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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

16 March 2022

**INCREASED AND FINAL CASH OFFER BY CORPORATION FINANCIÈRE EUROPÉENNE S.A.
("CFE")**

FOR

CIP MERCHANT CAPITAL LIMITED ("CIP")

BACKGROUND

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**"). As a result of the Acquisition, under Rule 9 of the Takeover Code, CFE made a mandatory cash offer (the "**Original 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.

It was announced on 15 March 2022 that as at 3.00 p.m. on 14 March 2022, valid acceptances of the Offer had been received in respect of 686,383 CIP Shares, representing 1.92 per cent. of the CIP Shares to which the Offer relates, which CFE may count towards the satisfaction of the Acceptance Condition.

As at close of business on 15 March 2022, being the latest practicable date prior to publication of this announcement, CFE had increased its interest in CIP Shares through market purchases to 19,369,621 CIP Shares, representing approximately 35.2 per cent. of the CIP Shares in issue.

In aggregate, CFE either owns or has received valid acceptances in respect of 36.5 per cent. of the issued share capital of CIP.

1. INCREASED AND FINAL CASH OFFER

CFE notes that since 13 January 2022, the last business day before the Original Offer was announced, the FTSE AIM All-Share has fallen approximately 15.7 per cent.. In spite of this, and in order to provide CIP Shareholders with the ability to exit their investment in CIP in full for cash, today CFE is pleased to announce the terms of an increased and final cash offer for the CIP Shares not already held by CFE (the "**Final Offer**") (or any persons acting in concert with it), at a price of 60 pence per CIP share.

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

60 pence in cash for each CFE Share (the "Final Offer Price")

The Final Offer Price represents a:

- 9.1 per cent. increase on the offer price announced on 14 January (the "**Original Offer Price**");
- 5.3 per cent. to CIP's share price of 57 pence at the close of business on 15 March 2022, the last business day before this announcement;

- 17.6 per cent. to CIP's share price of 51.0 pence at the close of business on 13 January 2022, the last business day before the Original Offer was announced;
- 22.4 per cent. to CIP's three month volume weighted average price of 49.0 pence to 13 January 2022, the last business day before the Original Offer was announced;
- 17.5 per cent. to CIP's six month volume weighted average price of 51.0 pence to 13 January 2022, the last business day before the Original Offer was announced; and
- 13.7 per cent. to CIP's 12 month volume weighted average price of 52.8 pence to 13 January 2022, the last business day before the Original Offer was announced.

The Offer values CIP's issued share capital at approximately £33.0 million.

CFE confirms that the background to and reasons for the Original Offer continue to remain valid, including CFE's opinion that the principal benefits CIP should expect from CIP Shares being publicly traded, principally access to capital and liquidity for Shareholders, are not being achieved and the costs of maintaining the quote are an inefficient use of CIP's resources.

The Final Offer, in line with the Original Offer, will be conditional upon receipt of valid acceptances, which will result in CFE (and any persons acting in concert with it) holding CIP Shares, which, together with the CIP Shares acquired, or agreed to be acquired, by CFE and persons acting in concert with it before or during the Offer Period, carry, in aggregate, over 50 per cent. of the voting rights then normally exercisable at general meetings of CIP. The Final Offer will also be subject to the further terms as set out in Part II of the Original Offer Document published on 31 January 2022.

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

If any such dividend, distribution or return of value is paid or made after the date of this announcement and CFE exercises its rights described above, any reference in this announcement to the consideration payable under the Final Offer shall be deemed to be a reference to the consideration as so reduced. Any exercise by CFE of its rights referred to in this section shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Final Offer.

The Final Offer shall be conditional upon the Acceptance Condition having been fulfilled by midnight (London time) on the Longstop Date or, if earlier, the Unconditional Date (subject to the rules of the Code and, where applicable, the consent of the Panel). By way of a reminder, the Long-Stop Date is 1 April 2022. Subject to approval from CIP and the Panel, CFE may decide to extend the Long-Stop Date.

Except as otherwise stated in this Announcement, all of the other terms and condition of the Final Offer remain unchanged from those set out in the Original Offer Document.

2. FINANCING OF THE FINAL OFFER

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

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

3. OVERSEAS SHAREHOLDERS

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

applicable requirements. Further details in relation to Overseas Shareholders are contained in the Original Offer Document.

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

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

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

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

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

5. PUBLICATION OF THE FINAL OFFER DOCUMENT

An offer document containing details of the terms and condition of the Final Offer (the "**Final Offer Document**"), together with updated Forms of Acceptance (the "**Forms of Acceptance**"), will be published and posted to CIP Shareholders in due course and is expected to be published no later than 18 March 2022. Should the Long-Stop Date be extended, as highlighted in paragraph 1 of this announcement, the publication date of the Final Offer Document may extend beyond 18 March 2022.

Acceptances of the Original Offer shall be deemed to be acceptances of the Final Offer in accordance with paragraph 4 of Section B of Part II of the Original Offer Document. Therefore, CIP Shareholders who have already validly accepted (and not validly withdrawn) their acceptance of the Original Offer are not required to take any further action in respect of the Final Offer.

6. GENERAL

This announcement should be read in conjunction with the full text of the Original Offer Announcement and the Original Offer Document, copies of which are available on CIP's website at <https://cfe-finance.com/documents-cip-merchant-capital-limited/>

Defined terms used but not defined in this announcement have the meanings given in the Original Offer Document unless the context requires otherwise.

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Important Notices

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

Investec Bank plc ("Investec"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively as financial adviser for CFE and no one else in relation to the Final Offer and/or other matters set out in this announcement and will not be responsible to anyone other than CFE for providing the protections afforded to the clients of Investec, or for providing advice in relation to the Final Offer, the contents of this announcement or any other matter referred to herein. Neither Investec nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Investec in connection with the Final Offer, this announcement, any statement contained herein or otherwise.

Unless otherwise determined by CFE, the Final Offer Document will not be delivered directly or indirectly in or into the Restricted Jurisdictions. CFE will make the Final Offer to Restricted Overseas Persons by way of a notice in La Gazette Officielle. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. Custodians, nominees and trustees should observe these restrictions and should not send or distribute this announcement in or into the Restricted Jurisdictions.

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

Forward looking statements

This announcement may contain statements that are or may be forward-looking with respect to the financial condition, results of operation(s) and business(es) of CIP and CFE. These forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors which could or may cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. The statements have been made with reference to forecast price changes, economic conditions, and the current regulatory environment.

Disclosure requirements of the Takeover Code on Takeovers and Mergers

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent or more of any class of relevant securities of an CIP company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the business day following the date of the relevant dealing.

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

No profit forecasts or estimates

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

Publication on website

A copy of this announcement and all other documents, announcements or information published in relation to the Final Offer, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be made available, free of charge, at <https://cfe-finance.com/public-documents/> by no later than 12 noon (London time) on 17 March 2022. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.

Information relating to CIP Shareholders

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