

amend the terms of its Offer in any way, except where the right to do so has been specifically reserved. If a competitive situation arises (as determined by the Panel) after CFE has made a “no increase” statement and/or a “no extension” statement (as referred to in the City Code) in connection with the Offer, CFE may, if it specifically reserves the right to do so at the time such statement was made, withdraw the statement if it announces the withdrawal within four Business Days of the announcement of the competing offer and notifies CIP Shareholders to that effect in writing, or, in the case of CIP Shareholders with registered addresses outside the UK, by an announcement in the UK, at the earliest opportunity after that. CFE may choose not to be bound by the terms of a “no increase” or “no extension” statement if, having reserved the right to do so, it posts an increased or improved offer which is recommended for acceptance by the board of directors of CIP.

- (h) If a competitive situation arises (as determined by the Panel) and is continuing on Day 60, CFE will enable holders of CIP Shares held in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by a special form of acceptance to take effect on Day 60 (or such later date to which the Offer may be extended with the consent of the Panel). It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that:
- (i) it is received by the Receiving Agent on or before Day 60 (or such later date as may be agreed by the Panel);
 - (ii) the relevant CIP Shareholder shall have applied to withdraw his acceptance of the competing offer but that the CIP Shares to which such withdrawal relates shall not have been released from the escrow before Day 60 by the escrow agent to the competing offer; and
 - (iii) the CIP Shares held in uncertificated form to which the special form of acceptance relates are not transferred on or before Day 60 (or such later date as may be agreed by the Panel) but an undertaking is given that they will be so transferred as soon as possible thereafter.

CIP Shareholders wishing to use such forms of acceptance should apply to the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Notwithstanding the right to use such special form of acceptance, holders of CIP Shares held in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

2. Announcements

- (a) By 8.00 a.m. (London time) on the Business Day (the relevant day) following the day on which the Offer is due to expire or (if relevant) is revised or is extended, as the case may be (or such later time or date as the Panel may agree), CFE will make an appropriate announcement and simultaneously send the announcement to a Regulatory Information Service. In the announcement, CFE shall state (unless otherwise permitted by the Panel):
- (i) the total number of CIP Shares and rights over CIP (as nearly as practicable) for which acceptances of the Offer have been received, specifying the extent to which acceptances have been received from persons acting or deemed to be acting in concert with CFE for the purposes of the Offer;
 - (ii) details of any relevant securities of CIP in which CFE or any other person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (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 held by or on behalf of CFE or any persons acting in concert with it for the purpose of the Offer, prior to the Offer Period;
 - (iii) for which acceptances of the Offer have been received from any person acting in concert with CFE or any person who has given such irrevocable undertaking, or letter of intent, to accept the

Offer procured by CFE or any of its associates; and

- (iv) details of any relevant securities of CIP which CFE or any person acting in concert with it has borrowed or lent, except for any borrowed shares which have been either on-lent or sold, and will specify the percentage of the relevant class of share capital represented by each of these figures.
- (b) In calculating the number of CIP Shares represented by acceptances and purchases, CFE may include or exclude for announcement purposes, subject to paragraph 6 below, acceptances and/or purchases which are not complete in all respects or which are subject to verification, provided that such acceptances or purchases shall not be included unless they could be counted towards the fulfilling the Acceptance Condition in accordance with paragraph 6 of this Section B.
- (c) In this Part II, references to the making of an announcement or the giving of notice by CFE include the release of an announcement to the press and the delivery by hand or telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service in each case by or on behalf of CFE. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise agrees).
- (d) A copy of any announcement made by CFE in accordance with this paragraph 2 will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on CFE's website (<https://cfe-finance.com/public-documents/>) as soon as possible and in any event by no later than 12 noon on the Business Day following such announcement.

3. Rights of withdrawal

- (a) Acceptances and elections under the Offer by CIP Shareholders are final and binding unless withdrawn in accordance with this paragraph 3 of this Section B of Part II.
- (b) If by 1:00 p.m. on the Longstop Date the Offer has not become unconditional, an accepting CIP Shareholder may withdraw his acceptance of the Offer by written notice received by Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL (or, in the case of CIP Shareholders held in uncertificated form, in the manner referred to in paragraph 3(d) of this Section B of Part II) at any time before the earlier of:
 - (i) the time that the Offer becomes unconditional; and
 - (ii) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1(c) of this Section B.
- (c) Except as provided by this paragraph 3 or otherwise permitted by CFE, acceptances of the Offer will be irrevocable. In this paragraph 3, written notice (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting CIP Shareholder or his/their agent(s) duly appointed in writing (evidence of whose appointment satisfactory to CFE is produced with the notice) given by post or by hand (during normal working hours) to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL, Telex, e-mail, facsimile or other electronic transmissions or copies will not be sufficient. No notice which is post-marked in, or otherwise appears to CFE or its agents to have been sent from, any Restricted Jurisdiction will be treated as valid. The notice must include all relevant information to enable the Receiving Agent to identify the CIP Shares to be withdrawn and a contact telephone number for the CIP Shareholder.
- (d) In the case of CIP Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3(a), 3(b) or 3(c) of this Section B, an accepting CIP Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
 - the number of CIP Shares to be withdrawn, together with their ISIN number which is GG00BF8NW879;

- the member account ID of the accepting CIP Shareholder, together with his participant ID;
 - the member account ID of the Escrow Agent (this is CFECIP01) included in the relevant Electronic Acceptance, together with the Escrow Agent's participant ID (this is RA10);
 - the transaction reference number of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the share note field;
 - the intended settlement date for the withdrawal;
 - the corporate action number for the Offer;
 - the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate actions details in CREST; and
 - input with standard delivery instruction of priority 80;
- (e) Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of CFE reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.
- (f) Except as provided for in this paragraph 3 or otherwise permitted by CFE, acceptances under the Offer are irrevocable.
- (g) If an accepting CIP Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 7 days) and the Receiving Agent will immediately give instructions for the release of securities held in escrow.

4. Revised Offer

- (a) Although no such revision is envisaged, if the Offer, in its original or any previously revised form is revised, and such revision represents on the date on which it is announced, on such basis as CFE may consider appropriate, an improvement or no diminution in the value of the Offer as so revised compared with the consideration previously offered, the benefit of the revised offer will, subject to paragraphs 4(b) and 6 of this Section B below, be made available to CIP Shareholders who have accepted the Offer in its original or previously revised form(s) ("**Previous Acceptors**"). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form will, subject to paragraphs 4(b) and 6 of this Section B below, be treated as an acceptance of the Offer as revised and will constitute the appointment of any member of CFE as the Previous Acceptor's attorney with authority to accept any such revised offer on his behalf. If such revised offer includes alternative forms of consideration the attorney may make such election and/or accept such alternative forms of consideration, on the Previous Acceptor's behalf, as the attorney in his absolute discretion thinks fit, and may execute on behalf of and in the name of the Previous Acceptor all such further documents, if any, as may be required to give full effect to the acceptance and/or election.
- (b) Subject to paragraphs 4(c) and 4(d) of this Section B below, the powers of attorney and authorities conferred by this paragraph 4, and any acceptance of a revised offer, shall be irrevocable unless and until the Previous Acceptor withdraws his acceptances having become entitled to do so under paragraph 3 of this Section B.
- (c) The deemed acceptances referred to in paragraph 4(a) above shall not apply and the powers of attorney and authorities conferred by this paragraph 4 shall not be exercised by CFE or any of its respective directors, authorised representatives and agents if, as a result thereof, the Previous Acceptor would (on such basis as Investec, acting reasonably and solely as CFE's financial adviser may consider appropriate) thereby receive and/or retain (as appropriate) under or in consequence of the Offer and/or any alternative pursuant thereto as revised or otherwise less in aggregate consideration under the revised Offer than he would have received in aggregate consideration as a result of acceptance of the Offer in the form in which it was originally accepted by him or on his behalf, having regard to any previous acceptance or election originally made by him, unless the Previous Acceptor has previously otherwise agreed in writing.

- (d) The deemed acceptances or elections referred to in this paragraph 4 of Section B will not apply, and the authorities conferred by this paragraph 4 will be ineffective, to the extent that a Previous Acceptor:
- (i) in respect of CIP Shares in certificated form, lodged with the Receiving Agent, within 14 calendar days of the publication of the document pursuant to which the revision of the Offer is made available to CIP Shareholders, a Form of Acceptance or some other form issued by or on behalf of CFE in which the CIP Shareholder validly elects to receive the consideration receivable by him under such revised Offer in some other manner than that set out in his original acceptance; or
 - (ii) in respect of CIP Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied.

Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of CIP Shares in respect of which the changed election is made, together with their ISIN number which is GG00BF8NW879;
- the member account ID of the Previous Acceptor, together with his participant ID;
- the member account ID of the Escrow Agent (this is CFECIP01) included in the relevant Electronic Acceptance, together with the Escrow Agent's participant ID (this is RA10);
- the CREST transaction reference number of the Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the standard delivery instruction of priority 80;
- the corporate action number for the Offer; and
- in order that the desired change of election can be effected, must include the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of CFE reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (e) CFE reserves the right to treat a valid acceptance of the Offer or a TTE Instruction, in its original or any previously revised form(s), that is received after the announcement or issue of the Offer in any revised form, as a valid acceptance of the revised Offer, and such acceptance will constitute an authority and request in the terms of paragraph 4(a) above, with the necessary adaptation, on behalf of the relevant CIP Shareholder.
- (f) If a competitive situation continues to exist in the later stages of the offer period, the Panel will normally require revised offers to be announced in accordance with an auction procedure, the terms of which will be determined by the Panel. That procedure will normally require final revisions to competing offers to be announced by the 46th day following the publication of the competing offer document but enable an offeror to revise its offer within a set period in response to any revision announced by a competing offeror on or after the 46th day.

5. Form of Acceptance and Electronic Acceptances

- (a) Further terms relating to the use of the Form of Acceptance are set out in Section C of this Part II.
- (b) Further terms relating to the use of Electronic Acceptances are set out in Section D of this Part II.

6. Overseas shareholders

- (a) The making of the Offer in, or to certain persons who are resident in, or citizens or nationals of, jurisdictions outside Guernsey or the United Kingdom (overseas shareholders) or to agents, nominees, custodians or trustees for such persons, may be prohibited or affected by the laws of the relevant jurisdictions. Overseas shareholders should inform themselves about, and observe, any applicable

legal requirements. It is the responsibility of any overseas shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such overseas shareholder will be responsible for the payment of any issue, transfer or other taxes due in that jurisdiction from any person and CFE, (and any person acting on its behalf) shall be fully indemnified and held harmless by such overseas shareholder for any such issue, transfer or other taxes as such person may be required to pay.

Overseas shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

- (b) Unless otherwise determined by CFE, this document is not being, and will not be, delivered directly or indirectly, in or into or by use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange, any Restricted Jurisdiction and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from any Restricted Jurisdiction. Such means or instrumentalities include, but are not limited to, facsimile transmission, telex, telephone and internet.
- (c) CFE will make the Offer to Restricted Overseas Persons by way of a notice in La Gazette Officielle, which may make reference to the Offer contained in this document and, for this purpose, this document will be made available on CFE's website at <https://cfe-finance.com/public-documents/>.
- (d) Copies of this document, the Form of Acceptance and any related offer document(s) are not, and must not be, mailed or otherwise distributed or sent in or into any Restricted Jurisdiction including to CIP Shareholders or persons with information rights or participants in CIP Share Scheme with registered addresses in any Restricted Jurisdiction or to persons whom CFE knows to be agents, nominees, custodians or trustees holding CIP Shares for such persons. Persons receiving such documents (including, without limitation, agents, nominees, custodians and trustees) must not distribute, send or mail them in, into or from any Restricted Jurisdiction or use any such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly related to acceptance of the Offer. All CIP Shareholders (including nominees, trustees and custodians) who have a contractual or legal obligation, or may otherwise intend, to forward this document, the Form of Acceptance or any related document, should read further the details in this regard which are contained in this paragraph 6 of this Section B and in Section C and Section D of this Part II before taking any action. Envelopes containing the Form of Acceptance or other documents relating to the Offer must not be postmarked in or otherwise despatched from any Restricted Jurisdiction and all acceptors must provide addresses outside Restricted Jurisdictions for the receipt of the consideration to which they are entitled under the Offer and which is despatched by post or for the return of the Form of Acceptance and (in relation to CIP Shares in certificated form) any CIP share certificate(s) and/or other document(s) of title.
- (e) Subject as provided below, a CIP Shareholder will be deemed not to have accepted the Offer if:
 - (i) he puts "NO" in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph 1 of Section C of this Part II;
 - (ii) he completes Box 5A of the Form of Acceptance with an address in any Restricted Jurisdiction or has a registered address in any Restricted Jurisdiction and in either case he does not insert in Box 5B of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer be sent, subject to the provisions of this paragraph 4(d) and applicable laws;
 - (iii) he inserts in Box 2 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
 - (iv) a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to CFE or its agents to have been sent from, any Restricted Jurisdiction; or

- (v) he makes a Restricted Escrow Transfer pursuant to paragraph 5(h) of this Section B unless he also makes a related Restricted ESA Instruction which is accepted by the Receiving Agent.

CFE reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph I of Section C (or, as the case may be, paragraph (b) of Section D) of this Part II could have been truthfully given by the relevant CIP Shareholder and, if such investigation is made and as a result CFE determines that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

- (f) If, notwithstanding the restrictions described above, any person (including, without limitation, agents, nominees, custodians and trustees) whether pursuant to a contractual or legal obligation or otherwise forwards this document, the Form of Acceptance or any related offer document in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 6.
- (g) Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, CFE may in its sole and absolute discretion make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 6) in any Restricted Jurisdiction pursuant to an exemption under applicable law in a Restricted Jurisdiction or if CFE is satisfied in that particular case that to do so would not constitute a breach of any securities or other relevant legislation of any Restricted Jurisdiction, and in this connection the provisions of paragraph I of Section C and paragraph (b) of Section D of this Part II will be varied accordingly.
- (h) The provisions of this paragraph 6 supersede any terms of the Offer inconsistent with them. The provisions of this paragraph 6 and/or any other terms of the Offer relating to overseas shareholders may be waived, varied or modified as regards specific CIP Shareholder(s) or on a general basis by CFE in its absolute discretion.
- (i) If a CIP Shareholder holding CIP Shares in uncertificated form is unable to give the warranties and representations set out in paragraph (c) of Section D below, but nevertheless can provide satisfactory evidence to CFE that they are able to accept the Offer in compliance with all relevant legal and regulatory requirements, they may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that their CREST sponsor sends) a TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”). Such purported acceptance will not be treated as a valid acceptance unless the Restricted Escrow Transfer instruction settles in CREST and CFE decides, in its absolute discretion, to exercise its right described in paragraph 6(h) above to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 above. If CFE accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of CFE accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of CFE reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:
 - (i) the ISIN number for the CIP Shares. This is GG00BF8NW879;
 - (ii) the number of CIP Shares in uncertificated form in respect of which the Offer is to be accepted;
 - (iii) the Member Account ID and participant ID of the CIP Shareholder;
 - (iv) the participant ID of the Escrow Agent (this is RA10) and its Member Account ID specific to the Restricted Escrow Transfer (this is RESTRICT);
 - (v) the intended settlement date;

- (vi) the corporate action number for the Offer allocated by Euroclear;
- (vii) input with a standard delivery instruction priority of 80; and
- (viii) the contact name and telephone number inserted in the shared note field.

7. General

- (a) Except with the consent of the Panel, settlement of the consideration to which any CIP Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which CFE may otherwise be, or claim to be, entitled as against them and will (subject to paragraph 6 above) be effected in the manner described in paragraph 14 of Part I (Letter from CFE)
- (b) The Offer is made on 31 January 2022 to all CIP Shareholders and is capable of acceptance from and after that time. Copies of this document and the Form of Acceptance are available from the Receiving Agent whose contact details are set out in paragraph 3(a) of this Part B to this document.
- (c) CFE may close the Offer without further notice at 1:00 p.m. on the Unconditional Date.
- (d) If the Offer lapses for any reason, then it shall cease to be capable of further acceptance and CFE and CIP Shareholders will cease to be bound by acceptances received on or before the date on which the Offer lapses.
- (e) If the Offer lapses, the Offer will cease to be capable of further acceptance and accepting CIP Shareholders and CFE will cease to be bound by Forms of Acceptance submitted before the time when the Offer so lapses. Except with the consent of the Panel, settlement of the consideration to which any CIP Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which CFE may otherwise be or claim to be entitled as against him. No consideration will be sent to an address in a Restricted Jurisdiction.
- (f) Notwithstanding the right reserved by CFE to treat a Form of Acceptance as valid even though not entirely in order or not accompanied by the relevant share certificate and/or other document(s) of title or not accompanied by the relevant transfer to escrow, except with the consent of the Panel, an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 to Rule 10 of the Code are satisfied in respect of it.
- (g) All powers of attorney and authorities on the terms conferred by or referred to in Part II 1 or in the Form of Acceptance are given by way of security for the performance of the obligations of the CIP Shareholders concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except in the circumstances where the donor of such power of attorney or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Section B and duly does so.
- (h) The Offer extends to any CIP Shareholders not resident in the United Kingdom to whom this document, the Form of Acceptance and any related documents may not have been despatched or by whom such documents may not have been received and such CIP Shareholders may collect copies of those documents from the Receiving Agent. CFE reserves the right to notify any matter, including the making of the Offer, to all or any CIP Shareholders with a registered address outside the United Kingdom, or whom CFE knows to be nominees, trustees or custodians for such persons, by announcement in the United Kingdom or paid advertisement in a daily newspaper published and circulated in the United Kingdom, in which event such notice will be deemed to have been sufficiently given notwithstanding any failure by a CIP Shareholder to receive such notice. All references in this document to notice, or the provision of information in writing, by CFE and/or its agents and/or public relations consultants will be construed accordingly.
- (i) The instructions, authorities and provisions contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance.

- (j) Any omission to despatch this document, or any notice required to be despatched under the terms of the Offer to, or any failure to receive it by, any person to whom the Offer is made, or should be made, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person, except as provided in paragraph 6 above.
- (k) CFE reserves the right to treat acceptances as valid if received by it or on its behalf at any place or places determined by CFE otherwise than as set out in this document or in the Form of Acceptance.
- (l) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from CIP Shareholders will be delivered by or sent to or from them, or their designated agents, at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, share certificate or other document will be given by or on behalf of CFE.
- (m) CFE reserves the right to notify any matter, including the making of the Offer, to CIP Shareholders with registered addresses outside the United Kingdom by announcement in the United Kingdom, in which case such notice will be deemed to have been sufficiently given notwithstanding any failure by and such shareholders to receive such notice. All references in this document to notice or informing in writing will be construed accordingly.
- (n) A response from CIP to the Offer is to be made by 14 February 2022. This is to be available on CIP's website.
- (o) In relation to any acceptance of the Offer in respect of a holding of CIP Shares which are in uncertificated form, CFE reserves the right to make such alterations, additions or modifications as may be necessary or desirable to comply with the facilities or requirements of CREST or to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (p) CFE reserves the right to reduce the Offer consideration by the amount of any dividend (or other distribution) which is paid or becomes payable by CIP to the holders of CIP Shares.
- (q) If CFE exercises the right to reduce the offer consideration by all or part of the amount of a dividend (or other distribution) that has not been paid, CIP Shareholders will be entitled to receive and retain that dividend (or other distribution).
- (r) Notwithstanding the right reserved by CFE to treat an acceptance of the Offer as valid even though (in case of CIP Shares held in certificated form) the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title, except with the consent of the Panel:
 - (i) an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 of Rule 10 of the City Code are satisfied in respect of it;
 - (ii) a purchase of CIP Shares by CFE or its nominee(s) or a person acting in concert with CFE will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 of Rule 10 of the City Code are satisfied in respect of it; and
 - (iii) CIP Shares which have been borrowed by CFE will not be counted towards fulfilling the Acceptance Condition.

Save as otherwise set out above, the Offer may not be accepted otherwise than by means of a Form of Acceptance or TTE Instruction.

- (s) Except with consent of the Panel the Offer will not become unconditional unless the Receiving Agent has issued a certificate to CFE which states the number of CIP Shares in respect of which acceptances have been received and the number (if any) of CIP Shares otherwise acquired, whether before or during the Offer Period.

- (t) If the Offer lapses:
 - (i) in respect of CIP Shares held in certificated form, Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other methods as the Panel may approve) within 7 days of the Offer lapsing, at the risk of the CIP Shareholders concerned, to the person or agent whose name and address is set out in the relevant box of the Form of Acceptance or, if none is set out, to the first named holder at his registered address; and
 - (ii) in respect of CIP Shares held in uncertificated form, the Receiving Agent will, immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 7 days of the lapsing of the Offer), give TTE instructions to Euroclear to transfer all CIP Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the CIP Shareholders concerned.

8. Law and jurisdiction

- (a) The Offer, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all actions taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a CIP Shareholder and CFE, or the Receiving Agent will be governed by and interpreted in accordance with English law.
- (b) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a CIP Shareholder will constitute his agreement that the courts of England are (subject to paragraph 8(c) below) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationship established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that he irrevocably submits to the jurisdiction of the English courts.
- (c) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a CIP Shareholder will constitute his agreement that the agreement in paragraph 8(b) above is included for the benefit of CFE, and accordingly, notwithstanding the exclusive agreement in paragraph 8(b) above, CFE, will retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the accepting CIP Shareholder irrevocably submits to the jurisdiction of the courts of any such country.

Section C: Forms of Acceptance

Each CIP Shareholder by whom, or on whose behalf, any Form of Acceptance is executed and received by the Receiving Agent, irrevocably undertakes, represents, warrants and agrees to and with CFE and the Receiving Agent (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall, subject to the terms and conditions set out in this document and the Form of Acceptance, constitute:
 - (i) an acceptance of the Offer in respect of the number of CIP Shares in certificated form inserted or deemed to be inserted in Box 2 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,
 - (iii) a representation and warranty that he is the beneficial owner of the number of CIP Shares inserted or deemed to be inserted in Box 2 of the Form of Acceptance or, if he is not, that he either has sole investment discretion, or has irrevocable instructions from the beneficial owner to accept the Offer with respect to such CIP Shares; and
 - (iv) a representation and warranty that it would be lawful for CFE to accept the Form of Acceptance;
- (b) that the CIP Shares in respect of which the Offer is accepted or is deemed to be accepted are sold free from all security interests, liens, charges and encumbrances and together with all rights attaching to them;

- (c) that unless “NO” is inserted or deemed to be inserted in Box 4 of the Form of Acceptance, such CIP Shareholder:
- (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex and telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside all Restricted Jurisdictions when the Form of Acceptance was delivered and at the time of accepting the Offer, and in respect of the CIP Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) warrants that the Form of Acceptance and any related offer documents have not been mailed or otherwise sent in, into or from any Restricted Jurisdiction; and
 - (v) if such CIP Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in CFE or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
- (d) the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the accepting CIP Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of CFE and/or its agents as such CIP Shareholder’s attorney and/or agent (attorney), with an irrevocable instruction to the attorney to:
- (i) complete and execute all or any form(s) of transfer and/or renunciation and/or other document(s) in the attorney’s discretion in relation to the CIP Shares referred to in paragraph (a)(i) of this Section C in favour of CFE or as CFE or its agents may direct;
 - (ii) deliver such form(s) of transfer and/or renunciation and/or other document(s) at the attorney’s discretion together with any certificate(s) and/or other document(s) of title relating to such CIP Shares for registration within six months of the date of this offer document; and
 - (iii) do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer pursuant to the Form of Acceptance and to vest in CFE or its nominee the CIP Shares as aforesaid;
- (e) the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the accepting CIP Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request:
- (i) to CIP or its agents to procure the registration of the transfer of those CIP Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to CFE or as it may direct; and
 - (ii) to CFE or its agents to procure the dispatch by post (or such other method as may be approved by the Panel) of a cheque drawn on a branch of a United Kingdom clearing bank in respect of any cash consideration to which he is entitled under the Offer, at the risk of such CIP Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box 5B of the Form of Acceptance or, if none is set out, to the first named holder at his registered address (outside any Restricted Jurisdiction);
- (f) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to each of CFE and/or its agents within the terms of Section B and this Section C of this Part II;
- (g) subject to the Panel giving its consent, and pending registration, that:

- (i) CFE or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of CIP or of any class of its shareholders) attaching to any CIP Shares in certificated form in respect of which the Offer has been accepted, or is deemed to have been accepted, provided that such acceptance is not validly withdrawn;
- (ii) the execution of a Form of Acceptance by a CIP Shareholder constitutes, in respect of the CIP Shares comprised in such acceptance provided that such acceptance has not been validly withdrawn:
 - (A) an authority to CIP and/or its agents from such CIP Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of CIP, to its registered office or care of the Receiving Agent;
 - (B) an authority to CFE and/or its agents to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such CIP Shares appointing any person nominated by CFE to attend general meetings and separate class meetings of CIP or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer; and
 - (C) the agreement of such CIP Shareholder not to exercise any of such rights without the consent of CFE and the irrevocable undertaking of such CIP Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that he will deliver (or procure the delivery) to the Receiving Agent at the address referred to in paragraph 3(f) of Section B of this Part II his share certificate(s) or other document(s) of title in respect of all CIP Shares held by him in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to CFE in lieu thereof, as soon as possible and in any event within six months of the date of this document;
- (i) that, if he accepts the Offer, he will do all such acts and things as shall, in the opinion of CFE or the Receiving Agent, be necessary or expedient to vest in CFE or its nominee(s) or such other person as CFE may decide the number of CIP Shares inserted or deemed to be inserted in Box 2 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the Offer;
- (j) that the terms and conditions of the Offer contained in this document will be incorporated and deemed to be incorporated in, and form part of, the Form of Acceptance which will be read and construed accordingly;
- (k) that he will ratify each and every act or thing which may be done or effected by CFE, the Receiving Agent or any director of CFE or the Receiving Agent or their respective agents or CIP or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Section B of this Part II or this Section C will be unenforceable or invalid or will not operate so as to afford CFE, the Receiving Agent or any director or duly authorized representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Section B of this Part II or this Section C;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (n) that the execution of the Form of Acceptance constitutes his submission, in relation to any dispute arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of CFE to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including in relation to

any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction; and

- (o) the Form of Acceptance will be deemed to be delivered on the date of its execution and will take effect as a deed.

References in this Section C to a CIP Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Section C shall apply to them jointly and to each of them.

Section D: Electronic Acceptance

This Section D applies only to CIP Shares held in uncertificated form. If you hold all your CIP Shares in certificated form, you should ignore this Section D and instead read Section C above.

For the purposes of this Section D of this Part II, the phrase “CIP Shares in uncertificated form comprised in the acceptance” shall mean the number of CIP Shares which are transferred by the relevant CIP Shareholder by Electronic Acceptance to an escrow account by means of a TTE Instruction.

Each CIP Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees with CFE and the Receiving Agent (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of CIP Shares in uncertificated form to which the TTE Instruction relates; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to the rights of withdrawal set out in paragraph 3 of Section B of this Part II, each such acceptance, election and undertaking shall be irrevocable;

- (b) that such CIP Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents, in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise authorised in connection with the Offer, directly or indirectly, the use of the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside all Restricted Jurisdictions at the time of the input and settlement of the relevant TTE Instruction(s) and in respect of the CIP Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) no TTE Instruction has been sent from any Restricted Jurisdiction; and
 - (v) if such CIP Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in CFE or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;

- (c) that the Electronic Acceptance constitutes, subject to the accepting CIP Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of CFE, or any of the directors of CFE, or any person authorised by CFE, as such CIP Shareholder's attorney and/or agent (attorney), with an irrevocable instruction to the attorney to do all such acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer;
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as such Escrow Agent to the Offer with an irrevocable instruction and authority to the Escrow Agent, subject to an accepting CIP Shareholder not having validly withdrawn his acceptance, to transfer (if CFE so requests) to CFE (or to such other person or persons as CFE or its agents may direct) by means of CREST all or any of the CIP Shares in uncertificated form which are the subject of a TTE Instruction in respect of that Electronic Acceptance;
- (e) that the Electronic Acceptance constitutes, subject to an accepting CIP Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request to CFE or its agents to procure the making of a CREST payment obligation in favour of the CIP Shareholder's payment bank in accordance with the CREST payment arrangements in respect of the cash consideration to which such CIP Shareholder is entitled under the Offer, provided that: (i) CFE may (if, for any reason, it wishes to do so) determine that all or any part of any such cash consideration shall be paid by cheque drawn on a branch of a United Kingdom clearing bank despatched by post; and (ii) if the CIP Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such CIP Shareholder is entitled shall be paid by cheque drawn on a branch of a United Kingdom clearing bank despatched by post, at the risk of such CIP Shareholder, such cheques shall be despatched to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such CIP Shareholder or as otherwise determined by CFE;
- (f) that the Electronic Acceptance constitutes a separate authority to CFE or the Receiving Agent and/or their respective agents within the terms of Section B and this Section D of Part II;
- (g) subject to the Panel giving its consent, and pending registration, that:
 - (i) CFE or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of CIP or of any class of its shareholders) attaching to any CIP Shares represented by the CIP Shares comprised or deemed to be comprised in the Electronic Acceptance, and in respect of which such acceptance has not been validly withdrawn; and
 - (ii) an Electronic Acceptance by a CIP Shareholder constitutes, in respect of the CIP Shares in uncertificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to CIP and/or its agents from such CIP Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of CIP (including any share certificate(s) or other document(s) of title issued) to its registered office or care of the Receiving Agent;
 - (B) an irrevocable authority to any directors or managers of, or persons authorised by CFE and/or their respective agents to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the CIP Shares represented by the CIP Shares held by him (including, without limitation, signing any consent to short notice on his behalf and/or attending and/or executing a form of proxy in respect of such CIP Shares represented by the CIP Shares held in uncertificated form appointing any person nominated by CFE to attend general meetings and separate class meetings of CIP or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such CIP Shares on his behalf; and
 - (C) the agreement of such CIP Shareholder not to exercise any of such rights without the consent of CFE and the irrevocable undertaking of such CIP Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that if, for any reason, any CIP Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 13 of the letter from CFE contained in Part I of this document converted to certificated form, he will (without prejudice to paragraph (g)(ii)(A) of this Section D) immediately deliver

or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of the CIP Shares that are so converted to the Receiving Agent at the address referred to in paragraph 3(f) of Section B of this Part II or to CFE at its registered office or as CFE or its agents may direct, and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Section C of this Part II in relation to such CIP Shares without prejudice to the application of this Section D so far as CFE deems appropriate;

- (i) that the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph (e) of this Section D shall, to the extent of the obligation so created, discharge in full any obligation of CFE to pay to him the cash consideration to which he is entitled pursuant to the Offer;
- (j) he will do all such acts and things as shall, in the reasonable opinion of CFE be necessary or desirable to enable the Receiving Agent to perform its function as Escrow Agent for the purposes of the Offer or to vest in CFE or its nominee(s), subject to the Electronic Acceptance not having been validly withdrawn, the CIP Shares in uncertificated form comprised or deemed to be comprised in the acceptance;
- (k) he will ratify each and every act or thing which may be done or effected by CFE, the Escrow Agent or the Receiving Agent or any of their respective directors or agents or CIP or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Section B of this Part II or this Section D will be unenforceable or invalid or will not operate so as to afford CFE, the Escrow Agent or the Receiving Agent or any director or duly authorized representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Section B of this Part II and this Section D;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words; and
- (n) the making of an Electronic Acceptance constitutes his submission, in relation to any dispute arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of CFE to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction.

References in this Section D to a CIP Shareholder shall include references to the person or persons making an Electronic Acceptance.

PART III

Financial Information on CIP

The financial information set out below is incorporated by reference into this document in accordance with Rule 24.15 of the City Code.

Please note that the latest interim report for the CIP Group to 31 June 2021 and the financial results for the CIP Group for the two financial years ended 31 December 2020 and 31 December 2019 are available free of charge on the following website:

<https://cipmerchantcapital.com/corporate-documents/>

The annual reports are available in “read-only” format and can be printed from the web address detailed above.

Please see paragraph 11 of Part V to the document for details of obtaining copies of documents incorporated by reference into this document.

PART IV

Financial Information on CFE

The financial information set out below is incorporated by reference into this document in accordance with Rule 24.15 of the City Code.

Please note that the financial results for CFE for the two financial years ended 30 June 2021 and 30 June 2020 are available free of charge on the following website:

<https://cfe-finance.com/public-documents/>

The annual reports are available in “read-only” format and can be printed from the web address detailed above.

Please see paragraph 11 of Part V to the document for details of obtaining copies of documents incorporated by reference into this document.

PART V

Additional Information

1. Responsibility

- 1.1 The issue of this document has been approved by the Directors of CFE. The Directors of CFE, whose names appear in paragraph 2.1 below, accept responsibility for the information contained in this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document (other than any information relating to CIP, the Directors of CIP or their immediate families, related trusts and connected persons) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors of CFE and CIP

- 2.1 The names of the Directors of CFE and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
Mario Cordoni	<i>Founder and Chief Executive Officer</i>
Marco Paternò Castello	<i>Executive Director</i>
Pierfrancesco Rampinelli-Rota	<i>Chairman and Non-Executive Director</i>

The registered office and principal place of business of CFE, which is also the business address of the above directors, is 32 Boulevard Royal, L-2449 Luxembourg.

- 2.2 The names of the Directors of CIP and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
Adrian Collins	<i>Non-executive chairman (Independent)</i>
John Falla	<i>Non-executive director (Independent)</i>
Robert King	<i>Non-executive director (Independent)</i>
Piero Sansalone	<i>Non-executive director</i>

The registered office of CIP, which is also the business address of the above directors, is 3rd Floor, 1 Le Truchot, St Peter Port, GY1 1WD, Guernsey.

3. Market quotations

- 3.1 The following table shows the closing middle market quotations for CIP Shares, as derived from London Stock Exchange Daily Official List, on:

- (a) the first Business Day in each of the six months immediately before the date of this document;
- (b) 13 January 2022 (being the last dealing day before the commencement of the Offer Period);
- (c) 28 January 2022 (being the latest practicable date prior to the publication of this document).

<i>Date</i>	<i>Price per CIP Share (pence)</i>
2 August 2021	57.00
1 September 2021	55.50
1 October 2021	55.00
1 November 2021	58.50
1 December 2021	48.50
4 January 2022	51.00
13 January 2022	51.00
28 January 2022	56.50

4. Disclosure of interests and dealings in relevant securities

4.1 Definitions

For the purposes of this paragraph 4:

- (a) **“acting in concert”** with a person means any other person acting or deemed to be acting in concert with that first person for the purposes of the City Code and the Offer;
- (b) **“dealing”** or **“dealt”** means:
 - (i) acquiring or disposing of securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
 - (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any securities;
 - (iii) subscribing or agreeing to subscribe for securities;
 - (iv) exercising or converting, whether in respect of new or existing securities, any securities carrying conversion or subscription rights;
 - (v) acquiring or disposing of, entering into, closing out, exercise (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
 - (vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by CIP or CFE; and
 - (viii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (c) **“derivative”** means any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (d) **“disclosure period”** means the period commencing on 14 January 2021 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on 28 January 2022 (being the latest practicable date prior to the publication of this document);
- (e) a person having an **“interest”**, or being **“interested”**, in any securities includes a situation where a person:
 - (i) owns securities;
 - (ii) has the right, whether conditional or absolute, to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
 - (iv) is a party to any derivative whose value is determined by reference to the price of securities and which results, or may result, in his having a long position in them; or
 - (v) has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- (f) **“Note 11 arrangement”** means any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature relating to CIP relevant securities which may be an inducement to deal or refrain from dealing in such securities;
- (g) **“CIP relevant securities”** means relevant securities (such term having the meaning given to it in the City Code in relation to an CIP) of CIP including CIP Shares and any securities convertible into, or carrying rights to subscribe for CIP Shares;

- (h) “**related parties**”, in relation to a director, means those persons listed in section 167(1) of the Companies Law in respect of whom, through their connection to a director, such director would be deemed to have a personal interest;
- (i) “**relevant securities**” means CIP relevant securities; and
- (j) “**short position**” means any short position (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.

4.2 **Interests in relevant securities of CIP**

As at the close of business on 28 January 2022 (being the last practicable date prior to publication of this document) CFE had an interest in 17,490,317 CIP Shares, representing approximately 31.8 per cent. of the CIP Shares in issue.

The following dealing in CIP Shares by CFE has taken place during the disclosure period:

<i>Completion Date</i>	<i>Transaction type</i>	<i>Number of CIP Shares</i>	<i>Price per share (£)</i>
26 January 2021	Purchase	5,000,000	0.50
12 March 2021	Purchase	230,010	0.50
19 March 2021	Purchase	104,838	0.50
26 March 2021	Purchase	309,996	0.50
29 March 2021	Purchase	15,000	0.50
30 June 2021	Purchase	4,549,000	0.55
2 July 2021	Purchase	700,000	0.55
16 July 2021	Purchase	1,345,000	0.55
23 July 2021	Purchase	22,000	0.55
29 July 2021	Purchase	350,000	0.55
14 January 2022	Purchase	1,091,000	0.55

The major shareholders of CFE and their respective percentage shareholdings as at the close of business on 28 January 2022 (being the last practicable date prior to publication of this document) are set out in the table below:

<i>Name</i>	<i>Percentage shareholding in CFE (%)</i>
Mario Cordoni	70.71
Duccio Duranti	16.97

A summary of each of the major shareholders of CFE is set out below:

- Mr Cordoni owns 70.71 per cent. of the issued share capital of CFE. Mr Cordoni’s shares in CFE are held through his wholly owned holding companies (Provence Lux S.A. and Metal Finance S.A.) as well as through his majority holding in Rascasse Capital Partners S.A. (“**Rascasse**”), which is co-owned by various members of CFE’s management team.
- Duccio Duranti, CFE’s Head of Business Development, owns 16.97 per cent. of the issued share capital of CFE. Mr Duranti’s shares in CFE are held through his wholly owned holding company (Ababell Holdings S.A.R.L.) which holds the shares both directly and through its holding in Rascasse.

4.3 **General**

Save as set out above in this Part V, as at the close of business on 28 January 2022 (being the latest practicable date prior to the publication of this document):

- (a) none of:
- (i) CFE;
 - (ii) the Directors of CFE or their respective related parties; nor
 - (iii) any person acting in concert with CFE

had any interest in or right to subscribe for any CIP relevant securities or any short position in respect of CIP relevant securities or (save for any borrowed shares which have been on-lent or sold) had borrowed or lent any CIP relevant securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code) nor has any such person dealt in any CIP relevant securities during the disclosure period; and

- (b) neither CFE nor any person acting in concert with CFE has any Note 11 arrangement.

5. Financing arrangements and cash confirmation

- (a) Based on the existing issued share capital of CIP of 55,000,000 CIP Shares full acceptance of the Offer would require the payment by CFE, under the terms of the Offer, of a maximum amount of £20,630,325.65 in cash (the “**Cash Offer Amount**”).
- (b) The cash consideration payable under the Offer will be funded by CFE’s existing cash resources. Deutsche Bank Luxembourg S.A. has provided a first demand guarantee to CFE dated 18 November 2021 irrevocably guaranteeing payment of the Cash Offer Amount immediately upon first demand in writing by CFE (the “**DB Guarantee**”). The DB Guarantee expires on 31 May 2022.
- (c) Investec, as financial adviser to CFE, is satisfied that the sufficient resources are available to CFE to enable it to satisfy in full the cash consideration payable to CIP Shareholders under the terms of the Offer.

6. Material contracts

- 6.1 In addition to the financing arrangements described in paragraph 5, the following contracts (not being contracts entered into in the ordinary course of business), which are or may be material, have been entered into by members of the CFE Group within the two years immediately preceding the commencement of the Offer Period:

- (a) ***Loan agreement between CFE and RiverRock European Capital Partners LLP dated 16 December 2021 and amended on 21 January 2022 (the “Short Term Loan Agreement”)***

Pursuant to the Short Term Loan Agreement, CFE granted a loan of EUR 1,250,000 to RiverRock European Capital Partners LLP. The Short Term Loan Agreement has a duration of two months and is due to be repaid by 16 February 2022, if not already done so prior to then. The loan is interest bearing at a rate of 5 per cent. per annum, payable at maturity. The first instalment of EUR 1 million was drawn on 16 December 2021, with the second instalment of EUR 250,000 drawn on 25 January 2022. The laws of England and Wales govern the Short Term Loan Agreement.

- (b) ***Deed of adherence between CFE (UK) Ltd and RiverRock European Capital Partners LLP dated 15 September 2021 (the “Deed of Adherence”)***

Pursuant to a partnership agreement in relation to RiverRock European Capital Partners LLP, CFE (UK) Ltd, a company wholly owned by CFE, has signed a deed of adherence to become a member of RiverRock European Capital Partners LLP, one of Europe’s leading alternative investment management company providing alternative solutions to global investors and customised capital solutions to European companies. Pending receipt of approval from the FCA, CFE (UK) Ltd will be admitted as a member and will contribute EUR 11 million to the partnership and will have a 39.50 per cent. share in any profit and voting.

- (c) ***Share subscription agreement between CFE and NewCleo Ltd dated 23 August 2021 (the “NewCleo Subscription Agreement”)***

Pursuant to the NewCleo Subscription Agreement, CFE subscribed for 10,000 ordinary shares in the capital of NewCleo Ltd. NewCleo Ltd is a company focused on the energy sector and aims to develop a new way of extracting energy from nuclei, a carbon neutral energy source. The subscription price per share was EUR 50 for a total consideration of EUR 500,000.

(d) ***Loan agreement between CFE and RiverRock European Capital Partners LLP dated 27 July 2021 (the “Loan Agreement”)***

Pursuant to the Loan Agreement, CFE granted a loan of EUR2 million to RiverRock European Capital Partners LLP. The Loan Agreement has a duration of three years and is due to be repaid by 27 July 2024, if not already done so prior to then. The loan is interest bearing at a rate of 5 per cent. per annum, payable every six months. The first instalment of EUR 1.5 million was drawn on 27 July 2021 with the second instalment of EUR 500,000 drawn on 27 August 2021. The Loan Agreement is governed by the laws of England and Wales.

(e) ***Share purchase agreement between CFE and Green Blue 7 S.A. dated 21 July 2021 (the “Green Blue SPA”)***

Pursuant to the Green Blue SPA, CFE acquired an indirect shareholding of 49 per cent. in Luxembourg Fund Services S.A. (‘LFS’) which operates as a Professional of the Financial Sector (PFS) and is regulated and supervised by the Commission de Surveillance du Secteur Financier (CSSF), Luxembourg’s financial supervisory authority. LFS specialises in regulated and unregulated investment funds, corporate domain, tax and accounting services, central administration and transfer agency. The total consideration paid under the Green Blue SPA was EUR 4,708,208.31. The Green Blue SPA is governed by the law of the Grand Duchy of Luxembourg.

(f) ***Facility agreement between CFE and Deutsche Bank Luxembourg S.A. dated 25 June 2020 (the “DB Facility”)***

Pursuant to the DB Facility, CFE was granted a committed and secured revolving credit facility of up to EUR 45 million. The facility is only available to be drawn in EUR. The DB Facility is interest bearing at a rate of 0.45 per cent. per annum on the first EUR 25 million and 2.95 per cent. per annum on the remaining EUR 20 million. CFE is entitled to draw down the facility in a single or multiple tranches, each tranche having a minimum amount of EUR 100,000. The DB Facility had its first maturity date on 25 June 2021 and has been renewed by CFE and Deutsche Bank Luxembourg S.A. The DB facility is governed by the law of the Grand Duchy of Luxembourg.

(g) ***Shareholder loan agreement between CFE and Rascasse Capital Partners S.A. dated 6 June 2020 (the “Shareholder Loan Agreement”)***

Pursuant to the Shareholder Loan Agreement, CFE has granted Rascasse Capital Partners S.A., a shareholder of CFE, an intercompany loan of EUR 17 million. The Shareholder Loan Agreement has a fixed annual interest rate of 0.55 per cent. The facility is payable in a single tranche in EUR or USD, and it is repayable upon request by CFE, with a minimum notice period of 60 days. The Shareholder Loan Agreement is governed by the law of the Grand Duchy of Luxembourg.

7. Bases of calculations and sources of information

- 7.1 The value of £30.3 million attributed to the existing issued share capital of CIP is based upon the 55,000,000 CIP Shares in issue on 28 January 2022 (being the latest practicable date prior to publication of this document).
- 7.2 For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation or the treatment of fractions under the Offer.
- 7.3 Unless otherwise stated, the financial information on CIP has been extracted from the audited annual report and accounts of CIP for the year ended 31 December 2020 and from the announcement of CIP's interim results for the six months ended 30 June 2021.
- 7.4 Unless otherwise stated, the financial information concerning CFE has been quoted on the basis of current Luxembourg Generally Accepted Accounting Practice as at 28 January 2022 (being the latest practicable date prior to publication of this document).
- 7.5 Unless otherwise stated, all prices for CIP Share have been derived from London Stock Exchange Daily Official List and represent the closing middle market prices on the relevant date.

- 7.6 References to a percentage of CIP Shares are based on the number of CIP Shares in issue as set out in paragraph 7.1 above.
- 7.7 Volume weighted average prices are derived from FactSet data and based on the volume weighted intra-day average price.
- 7.8 The premia implied by the Offer Price have been calculated with reference to prices of:
- (a) 51.0 pence for each CIP Share, being the Closing Price on 13 January 2022, the last Business Day prior to the commencement of the Offer Period;
 - (b) the average Closing Price of 49.0 pence for each CIP Share for the three month period prior to and including 13 January 2022, the last Business Day prior to the commencement of the Offer Period; and
 - (c) the average Closing Price of 51.0 pence for each CIP Share for the six month period prior to and including 13 January 2022, the last Business Day prior to the commencement of the Offer Period.
- 7.9 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>.
- 7.10 The International Securities Identification Number for CIP Shares is GG00BF8NW879.

8. Fees and expenses

It is estimated that the aggregate fees and expenses expected to be incurred by CFE in connection with the Offer are estimated to amount to approximately £780,000 (exclusive of any applicable VAT). This aggregate number (exclusive of any applicable VAT) consists of the following categories:

- (a) financial and corporate broking advice: approximately £300,000;
- (b) legal advice: approximately £420,000; and
- (c) other professional services: approximately £60,000.

9. General

- 9.1 Save as disclosed in this document, no proposal exists in connection with the Offer that any payment be made or given by CFE to any person as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 9.2 Save as disclosed in this document, as at the disclosure date, neither CFE, nor any of the Directors of CFE nor any of such directors' related parties, nor any person acting in concert with CFE held any interest in, or right to subscribe for, or any short position, including any short position under a derivative in relation to, is party to, any agreement to sell or has any delivery obligation or right to require another person to purchase or take delivery, of any relevant securities of CIP, nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of CIP (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code), nor has any such person dealt in relevant securities of CIP during the disclosure period.
- 9.3 Neither CFE nor any person acting in concert with CFE has received any irrevocable commitment or letter of intent in relation to relevant securities of CIP.
- 9.4 Neither CFE nor any person acting in concert with CFE is party to any offer-related arrangements or other agreements, arrangements, commitments permitted under or excluded from Rule 21.2 of the City Code.
- 9.5 There are no agreements, arrangements, understandings or compensation arrangements between CFE and any person acting in concert with it and any of the directors, recent directors, shareholders

or recent shareholders of CIP, or any person interested or recently interested in CIP Shares, having any connection with or dependence upon the Offer.

- 9.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the CIP Shares to be acquired pursuant to the Offer will be transferred to any person, except that CFE reserves the right to transfer any such shares to any member of its Group.
- 9.7 CFE is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer
- 9.8 Investec has given and not withdrawn its written consent to the issue of this document with the inclusion of its advice and the references to its name in the form and context in which they appear.
- 9.9 CFE does not propose to put any incentivisation arrangements in place for CIP's management following completion of the Offer.
- 9.10 The value of the whole of the issued share capital of CIP is based upon 55,000,000 issued CIP Shares as at 28 January 2022 and the Offer Price of 55 pence per CIP Share.
- 9.11 The Directors of CFE are not aware of any significant change in the financial or trading position of CFE since 30 June 2021 (being the date to which the last audited accounts of CFE were prepared).
- 9.12 CFE has not had access to any information about the CIP Group otherwise than from published sources. Subject thereto, so far as the Directors of CFE are aware, there has been no significant change in the financial or trading position of CIP since 30 June 2021, being the date to which the last interim accounts of CIP were prepared).

10. Documents to be published on a website

- 10.1 Copies of the following documents will be published on CFE's website at <https://cfe-finance.com/public-documents/> while the Offer remains open for acceptance:
- (a) the Rule 2.7 Announcement;
 - (b) the articles of association of CFE;
 - (c) the memorandum and articles of association of CIP;
 - (d) CFE's audited financial statements for the years ended 30 June 2020 and 20 June 2021;
 - (e) the documents relating to the financing of the Offer described in paragraph 5 above of this Part V.
 - (f) the letter of consent referred to in paragraph 9.8; and
 - (g) this document and the Form of Acceptance.

11. Documents incorporated by reference

CIP financial information

- 11.1 Part III incorporates financial information on the CIP Group by reference to CIP's audited annual report and accounts for the financial periods ended 30 June 2021, 31 December 2020 and 31 December 2019. These documents are published on the following website:

<https://cipmerchantcapital.com>

CFE financial information

- 11.2 Part IV incorporates financial information on the CFE Group by reference to CFE's audited annual report and accounts for the financial periods ended 30 June 2021 and 30 June 2020. These documents are published on the following website:

<https://cfe-finance.com/public-documents/>

General

- 11.3 Any CIP Shareholder or other person to whom this document is sent by CFE may request a copy of the information incorporated by reference into this document (as set out in Appendices II and III) in

hard copy form. A hard copy of such documents will not be sent to such persons unless requested by telephone from the Receiving Agent on 0371 664 0321 (when telephoning from inside the UK) or +44 0371 664 0321 (when telephoning from outside the UK). Calls to the 0371 664 0321 number are charged at the standard geographic rate and will vary by provider. Calls to the +44 0371 664 0321 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and timing purposes.

If requested, hard copies will be provided within two Business Days of such request.

12. Date of despatch and publication

12.1 This document was published and despatched on 31 January 2022.

PART VI

Form of affidavit for persons resident in The Bahamas

CIP MERCHANT CAPITAL LIMITED

(the “Company”)

AFFIDAVIT AS TO ACCREDITED INVESTOR STATUS FOR BAHAMIAN RESIDENTS

(Corporate entity)

We, _____ (insert name of corporate entity) (“Seller”), an international business company incorporated or established under the laws of The Bahamas and with registered office situated at _____ (insert registered office address) make oath and say as follows:

1. We are an “accredited investor” as defined in section 2 of the *Securities Industry Regulations, 2012* of The Bahamas on the basis that:

(Check all that may apply):

- We are a bank (i) licensed under the Banks and Trust Companies Regulation Act of The Bahamas or (ii) licensed and operating outside of The Bahamas, whether acting in our individual or fiduciary capacity.
 - We are (i) a firm which is registered under the Securities Industry Act, 2011 of The Bahamas to carry on securities business in The Bahamas or (ii) a company registered to conduct securities business and operating outside of The Bahamas, acting for our own account.
 - We are an insurance company which is (i) registered under the Insurance Act of The Bahamas or (ii) licensed and operating outside of The Bahamas.
 - We are an investment fund which is (i) licensed or registered under the Investment Funds Act, 2019 of The Bahamas or (ii) regulated and operating outside of The Bahamas.
 - We are the authorized representative of an employee benefit plan (i) where the investment decisions are made by a plan fiduciary, which is a bank or trust company licensed under the Banks and Trust Companies Regulation Act of The Bahamas, an insurance company registered under the Insurance Act of The Bahamas, or a firm which is registered under the Securities Industry Act, 2011 of The Bahamas to carry on securities business, or (ii) which has total assets in excess of five million dollars (\$5,000,000).
 - We own total assets in excess of five million dollars (\$5,000,000), not formed for the specific purpose of acquiring equity interest in the Company.
 - We are an entity in which all of the equity owners are accredited investors.
 - We are the Government of The Bahamas or a public authority established in The Bahamas.
 - We are the Government of a jurisdiction outside of The Bahamas or an agency of that Government.
 - We are (i) selling the equity interests in the Company on behalf of an account that is managed on a fully discretionary basis by us and (ii) registered or authorised to carry on business as an adviser managing securities on a discretionary basis under the laws of The Bahamas or a foreign jurisdiction.
 - We are a person that is recognized or designated by the Securities Commission of The Bahamas as an accredited investor.
2. We acknowledge that the offer to purchase securities in the Company (the “Offer”) has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt the Offer from the filing of a prospectus with the Securities Commission of The Bahamas under

the Securities Industries Act, 2011, and in the circumstances, the offer is not intended to be made available in The Bahamas and may only be accepted by persons that are accredited investors.

3. The contents of this Affidavit are correct and true to the best of my knowledge, information and belief.
4. We shall provide an updated affidavit immediately if there is any change to our status as accredited investor.

SWORN TO at:

(insert city where Affidavit sworn)

(insert Country where Affidavit sworn)

this _____ day of
_____, 20_____

}
By:

For and on behalf of the Purchaser

Name: _____

Title: _____

Before me,

Notary Public

PART VII

Definitions

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

Acceptance Condition	the condition to the Offer set out in Section A of Part II to this Offer Document.
Acquisition	has the meaning given in paragraph 1 of Part I of this document
AIM	the AIM Market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies issued by the London Stock Exchange (as amended from time to time)
Announcement Date	14 January 2022, being the date of the Rule 2.7 Announcement
Annual Report and Accounts of CIP	the annual report and audited accounts of the CIP Group for the year ended 31 December 2020
Australia	the Commonwealth of Australia, its territories and possessions
Board	as the context required, the board of directors of CIP, the board of directors of CFE and the terms “CIP Board” and “CFE Board” shall be construed accordingly
Business Day	as defined in the City Code
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
certificated or in certificated form	a share or other security which is not held in uncertificated form (that is, not in CREST)
CFE	Corporation Financière Européenne S.A.
CFE Group	collectively, CFE and its subsidiary undertakings from time to time and “ member of the CFE Group ” shall be construed accordingly
CFE Shares	ordinary shares of EUR1.00 each in the capital of CFE
CFE (UK)	CFE (UK) Ltd
CIP	CIP Merchant Capital Limited, a non-cellular company limited by shares with registered number 64013, incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended
CIP Group	collectively, CIP and its subsidiary undertakings from time to time and “ member of the CIP Group ” shall be construed accordingly
CIP Shareholders	holders of CIP Shares
CIP Shares	(i) the existing unconditionally allotted or issued and fully paid ordinary shares of no par value in the capital of CIP; and (ii) any further ordinary shares of no par value each in the capital of CIP which are unconditionally allotted or issued and fully paid before the date on which the Offer,

	but excluding any shares held as treasury shares on such date as CFE may determine before the date on which the Offer closes)
City Code or Code	the City Code on Takeovers and Mergers issued by the Panel
Closing Price	the closing middle market quotation of a CIP Share as derived from London Stock Exchange Daily Official List
Companies Law	The Companies (Guernsey) Law, 2008
CREST	the system for the paperless settlement of trades in securities operated by Euroclear in accordance with the CREST Regulations
CREST Manual	means the manual published by Euroclear for further information on the CREST procedure
CREST member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
CREST participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
CREST payment	has the meaning given in the CREST Manual
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Day 60	1 April 2022 or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the City Code
Dealing Disclosure	has the meaning given in Rule 8 of the City Code
Disclosure Period	has the meaning set out in paragraph 3(a)(iii) of Part III of this document
Directors of CIP	the directors of CIP at the date of this document named in paragraph 2.2 of Part V to this document
Directors of CFE	the directors of CFE at the date of this document named in paragraph 2.1 of Part V to this document
Electronic Acceptance	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
electronic form	a document, an announcement or any information will be sent in electronic form if it is sent by means of electronic equipment for the processing or storage of data; and entirely transmitted and conveyed by wire, radio, optical or other electromagnetic means, provided that the sender reasonably considers that the form in which it is sent, and the means by which it is sent, will enable the recipient to read and retain a copy of it
ESA instruction	an Escrow Account Adjustment Input (AESN), transaction type "ESA" (as described in the CREST manual issued by Euroclear as amended from time to time)

Escrow Agent	Link Group in its capacity as escrow agent as described in the CREST manual issued by Euroclear as amended from time to time
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Financial Conduct Authority or FCA	the UK Financial Conduct Authority
Form of Acceptance	the form of acceptance and authority relating to the Offer accompanying this document, which may only be completed by holders of CIP Shares in certificated form
hard copy form	a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read
HMRC	Her Majesty's Revenue & Customs
Investec	Investec Bank plc, financial advisor to CFE
ISIN number	International Securities Identification Number
Japan	Japan, its cities, prefectures, territories and possessions
Last Accounts Date	31 December 2020
Latest Practicable Date	28 January 2022
London Stock Exchange	London Stock Exchange plc
Longstop Date	1 April 2022
member account ID	the identification code or number attached to any member account in CREST
Non-Executive Directors	all CIP Directors
Offer	the mandatory cash offer being made by CFE to acquire all the issued CIP Shares not already owned by CFE on the terms and subject to the Acceptance Condition set out in this document and, in relation to CIP Shares held in certificated form, the Form of Acceptance and including where the context admits, any subsequent revision, variation, renewal or extension of such offer and any election or alternative available in connection with it
Offer Document	this document and any other document containing the Offer
Offer Period	in relation to the Offer, the period commencing on 14 January 2022 and ending on the date when the Offer becomes or is declared unconditional or lapses or is withdrawn
Offer Price	55 pence per CIP Share
Opening Position Disclosure	has the meaning given to it in Rule 8 of the City Code
Overseas Shareholders	CIP Shareholders who are citizens, residents or nationals of jurisdictions outside of the United Kingdom
Panel	the UK Panel on Takeovers and Mergers

participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Previous Acceptor	has the meaning given to it in paragraph 4(a) of Section B of Part II of this document
Receiving Agent	Link Group
Regulatory Information Service	an information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
Restricted ESA Instruction	has the meaning given in paragraph 6(h) of Section B of Part II of this document
Restricted Escrow Transfer	has the meaning given in paragraph 6(h) of Section B of Part II of this document
Restricted Jurisdiction	Australia, Canada, Japan, the United States 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
Restricted Overseas Person	a person (including an individual, partnership, unincorporated syndicate, unincorporated organisation, trust, trustee, custodian, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction
Rule 2.7 Announcement	the announcement made by the Board of CFE on 14 January 2022 stating, <i>inter alia</i> , CFE's firm intention to make the Offer
TFE instruction	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time)
TTE instruction	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time) in relation to CIP Shares held in uncertificated form meeting the requirements set out in paragraph 19.2(b) of Part II of this document
treasury shares	any CIP Shares held by CIP as treasury shares from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or uncertificated form	a CIP Share or other security which is for the time being recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Unconditional Date	has the meaning given to it at the beginning of Section B of Part II of this document
United States or US	the United States of America, its possessions and territories, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
US dollar	the lawful currency of the United States
US Exchange Act	the US Securities and Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder
US person	a US person as defined in Regulation S under the US Securities Act

US Securities Act	the US Securities Act of 1933 (as amended) and the rules and regulations promulgated thereunder
£ or pounds sterling or pence	the lawful currency of the United Kingdom

Certain other capitalised terms not otherwise defined above are defined and used elsewhere in this document.

In this document, "this document" means and includes the letter from CFE, the Appendices hereto, and the accompanying Form of Acceptance.

All references to legislation in this document 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 document 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.

Terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

