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Neither this Announcement nor any part of it constitutes an offer or invitation to underwrite, an offer to sell or Placing or the solicitation of an offer to subscribe for or acquire any new ordinary shares in any jurisdiction in which any such offer or solicitation would be unlawful and the information contained herein is not for publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, South Africa, Japan, any member state of the EEA or any jurisdiction in which such publication or distribution would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (as amended), under the securities legislation of any state of the United States or under the applicable securities laws of Australia, Canada, South Africa, Japan or any member state of the EEA.

This announcement contains inside information.

28 September 2020

## **Merian Chrysalis Investment Company Limited (the "Company") Proposed Placing of equity**

- Proposed Placing of equity by way of a non-pre-emptive Placing of new ordinary shares in the Company at a Placing price of £1.48 to raise a target of £50 million.
- Estimated Net Asset Value ("**NAV**") per ordinary share as at 30 June 2020 was approximately 142p, adjusted for (i) the anticipated aggregate increase in NAV per ordinary share as announced by the Company on 16 September 2020 (relating to the initial public offering of shares by The Hut Group) and 11 September 2020 (relating to a revaluation of the Company's investment in Klarna) (ii) anticipated fees arising out of those transactions and (iii) relevant exchange rates as at 25 September 2020 which have a modest negative impact.
- Potential new investment identified ("**Target**"). Monies raised to be deployed into this investment, subject to final due diligence, together with other pipeline and follow-on investments.
- Announcement of a follow-on investment of a €15m convertible loan note in FinanceApp AG ("**wefox**"), Europe's largest digital insurance platform.
- Discussions on-going with potential lenders to provide a revolving credit facility ("**RCF**") for future funding flexibility.

The directors of the Company (the "**Board**") announce a proposed placing of new ordinary shares in the Company ("**Placing Shares**") at a price of £1.48 per Placing Share (the "**Placing Price**"), with the intention of raising a target of £50 million. Assuming the target fundraise is achieved, the Placing Shares would represent approximately 10.03% of the Company's existing issued ordinary share capital.

The issue, which is being conducted by way of a placing (the "**Placing**") to qualifying new and existing investors, will be launched immediately in accordance with the terms and conditions set out in the appendix to this announcement (being, together with the appendix, the "**Announcement**").

In conjunction with the Placing, there will be an offer made by the Company on the PrimaryBid platform of additional new ordinary shares at the Placing Price (the "**Retail Offer**") to provide retail investors with an opportunity to participate in the equity fundraising alongside institutional investors. A separate announcement will be made shortly regarding the Retail Offer and its terms. For the avoidance of doubt, the Retail Offer is not part of the Placing.

### **Background to the Placing and Use of Proceeds**

The Company was established to pursue a cross-over investing strategy, allowing late-stage private-growth businesses to access a different kind of capital, one that supports them to make the transition to a listed environment.

Due to recent investments, including today's announcement of the follow-on investment into wefox by way of a convertible loan note, the Company is now substantially fully invested. Merian Global Investors (UK) Limited (the "**Investment Adviser**") continues to see numerous opportunities fed into its pipeline by its origination channels and has identified one in particular, the Target, which it would like to pursue immediately, which is described further below.

Subject to successful final due diligence, a large proportion of the net proceeds are expected to be invested in the Target within four weeks of the closing of the Placing. In any event, should the Target investment not proceed, the net proceeds of the Placing are expected to be invested in other pipeline and follow-on opportunities by the end of the year.

### **Overview**

The Investment Adviser is very pleased with the progress made by the Company over the last few months. In the interim report, the Chairman's Statement described the journey the Company was on, moving from its initial fundraising and investment stage and into its growth phase and hopefully beyond, to realisations.

This progress is demonstrated by three significant portfolio company revaluations, backed up by third party validation, namely:

- The significant revaluation of the TransferWise holding in April 2020, which was revalued upwards by over 43% as of the 30 June 2020 net asset value, versus the 31 March 2020 valuation;
- In mid-September 2020, Klarna conducted a \$650 million primary round at a valuation that was approximately 82% above the level it last raised capital at (in US dollar terms), and approximately 28% above the carrying value share price, versus the 30 June 2020 valuation; and
- In mid-September The Hut Group ("**THG**") floated on the London Stock Exchange at an IPO valuation approximately 17% above the 30 June 2020 carrying value, having already seen a material write up in the June 2020 NAV calculation.

In addition, the Company made its first realisation of approximately £20 million in the TransferWise round, and now holds its first listed asset, with its associated liquidity, due to THG's flotation.

The Investment Adviser is optimistic about future prospects for the portfolio, for several reasons:

- It believes that a number of the assets held in the Company can credibly be termed “global leaders” in terms of disrupting and/or driving their respective fields. Furthermore, it believes the recent transactions referred to above demonstrate investors’ desire to own these types of asset. The Investment Adviser believes leadership in a sector often drives enhanced economics, for example through scale, that are not available to challengers, and thus there is a strong economic rationale for leaders to command premium valuations.
- In addition, it is clear that a number of the Company’s investments which are sector leaders have seen trading enhanced by the added impetus towards the digitally-enabled economy caused by COVID-19. This has enabled a number of them to aggressively expand customer numbers in a relatively low-cost way. Logically, this should benefit these companies in the future.

The Company has grown significantly since IPO, and its presence in the market has developed. As a result, the Investment Adviser continues to believe there is a good and realistic opportunity to continue to grow the Company’s scale, which will help it continue to secure the best access to deals in this "leadership" space.

#### **Potential new investment**

The Investment Adviser is pleased to report that its crossover proposition has continued to garner significant interest from potential investee companies and adviser channels, and it has been shown significant deal flow over the quarter to date.

As part of its pipeline discussions, the Investment Adviser has identified a strong potential addition to the portfolio. Conversations have progressed over the last two months and the Investment Adviser is in final stages of its due diligence and investment processes.

The Target displays many of the key attributes that the Investment Adviser looks for:

- It operates in a very large market and currently controls only a small market share;
- It is providing technology and solutions that are proving significantly disruptive to incumbents;
- It has displayed significant growth over many years and, given barriers to entry, has the potential to continue to do so;
- It has attractive recurring revenue streams;
- It has the opportunity to drive economies of scale through its operating model as it grows; and
- It has a strong and well-respected management team.

In addition, the Target is profitable and will provide diversification of holdings into a new industry vertical that the Company's investment portfolio is not currently exposed to. As a result, the Investment Adviser believes it would be a highly complementary addition to the portfolio. Subject to successful completion of the investment process, the Target would also allow rapid deployment of a substantial portion of the net proceeds of the Placing.

## **Current liquidity**

As announced by the Company on 1 September 2020, the Company had both cash and liquidity – defined as cash plus listed assets – of approximately £54 million (both cash and liquidity being gross of accruals). Since that time, a number of events have affected these positions:

- On 11 September 2020 the Company announced a follow-on investment of approximately £23 million in an unidentified asset, subsequently disclosed as Klarna;
- On 16 September 2020 the Company announced an investment of approximately £14.4 million in the IPO of THG, with the latter's shares commencing trading on the London Stock Exchange; and
- Today, the Company has announced it has entered into a €15 million follow-on investment in wefox by way of a convertible loan note.

The above have resulted in the cash position of the Company reducing to approximately £3 million, while liquidity has risen substantially to approximately £97 million (calculated using the closing market price on 18 September 2020 for the Company's shareholding in THG).

## **Issue of equity and revolving credit facility**

While the Investment Adviser recognises the liquidity available to it via its listed holding of THG, it does not wish to liquidate part of this position at the current time. Therefore, the main rationale for the Placing is to provide funding to invest in the Target and / or other pipeline and follow-on opportunities.

The likely investment quantum for the Target is £30 to £50 million. In addition, the Board believes it is prudent to raise some extra capital to provide follow-on optionality and funding for other pipeline investments.

The Company is also in discussions with certain lenders regarding a potential RCF which would be used to provide flexibility for making future investments. In accordance with the Company's investment policy the Company has a gearing limit of a maximum of 20% of its Net Asset Value, calculated at the time of drawdown. Whilst the Board does not intend the RCF to provide permanent gearing, the Board considers an RCF to be a prudent measure that will allow flexibility around future investments and fundraises. A further announcement will be made by the Company regarding the RCF in due course.

## **Outlook**

The Investment Adviser believes there is an excellent opportunity to build the Company into a crossover proposition of substantial scale.

Hitherto, the Investment Adviser has been able to leverage its connections to allow Merian Chrysalis access to investment in global leaders, despite its relative immaturity and small size in its early life. The Investment Adviser believes the Company is now of a scale commensurate with other leading mid-market European growth investors, and sees a good and realistic opportunity to grow the Company's scale further, an ambition clearly set out at the Company's IPO.

The Company currently has the ability to make investments of approximately £100 million under its investment policy (based on the prevailing net asset value), which allows it to begin to compete

credibly with many of the key global growth investors. Due to their nature, global leaders are typically among the largest of private companies; increasing scale from current levels would allow the Company to ensure the best possible access to deals in this “leadership” space in the future. The proposed Placing represents another step in the direction of greater scale.

The Company believes it has demonstrated considerable success in the early part of its existence, as evidenced by NAV growing from 98.5p immediately following IPO, to a current estimated NAV of approximately 142p (adjusted as described above) in roughly two years. Despite a number of its key assets seeing substantial write ups in valuation over the last few months, which have fuelled this NAV performance, the Investment Adviser believes the outlook for these assets remains very favourable, given their implied valuations and forecast growth rates, in each case relative to listed peers. Although the significant majority of NAV progression since the March 2020 quarter has been driven by four assets, namely TransferWise, The Hut Group, Klarna and Embark, the Investment Adviser remains of the view that there is material latent value in the rest of the portfolio in aggregate. As a result, the Investment Adviser is optimistic over prospects for the Company's portfolio companies.

While stock market implied risk, as measured by the VIX index, has diminished from its COVID-19 induced spike in March, it is still at levels above the average that predominated over 2018 and 2019. The Investment Adviser has always looked to insert investor protection mechanisms into its investments wherever possible, which help to insulate shareholders against deratings in the listed market comparison peer groups typically used by valuers to assess holding valuations. Based on the assumption that the valuation of each asset fell by 25%, and an approximate £40 million investment in the Target, the Investment Adviser estimates NAV would only fall by approximately 13%. This would represent substantial downside protection for investors, while still allowing participation in upside, if the Investment Adviser's investment theses are met.

## **The Placing**

The Placing will be non-pre-emptive and launched immediately following this Announcement. The number of Placing Shares will be determined at the close of the Placing which is expected to close on 6 October 2020 in accordance with the timetable below. The results of the Placing will be announced shortly thereafter. Liberum Capital Limited (“**Liberum**”) and Numis Securities Limited (“**Numis**”) (the “**Joint Bookrunners**”) have been appointed as joint bookrunners in respect of the Placing pursuant to an agreement entered between the Company and the Joint Bookrunners dated 28 September 2020 (the “**Placing Agreement**”). The Placing size may be increased or decreased at the Company's discretion.

The Placing Shares will, when issued, be subject to the Company's articles of incorporation. They will be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such ordinary shares by reference to a record date falling after the date of issue of the Placing Shares.

The Joint Bookrunners will determine the level of demand from potential investors for participation in the Placing. The decision to proceed with the Placing shall be at the absolute discretion of the Company and the Joint Bookrunners.

To bid for shares in the Placing, investors should communicate their bid by telephone to the Joint Bookrunners. The Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company, and may scale down any bids for this purpose on such basis as the Company, the Investment Adviser and the Joint Bookrunners decide, including to take account of the Retail Offer.

Application will be made for the Placing Shares to be admitted to the premium listing segment of the Official List (the "**Official List**") of the Financial Conduct Authority (the "**FCA**") and to be admitted to trading on the premium segment of the Main Market of London Stock Exchange plc (the "**London Stock Exchange**") (together, "**Admission**"). Admission and settlement of the Placing Shares is currently expected to take place on or before 8.00 a.m. on 9 October 2020. The Placing is conditional upon the Placing Agreement becoming unconditional and not being terminated in accordance with its terms.

The Placing is subject to the terms and conditions set out in the appendix to this Announcement.

### **Expected Timetable for the Placing**

<b>Event</b>	<b>Date</b>
Placing opens	28 September 2020
Latest time and date for commitments under the Placing	3:00 p.m. on 6 October 2020
Trade date	7 October 2020
Admission	8:00 a.m. on 9 October 2020
Crediting of CREST stock accounts in respect of the New Shares	9 October 2020

Each of the times and dates set out below and mentioned elsewhere in this Announcement may be adjusted by the Company, in which event details of the new times and dates will be announced via a Regulatory Information Service. References to a time of day are to London time

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## IMPORTANT INFORMATION

Liberum and Numis, which are authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting as joint bookrunners to the Company in connection with the matters described in this Announcement. Persons receiving this Announcement should note that the Joint Bookrunners will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers, or for advising any other person on the arrangements described in this Announcement.

The Joint Bookrunners have not authorised the contents of, or any part of, this Announcement and no liability whatsoever is accepted by the Joint Bookrunners for the accuracy of any information or opinions contained in this Announcement or for the omission of any information. No representation or warranty, express or implied, is made by the Joint Bookrunners as to the accuracy, completeness or verification of the information set out in this Announcement, and nothing contained in this Announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Joint Bookrunners do not assume any responsibility for its accuracy, completeness or verification and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Announcement or any such statement.

If you are in any doubt about the contents of this Announcement you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go up as well as down. The Placing will, subject to the discretion of the Company and to the extent permitted by applicable law and regulation, only be available to investors who are resident in the United Kingdom. In the United Kingdom, members of the public are not invited to participate in and are not eligible to take part in the Placing. Participation in the Placing is limited at all times to persons who are (i) investment professionals within the meaning of paragraph (5) of Article 19, certified high net worth individuals within the meaning of paragraph (2) of Article 48 or high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (S1 2005/1529); and (ii) qualified investors within the meaning of section 86(7) of Financial Services and Markets Act 2000 (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this Announcement or any of its contents.

Any investment, or investment activity to which this Announcement relates, is available in the United Kingdom to relevant persons only and will be engaged in only with relevant persons. By receiving this Announcement, you are deemed to warrant to the Company and the Joint Bookrunners that you fall within the categories of person described above. No ordinary shares in the capital of the Company have been offered or sold or will be offered or sold to persons in the United Kingdom prior to publication of this Announcement except in circumstances which have not resulted in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA.

This Announcement must not be acted on or relied upon by any person in any member state of the EEA.

This Announcement has been prepared on the basis that all offers of Placing Shares will be made pursuant to any exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Placing Shares. Accordingly, any person making or intending to make any offer

within the United Kingdom or the EEA of or for ordinary shares in the capital of the Company which are not the subject of the Placing contemplated in this Announcement should only do so in circumstances in which no obligation arises for the Company or the Joint Bookrunners to produce a prospectus. Neither the Company nor the Joint Bookrunners have authorised, nor do they authorise, the making of any offer of ordinary shares through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of Placing Shares contemplated in this Announcement.

In the case of any Placing Shares being offered to a financial intermediary as that term is used and defined in section 86(7) of the Financial Services and Markets Act 2000, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Placing Shares acquired by it in the Placing have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Placing Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company or the Joint Bookrunners has been obtained to each such proposed offer or resale. Each of the Company and the Joint Bookrunners and their respective affiliates will rely on the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Placing Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Announcement and the offer of the Placing Shares may be restricted by law. Persons into whose possession this Announcement comes must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Announcement may not be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa, or any member state of the EEA or to any US person (as defined under Regulation S of the US Securities Act of 1933, as amended (the "**US Securities Act**") ("**US Person**"). The Placing Shares have not been, and will not be, registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Any person within the United States and any US person who obtains a copy of this Announcement must disregard it. No public offering of the Placing Shares is being made in any jurisdiction. No action has been or will be taken by the Company or the Joint Bookrunners that would permit the offer of the Placing Shares or possession or distribution of this Announcement in any jurisdiction where action for that purpose is required.

All statements in this Announcement other than statements of historical fact are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Announcement and include statements regarding the intentions, beliefs or current expectations of the Company and/or its directors concerning, among other things, the performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are

not guarantees of future performance. The Company's actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this Announcement. In addition, even if the performance, results of statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally; changes in interest rates and currency fluctuations; impairments in the value of the Company's assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing. Prospective investors should specifically consider the factors identified in this Announcement which could cause actual results to differ before making an investment decision.

## APPENDIX

### Terms and Conditions of the Placing Terms and Conditions of the Placing

#### IMPORTANT INFORMATION FOR INVITED PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THE TERMS AND CONDITIONS OF THE PLACING SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND PARTICIPATION IN THE PLACING IS LIMITED AT ALL TIMES TO PERSONS WHO ARE RESIDENT IN THE UNITED KINGDOM AND (I) INVESTMENT PROFESSIONALS WITHIN THE MEANING OF PARAGRAPH (5) OF ARTICLE 19, CERTIFIED HIGH NET WORTH INDIVIDUALS WITHIN THE MEANING OF PARAGRAPH (2) OF ARTICLE 48 OR HIGH NET WORTH COMPANIES OR UNINCORPORATED ASSOCIATIONS WITHIN THE MEANING OF PARAGRAPH (2) OF ARTICLE 49, OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (SI 2005/1529); AND (II) QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "**PROSPECTUS REGULATION**") (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS ANNOUNCEMENT OR ANY OF ITS CONTENTS.

THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO ACQUIRE OR DISPOSE OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION FOR PLACING SHARES.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"), does not apply.

The distribution of this Announcement, the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Investment Adviser or the Joint Bookrunners or any of their respective affiliates that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, the Investment Adviser and the Joint Bookrunner to inform themselves about and to observe any such restrictions.

Persons who are invited to and who choose to participate in the Placing (and any person acting on such person's behalf) by making an oral or written offer to subscribe for Placing Shares, including any individuals, funds or others on whose behalf a commitment to subscribe for Placing Shares is given (the "**Placees**") will be deemed to have read and understood this Announcement (including this Appendix) its entirety, to be participating, making an offer and subscribing for Placing Shares on the terms and conditions contained in this Appendix and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix. In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges, that:

1. it is a Relevant Person and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. it is subscribing for the Placing Shares for its own account or is subscribing for the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements and agreements contained in this Announcement; and
3. it understands (or, if acting for the account of another person, such person understands) the resale and transfer restrictions set out in this Appendix.

## No Prospectus

No prospectus or other offering document has been or will be submitted to be approved by the Financial Conduct Authority (the "**FCA**") in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix), the Company's pre-investment disclosure document prepared for the purposes of Article 23 of the Alternative Investment Fund Managers Directive and information publicly announced through a Regulatory Information Service (as defined in the listing rules of the FCA) by the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth contract note and/or placing confirmation, as applicable (the "**Contract Note**" or the "**Placing Confirmation**") sent to individual Placees. Placees understand and agree that the Publicly Available Information is correct as at the date it was published and, where applicable, has been superseded by subsequently released Publicly Available Information). Each Placee, by participating in the Placing, agrees that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Joint Bookrunners, the Investment Adviser or the Company other than the Publicly Available Information and none of the Joint Bookrunners, the Investment Adviser, the Company nor any person acting on such person's behalf nor any of their affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

## Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares the subject of the placing have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: (i) the price of the Placing Shares may decline and investors could lose all or part of their investment; (ii) the Placing Shares offer no guaranteed income and no capital protection; and (iii) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient

resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only contact prospective Placees for participation in the Placing who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

### **Details of the Placing Agreement and the Placing Shares**

Each of the Joint Bookrunners has entered into a Placing Agreement with the Company and the Investment Adviser under which it has severally (and not jointly or jointly and severally) undertaken, on the terms and subject to the conditions set out in the Placing Agreement, to use reasonable endeavours to procure Placees for the Placing Shares. In accordance with the terms of the Placing Agreement, the Company has agreed to allot and issue such shares to the Joint Bookrunners accordingly, in each case at the Placing Price and on the terms set out in the Placing Agreement.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company ("**Ordinary Shares**"), including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

### **Applications for listing and admission to trading**

Applications will be made to the FCA for admission of the Placing Shares to listing on the Official List and to London Stock Exchange for Admission of the Placing Shares.

It is expected that Admission will become effective on or around 8.00 a.m. on 9 October 2020 and that dealings in the Placing Shares will commence at that time.

### **Bookbuild**

The Joint Bookrunners will today commence the bookbuilding process in respect of the Placing (the "**Bookbuild**") to determine demand for participation in the Placing by Placees. All of the Placing Shares are being offered at the Placing Price. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

### **Principal terms of the Placing**

1. Liberum and Numis are acting as joint bookrunners to the Placing, as agents of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by the Joint Bookrunners to participate. The Joint Bookrunners and their affiliates are entitled to participate in the Placing.
3. All of the Placing Shares will be offered at the Placing Price of £1.48 per Placing Share.

4. To apply for Placing Shares in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at Liberum or Numis. Each bid should state the number of Placing Shares which a prospective Placee wishes to subscribe for. Applications may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 9 below. Each of the Joint Bookrunners is arranging the Placing severally, and not jointly, or jointly and severally, as agent of the Company.
5. The Bookbuild is expected to close no later than 3:00 pm on 6 October 2020 but may be closed earlier or later at the discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right to reduce the amount raised pursuant to the Placing in its discretion.
6. Each Placee's allocation will be agreed between the Joint Bookrunners and will be confirmed orally by the relevant Joint Bookrunner as soon as practicable following the close of the Bookbuild. The relevant Joint Bookrunner's oral confirmation of an allocation will give rise to a legally binding commitment by the Placee concerned, in favour of the relevant Joint Bookrunner and the Company, under which it agrees to subscribe for the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and the Company's articles of association.
7. The Company will announce the results of the Placing (the "**Placing Results Announcement**") through a Regulatory Information Service following the close of the Bookbuild, detailing the aggregate number of the Placing Shares to be issued at the Placing Price.
8. Each Placee's allocation and commitment will be evidenced by a Contract Note and/or Placing Confirmation issued to such Placee by one of the Joint Bookrunners. The terms of this Appendix will be deemed incorporated therein.
9. The Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion and may scale down any bids for this purpose on such basis as they may determine or be directed in accordance with the terms of the Placing Agreement. The Joint Bookrunners may also, notwithstanding paragraphs 5 to 7 above: (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (b) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.
10. Any application for Placing Shares in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Joint Bookrunner's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for and the Company has agreed to allot and issue to that Placee.
11. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

- 12 Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under 'Registration and Settlement'.
- 13 All obligations under the Bookbuild and Placing will be subject to fulfilment of the conditions referred to below under 'Conditions of the Placing' and to the Placing not being terminated on the basis referred to below under 'Termination of the Placing'.
- 14 By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- 15 To the fullest extent permissible by law, neither of the Joint Bookrunners nor any of their affiliates nor any of their or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners nor any of their affiliates or holding companies nor any of its or their agents, directors, officers or employees shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree.
16. The Company and/or the Joint Bookrunners may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (for the purposes of this Announcement, a "**Placing Letter**"). The terms of this Announcement will, where applicable, be deemed to be incorporated into such Placing Letter.

## Registration and Settlement

If Placees are allocated any Placing Shares in the Placing, such allocation will be evidenced by Contract Note and/or Placing Confirmation, as applicable, confirming: (i) the number of Placing Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Placing Shares; and (iii) settlement instructions to pay the relevant Joint Bookrunner as agent for the Company.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which they have in place with the relevant Joint Bookrunner or otherwise as such Joint Bookrunner may direct.

Settlement of transactions in the Placing Shares (ISIN: GG00BGJYPP46) following Admission will take place within the CREST system. Settlement through CREST will be on a T+2 basis unless otherwise notified by the Joint Bookrunners and is expected to occur on 9 October 2020. Settlement will be on a delivery versus payment basis. However, the Joint Bookrunners reserve the right in their absolute discretion, including in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, to require settlement in certified form. The Joint Bookrunners reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is

not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing Bank of England rate as determined by the Joint Bookrunners.

If Placees do not comply with their obligations the relevant Joint Bookrunner may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for its own account and benefit, an amount equal to the Placing Price of each share sold plus any interest due. Placees will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the Contract Note, Placing Confirmation and/or electronic trade confirmation is forwarded/sent immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Joint Bookrunners under the Placing Agreement are, and the Placing is, conditional on, amongst other things:

- (a) each of the Company and the Investment Adviser having complied with its obligations under the Placing Agreement;
- (b) each of the warranties contained in the Placing Agreement being true and accurate and not misleading in any respect (i) on the date of the Placing Agreement, (ii) at the date of Admission, in each case as if they had been repeated by reference to the facts and circumstances existing at such time;
- (c) Admission taking place not later than 8.00 a.m. on 9 October 2020 (or such later date, not being later than 8.00 a.m. on 30 October 2020, as the Company and the Joint Bookrunners may agree,

all conditions to the obligations of the Joint Bookrunners included in the Placing Agreement being together, the "**Conditions**".

If any of the Conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived or extended to the extent permitted by law or regulations in accordance with the Placing Agreement, or the Placing Agreement is terminated in accordance with its terms (as to which, see 'Termination of the Placing' below), the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Bookbuild each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under 'Termination of the Placing' below and will not be capable of rescission or termination by it.

The Joint Bookrunners may, in their absolute discretion and upon such terms it thinks appropriate, waive satisfaction of all or any of the Conditions in whole or in part (to the extent permitted by law or regulation) or extend the time or date provided for satisfaction of any such conditions. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Neither the Joint Bookrunners nor any of their respective affiliates or holding companies nor any of their or their respective affiliates' or holding companies' agents, directors, officers or employees, respectively, nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition to the Placing nor for any decision any of them may make as to the satisfaction of any Condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners and the Company.

### **Termination of the Placing**

The Joint Bookrunners may, in their absolute discretion terminate the Placing Agreement in its entirety at any time up to and including Admission in certain circumstances, including (among others): (i) the Company's application, either to the FCA or the London Stock Exchange, for Admission is withdrawn by the Company or refused by the FCA or the London Stock Exchange (as appropriate); (ii) a breach by the Company or the Investment Adviser of the warranties or undertakings given to the Joint Bookrunners under the Placing Agreement; (iii) the occurrence (in the opinion of either Joint Bookrunner) of a material adverse change in, or any development reasonably likely to involve a prospective material adverse change in or affecting, the ability of the Company to meet, amongst other things, its investment objectives or targets, or otherwise to implement its investment policy, whether or not arising in the ordinary course of business; (iv) and the occurrence of certain force majeure events which make it impracticable or inadvisable (in the opinion of either Joint Bookrunner) to continue with the Placing. Notice of termination may be communicated by a Joint Bookrunner as soon as practicable to the Company by notice in writing.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim may be made by any Placee in respect thereof.

By participating in the Bookbuild, each Placee agrees with the Company and the Joint Bookrunners that the exercise by the Company or the Joint Bookrunners of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Joint Bookrunners (as the case may be) and that neither the Company nor the Joint Bookrunners need make any reference to such Placee and that none of the Company, the Joint Bookrunners, their respective affiliates or their or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under 'Conditions of the Placing' above and will not be capable of rescission or termination by it after oral confirmation by the Joint Bookrunners following the close of the Bookbuild.

## Representations and warranties

By agreeing to subscribe for Placing Shares or otherwise participating in the Placing, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to acknowledge, understand, represent and warrant to each of the Company, the Company's registrar (the "**Registrar**"), the Investment Adviser and the Joint Bookrunners that:

- (a) it has read this Announcement (including this Appendix) in its entirety and acknowledges that its participation in the Bookbuild and the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein, and undertakes not to redistribute or duplicate this Announcement (including this Appendix), the Articles in force as at the date of Admission and the Contract Note and/or Placing Confirmation, as applicable, referred to above or the Placing Letter (if any);
- (b) no offering document, prospectus or admission document has been prepared in connection with the Placing and that it has not received a prospectus, admission document or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
- (c) (i) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement (including this Appendix), and the Publicly Available Information; (ii) acknowledges that the Ordinary Shares are listed on the premium listing segment of the Official List and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the London Stock Exchange and relevant regulatory authorities (the "**Exchange Information**"), which includes a description of the nature of the Company's business, most recent balance sheet and profit and loss account, and similar statements for preceding years, and represents and warrants that: (A) it has reviewed such Exchange Information as it has deemed necessary; and/or (B) that it is able to obtain or access the Exchange Information without undue difficulty; and (iii) represents and warrants that it has had access to such financial and other information (including the business, financial condition, prospects, creditworthiness, status and affairs of the Company, the Placing and the Placing Shares, as well as the opportunity to ask questions) concerning the Company, the Placing and the Placing Shares as it has deemed necessary in connection with its own investment decision to acquire any of the Placing Shares and has satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
- (d) the contents of this Announcement (including this Appendix) and the Publicly Available Information is exclusively the responsibility of the Company and neither the Joint Bookrunners, the Investment Adviser, the Registrar nor any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Announcement or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise;
- (e) the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement (including this Appendix) and any Publicly Available Information including (without limitation) the Exchange Information such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied

on any other information given or other representations, warranties or statements made by either of the Joint Bookrunners nor the Company nor the Investment Adviser nor any of their respective affiliates nor any person acting on behalf of any of them and neither of the Joint Bookrunners nor the Company nor the Investment Adviser nor any of their respective affiliates nor any person acting on behalf of any of them will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information given or representation, warranty or statement made. Each Placee further represents and warrants that it has relied on its own investigation of the business, financial or other position of the Company and has independently made its own analysis and decision with regard to its commitment to subscribe for Placing Shares

- (f) it has not relied on any information relating to the Company contained in any research reports prepared by either of the Joint Bookrunners, their respective affiliates or any person acting on its or any of their respective affiliates' behalf and that neither of the Joint Bookrunners nor any of their respective affiliates nor any person acting on behalf of any of them has or shall have any liability for any publicly available or filed information of the Company or any information, representation, warranty or statement relating to the Company contained therein or otherwise;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) the price per Placing Share is fixed at the Placing Price and is payable to a Joint Bookrunner on behalf of the Company in accordance with the terms of this Announcement and, as applicable, in the Contract Note and/or Placing Confirmation and the Placing Letter (if any);
- (i) it has the funds available to pay in full for the Placing Shares for which it has agreed to subscribe and that it will pay the total subscription in accordance with the terms set out in this Announcement and, as applicable, as set out in the Contract Note and/or Placing Confirmation and the Placing Letter (if any) on the due time and date;
- (j) its commitment to acquire Placing Shares under the Placing will be agreed orally or in writing (which shall include by email) with a Joint Bookrunner as agent for the Company and that a Contract Note and/or Placing Confirmation will be issued by the Joint Bookrunner as soon as possible thereafter. That oral confirmation or written agreement will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the Joint Bookrunners to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Announcement and, as applicable, in the Contract Note and/or Placing Confirmation and the Placing Letter (if any) and in accordance with the Articles in force as at the date of Admission. Except with the consent of the Joint Bookrunners such oral commitment will not be capable of variation or revocation after the time at which it is made;
- (k) none of the Ordinary Shares have been or will be registered under the laws of any member state of the EEA (a "**Member State**"), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Member State, United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law unless an exemption from any registration requirement is available;

- (l) it: (i) is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Placing Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- (m) within the United Kingdom it is: (i) a qualified investor within the meaning of section 86(d) of the Financial Services and Markets Act 2000; (ii) a person who falls within Articles 49(2)(a) to (d), 19(1) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Placing Shares may otherwise lawfully be offered whether under such Order or otherwise; and (iii) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (n) if it is a resident in a Member State, it is (a) a "qualified investor" within the meaning of the Article 2(e) of the Prospectus Regulation; and (b) otherwise permitted to be marketed to in accordance with the provisions of the Alternative Investment Fund Managers Directive as implemented in the relevant Member State in which it is located;
- (o) in the case of any Placing Shares acquired by a Placee as a financial intermediary within the meaning of Article 5(1) of the Prospectus Regulation (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom or any relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Bookrunners have been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom or any relevant Member State other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (p) it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
- (q) it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any Member State within the meaning of the Prospectus Regulation;
- (r) if it is outside the United Kingdom, neither this Announcement nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully

be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (s) if the laws of any territory or jurisdiction outside Guernsey or the United Kingdom are applicable to its agreement to subscribe for Placing Shares, that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, the Investment Adviser, the Registrar or, or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Placing;
- (t) it does not have a registered address in, and is not a citizen, resident or national of, Canada, Japan, Australia, the Republic of South Africa or any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- (u) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- (v) (i) it has communicated or caused to be communicated and will communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares only in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person; and (ii) that no document is being issued by the Joint Bookrunners in its capacity as an authorised person under section 21 of the FSMA;
- (w) it is aware of and acknowledges that it is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the in, from or otherwise involving, the United Kingdom;
- (x) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- (y) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Announcement or any other offering materials concerning the Placing or the Placing Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (z) no action has been taken, or will be taken, in any jurisdiction other than the United Kingdom that would permit a public offering of the Placing Shares in any country or jurisdiction where action for the purpose is required;
- (aa) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading 'United States Purchase and Transfer Restrictions' below;
- (bb) neither the Joint Bookrunners nor any of their respective affiliates, nor any person acting on the Joint Bookrunners' behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing

any advice in relation to the Placing and its participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;

- (cc) save in the event of fraud on the part of a Joint Bookrunner, none of the Joint Bookrunners or any direct or indirect subsidiaries of the Joint Bookrunners or any other member of the Joint Bookrunners' respective group, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of their respective clients for any matter arising out of that Joint Bookrunner's role as bookrunner or otherwise in connection with the Placing and that where such responsibility or liability nevertheless arises as a matter of law, the Placee and, if relevant, its clients, will immediately waive any claim against such persons which the Placee or any of its clients may have in respect thereof;
- (dd) that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Announcement; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or the Joint Bookrunners. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- (ee) it irrevocably appoints any director of the Company and any director or duly authorised employee or agent of a Joint Bookrunner to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (ff) if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to the Official List of the FCA and to trading on the London Stock Exchange for any reason whatsoever then none of the Joint Bookrunners nor the Company, the Investment Adviser and persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (gg) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in force in the United Kingdom (the "**Money Laundering Regulations**"); or (ii) subject to the Money Laundering Directive (2015/849/EC of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;

- (hh) due to anti-money laundering requirements, the Joint Bookrunner and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it in a timely manner;
- (ii) it acknowledges and agrees that information provided by it to the Company, the Company Secretary or the Registrar will be stored both on the Company's and the Registrar's computer system and manually. It acknowledges and agrees that for the purposes of Data Protection Legislation, the Company, the Registrar, the Company Secretary and the Joint Bookrunners are each required to specify the purposes for which they will collect and hold personal data. For the purposes of this document "**Data Protection Legislation**" shall mean any law applicable from time to time relating to the collection and/or processing of personal data and/or privacy, as in force at the date of this Agreement or as re-enacted, applied, amended, superseded, repealed or consolidated, including without limitation, the UK Data Protection Act 2018, the Data Protection (Bailiwick of Guernsey) Law, 2017, the General Data Protection Regulation (EU) 2016/679, and the Privacy and Electronic Communications (EC Directive) Regulations 2003, in each case including any legally binding regulations, direction and orders Placing from time to time under or in connection with any such law. The privacy notice of the Company setting out how personal data will be used, stored, transferred or otherwise processed is available on the Company's website at [www.merian.com](http://www.merian.com). For the purposes of the Data Protection Legislation, the Company, the Registrar and the Joint Bookrunners will act as data controllers and/or data processors and in such capacity will oversee the processing of personal data and determine the purposes for which and the manner in which such personal data is to be processed (collectively, the "**Purposes**"). Such personal data will be held and processed for the following Purposes, being to:
- (a) process its personal data (special categories of personal data (as defined in applicable Data Protection Legislation)) as required for or in connection with the holding of Placing Shares, including processing personal data in connection with credit and money laundering checks on it and effecting the payment of dividends and other distributions to Shareholders;
  - (b) evaluating and complying with any anti-money laundering, regulatory and tax requirements in the respect of the Company;
  - (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK, Guernsey or elsewhere'
  - (d) communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of Placing Shares;
  - (e) provide personal data to such third parties as are or shall be necessary in connection with the proper running of its business affairs and generally in connection with the holding of Placing Shares or as Data Protection Legislation may require, including to third parties outside the United Kingdom, Guernsey or the EEA (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires

the right to approve methods of transfer of personal data outside the UK or Guernsey); and

- (f) process its personal data for the purpose of their internal record-keeping and reporting obligations.
- (jj) in providing the Company, the Registrar and the Joint Bookrunners with information, and to the extent that such information relates to a third party procured by a Placee to subscribe for Placing Shares and any nominee for any such person, it hereby represents and warrants to the Company, the Registrar and the Joint Bookrunners that it has obtained any necessary consents of the data subject whose data it has provided, to the Company, the Registrar and the Joint Bookrunners and their respective associates holding and using their personal data for the Purposes (including, where required, special categories of personal data (as defined in applicable Data Protection Legislation) for the Purposes set out in paragraph (kk) above) and will make the list of "Purposes" for which the Company, the Registrar and the Joint Bookrunners will process the data (as set out in clause (kk) of this Agreement) available to all data subjects whose personal data may be shared by it in the performance of this Agreement;
- (kk) the representations, undertakings and warranties contained in this Announcement (including this Appendix) and, as applicable, in the Contract Note and/or Placing Confirmation and the Placing Letter (if any) are irrevocable. It acknowledges that the Joint Bookrunners and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings, and it agrees that if any of the representations, warranties or undertakings made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- (ll) where it or any person acting on behalf of it is dealing with the Joint Bookrunners, any money held in an account with the Joint Bookrunners on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require the Joint Bookrunners to segregate such money, as that money will be held by the Joint Bookrunners under a banking relationship and not as trustee;
- (mm) any of its clients, whether or not identified to the Joint Bookrunners, will remain its sole responsibility and will not become clients of either Joint Bookrunner for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (nn) the allocation of Placing Shares shall be determined by the Joint Bookrunners in agreement with the Company and the Investment Adviser and that the Joint Bookrunners may scale down any commitments for this purpose on such basis as it may determine (which may not be the same for each Placee);
- (oo) time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing;
- (pp) it authorises the Joint Bookrunners to deduct from the total amount subscribed under the Placing the commission (if any) payable to the Joint Bookrunners in accordance with the terms of the Placing Agreement;
- (qq) the commitment to subscribe for Placing Shares on the terms set out in this Announcement and, as applicable, in the Contract Note and/or Placing Confirmation and the Placing Letter (if any) will continue notwithstanding any amendment that may in the future be made to the

terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing; and

- (rr) the Company, the Investment Adviser, the Registrar and the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements. You agree to indemnify and hold each of the Company, the Investment Adviser, the Registrar, the Joint Bookrunners and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Announcement (including this Appendix).

### **United States purchase and transfer restrictions**

By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser, the Registrar and the Joint Bookrunners that:

- (a) it is not a US Person (as defined under Regulation S of the US Securities Act of 1933, as amended) and it is not acquiring the Placing Shares for the account or benefit of a US Person;
- (b) it acknowledges that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons; and
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act.

The Company, the Investment Adviser, the Joint Bookrunners and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and the Joint Bookrunners.

### **Supply and disclosure of information**

If a Joint Bookrunner, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Placing Shares under the Placing, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

### **Miscellaneous**

The rights and remedies of the Company, the Investment Adviser, the Joint Bookrunners and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in

connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee to a Joint Bookrunner.

Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and the appointments and authorities mentioned in this Announcement and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Adviser, the Joint Bookrunners and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Placing Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Joint Bookrunners and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are set out above, including under the heading 'Details of the Placing Shares and the Placing Agreement'.

The agreement to settle a Placee's subscription of the Placing Shares (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement is subject to the representations, warranties and further terms above and assumes, and is based on the warranty from each Placee, that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor either of the Joint Bookrunners will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company, each of the Joint Bookrunners and their respective affiliates in the event that any of the Company and/or either of the Joint Bookrunners have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.