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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION IN RELATION TO CENKOS SECURITIES PLC AND FINNCAP GROUP PLC

FOR IMMEDIATE RELEASE

23 March 2023

**RECOMMENDED ALL-SHARE MERGER**

of

**CENKOS SECURITIES PLC**

and

**FINNCAP GROUP PLC**

**to be implemented by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The boards of finnCap Group plc ("**finnCap**") and Cenkos Securities plc ("**Cenkos**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended all-share merger of finnCap and Cenkos (the "**Merger**") to create a market-leading full-service advisory firm for growth and investment companies (the "**Combined Group**").
- The Combined Group has (on a proforma combined basis) more than 210 retained listed or quoted clients and employs more than 230 colleagues with ambitions to build on strong foundations across equity capital markets, M&A advisory, debt advisory, and private growth capital fundraising.
- The Combined Group has in excess of £50 million of proforma combined revenues and in excess of £20 million combined cash on its balance sheet.
- There are potentially significant cost synergies from common systems, processes, regulatory overlap and infrastructure, as well as clear future revenue potential through

broader client reach and collaboration across equity and private capital market disciplines for the Combined Group.

- The Combined Group will be led by the existing CEOs of Cenkos and finnCap as co-CEOs. Lisa Gordon will become Chair of the Combined Group Board which will comprise equal numbers of finnCap and Cenkos Directors.
- Under the terms of the Merger, Cenkos Shareholders and finnCap Shareholders will each hold approximately 50% of the entire issued ordinary share capital of finnCap.
- The Merger is to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

### **Comments on the Merger**

**Lisa Gordon, Chair of Cenkos and intended Chair of the Combined Group Board, said:** “This proactive and mutually-beneficial merger creates a champion for growth and investment companies, both UK-quoted and private entrepreneurial businesses, that are the backbone of our economy. The two firms’ cultures are very similar, and our client lists and capabilities are complementary. This is good for our clients, our employees, our investors and the UK capital markets as a whole.”

**Robert Lister, Chair of finnCap and intended senior independent non-executive director of the Combined Group Board, said:** “It has been a pleasure to serve as Chair of finnCap over the last two years. I have been impressed by the collective spirit, dynamism and, in sometimes challenging times, the resilience of our people. Whilst I strongly believe in the prospects of finnCap, I am excited by the potential of the Combined Group and I look forward to working with Lisa and the Combined Group Board and seeing our combined business prosper.”

**Julian Morse, CEO of Cenkos and intended co-CEO of the Combined Group, said:** “This merger is a true meeting of minds: the combination of two firms with a shared client-centric culture, which presents the opportunity to create a premium full-service advisory house supporting growth and investment companies and grow our combined business and its revenues.”

**John Farrugia, co-CEO of finnCap and intended co-CEO of the Combined Group, said:** “In Cenkos we have found a partner who shares the same vision, desire and drive to create one of the leading financial services advisory firms focused on the mid-market. With our collective strength in capital markets, M&A, debt advisory and private growth, we believe that we are able to provide an unrivalled level of service to all our current and prospective clients.”

### **Key terms**

- Under the terms of the Merger, each Cenkos Shareholder will be entitled to receive:  
**for each Cenkos Share: 3.19420647 New finnCap Shares**
- Based on this exchange ratio (the "**Exchange Ratio**") and the Closing Price of 11.625 pence per finnCap Share on 22 March 2023 (being the Latest Practicable Date), the Merger values each Cenkos Share at 37.13 pence, comprising an equity value of Cenkos' entire issued

ordinary share capital as at the Latest Practicable Date of approximately £21.1 million and finnCap's entire issued ordinary share capital as at the Latest Practicable Date of approximately £21.1 million.

- Each Cenkos Shareholder will be entitled to receive and retain the 0.5 pence cash dividend for each Cenkos Share held on the 2022 Dividend Record Date (the "**2022 Dividend**") which was announced on 10 March 2023 and is to be paid in respect of the financial year ended 31 December 2022 to Cenkos Shareholders without any reduction in their entitlements under the Exchange Ratio pursuant to the Scheme. The 2022 Dividend is due to be paid on 22 June 2023 to those Cenkos Shareholders who are on Cenkos' register of members at close of business on 26 May (the "**2022 Dividend Record Date**").
- The Cenkos Board intends in due course to declare an interim dividend of 3 pence per Cenkos Share, which is intended to be formally declared after 30 June 2023 and paid before the Effective Date (the "**Interim Dividend**"). The timetable relating to the proposed Interim Dividend will be notified in due course. Holders of Cenkos Shares as at the record date for the Interim Dividend shall be entitled to receive the Interim Dividend without any reduction in their entitlements under the Exchange Ratio pursuant to the Scheme. Further information regarding the Interim Dividend will be notified in due course. Cenkos Shareholders should be aware that Cenkos reserves the right to bring forward the declaration, vary or even cancel the Interim Dividend at any time prior to its payment.
- Upon completion of the Merger, Cenkos Shareholders and finnCap Shareholders will each hold approximately 50% of the entire issued ordinary share capital of finnCap, whose shares will continue to be traded on AIM.
- The Merger is supported by Cenkos Shareholders Jim Durkin, Bridger Limited, Stephen Keys, Sarah Keys and Michael Johnson, who have irrevocably undertaken to vote in favour of the Scheme in respect of 11,492,897 Scheme Shares, representing 20.27 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date.
- In addition, irrevocable undertakings to vote or procure the vote in favour of the Scheme have been given by Cenkos Directors in respect of an aggregate 1,587,653 Scheme Shares, representing 2.80 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date.
- Canaccord Genuity Asset Management Limited has given a letter of intent to procure votes in favour of the Merger in respect of 5,500,000 Scheme Shares, representing 9.70 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date.
- The Merger is supported by finnCap Shareholders Jon Moulton, Vin Murria, Sam Smith, Lord Leigh, Mark Tubby, Peter Gray, and Rhys Williams, who have irrevocably undertaken to vote or procure the vote in favour of the finnCap Resolution in respect of 83,860,205 finnCap Shares, representing 46.31 per cent. of the issued share capital of finnCap as at the Latest Practicable Date.

- In addition, irrevocable undertakings to vote or procure the vote in favour of the finnCap Resolution have been given by finnCap Directors in respect of an aggregate 10,168,726 finnCap Shares, representing 5.62 per cent. of the issued share capital of finnCap as at the Latest Practicable Date.
- In aggregate, Cenkos and finnCap have received irrevocable undertakings and a letter of intent to vote or procure votes in favour of the Merger in respect of 18,580,550 Scheme Shares, representing 32.77 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date and irrevocable undertakings to vote or procure votes in favour of the finnCap Resolution in respect of 94,028,931 finnCap Shares, representing 51.92 per cent. of the issued share capital of finnCap as at the Latest Practicable Date.

### **Recommendations**

- The Cenkos Directors, who have been so advised by SPARK Advisory Partners as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable and in the best interests of the Cenkos Shareholders taken as a whole. Accordingly, the Cenkos Directors recommend unanimously that Cenkos Shareholders vote or procure votes to approve the Scheme at the Court Meeting and to vote or procure votes in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do (or procure to be done) in respect of their own legal and beneficial holdings of Cenkos Shares, being, in aggregate, 1,587,653 Cenkos Shares representing approximately 2.80 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date.
- In providing their advice to the Cenkos Directors, SPARK Advisory Partners has taken into account the commercial assessments of the Cenkos Directors. SPARK Advisory Partners is providing independent financial advice to the Cenkos Directors for the purposes of Rule 3 of the Takeover Code.
- In order to allot and issue the New finnCap Shares, finnCap will be required to seek the approval of the finnCap Shareholders of the required authorities at the finnCap General Meeting. The Merger is accordingly conditional on the approval of the finnCap Shareholders of the issuance of the New finnCap Shares at the finnCap General Meeting. The finnCap Directors consider the Merger to be in the best interests of finnCap and the finnCap Shareholders as a whole and intend unanimously to recommend that finnCap Shareholders vote in favour of the finnCap Resolution to be proposed at the finnCap General Meeting, as they have irrevocably undertaken to do (or procure to be done) in respect of their own legal and beneficial holdings of 10,168,726 finnCap Shares (and those of their close family members) representing, in aggregate, approximately 5.62 per cent. of the issued share capital of finnCap as at the Latest Practicable Date.

### **Timetable and Conditions**

- It is intended that the Merger will be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although the right to effect the

Merger by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement, is reserved).

- The Merger will be made in accordance with the Takeover Code and on the terms and subject to the Conditions set out in Appendix 1 to this Announcement. In particular, the Merger is conditional on, amongst other things: (i) the approval by the FCA of the change of control in Cenkos in accordance with section 189 of the FSMA; and (ii) given the importance to each of Cenkos and finnCap of their ability to operate as Nominated Adviser to AIM companies, the requirement that each of Cenkos and finnCap maintain their status as Nominated Adviser pursuant to the AIM Rules for Nominated Advisers for the period ending on the Effective Date. Full details of the Merger will be set out in the Scheme Document.
- It is expected that the Scheme Document, containing further information about the Merger and notices of the Court Meeting and the General Meeting, together with the associated forms of proxy, will be posted to Cenkos Shareholders during April 2023 (or such later date as Cenkos, finnCap and the Panel agree) and the Meetings are expected to be held shortly thereafter.
- It is expected that the finnCap Circular will be posted to finnCap Shareholders at a similar time as the Scheme Document is posted to Cenkos Shareholders, with the finnCap General Meeting being held before the Cenkos Meetings.
- Taking into account the FCA approval timetable, the Scheme is currently expected to become Effective during the third calendar quarter of 2023, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement. An expected timetable of key events relating to the Merger will be provided in the Scheme Document.

***This summary should be read in conjunction with, and is subject to, the full text of this Announcement, including the Appendices to it. The Merger will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains the sources of information and bases of calculations of certain information contained in this Announcement. Appendix 3 contains a summary of the irrevocable undertakings and letters of intent received by finnCap and Cenkos in relation to this Merger. Appendix 4 contains definitions of certain expressions used in this summary and in this Announcement.***

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Travers Smith LLP is acting as legal adviser to finnCap and Simmons & Simmons LLP is acting as legal adviser to Cenkos.

This Announcement contains certain inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**"), and is disclosed in accordance with the Cenkos' and finnCap's obligations under Article 17 of MAR. For the purposes of MAR, this announcement is being made on behalf of Cenkos by Jeremy Osler, Head of Corporate Finance & General Counsel and on behalf of finnCap by Richard Snow, Chief Financial Officer.

***Important notice about financial adviser***

*SPARK Advisory Partners Limited ("**SPARK Advisory Partners**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as financial adviser to Cenkos and for no one else in connection with the Merger and will not be responsible to anyone other than Cenkos for providing the protections afforded to its clients nor for providing advice in relation*

to the Merger, the contents of this Announcement or any other matters referred to in this Announcement.

Grant Thornton UK LLP ("**Grant Thornton**") is authorised and regulated in the United Kingdom by the FCA and is acting as nominated adviser for finnCap and no one else in connection with the Merger and will not regard any other person as its client in relation to the Merger and will not be responsible to anyone other than finnCap for providing the protections afforded to clients of Grant Thornton or for providing advice in relation to the Merger, the contents of this Announcement or any other matters referred to in this Announcement.

### **Further information**

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or a solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation, sale issuance or exchange is unlawful. The Merger will be implemented solely pursuant to the Scheme Document (or, if the Merger is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Merger, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made only on the basis of the information in the Scheme Document (or, if the Merger is implemented by way of a Takeover Offer, the Offer Document) and the finnCap Circular.

Cenkos and finnCap will prepare the Scheme Document (or, if the Merger is implemented by way of a Takeover Offer, the Offer Document) to be distributed to Cenkos Shareholders at no cost to them. Cenkos and finnCap urge Cenkos Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Merger.

finnCap will prepare the finnCap Circular to be distributed to finnCap Shareholders. finnCap urges finnCap Shareholders to read the finnCap Circular carefully when it becomes available.

This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

### **Overseas jurisdictions**

This Announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the AIM Rules, the Takeover Code, the Market Abuse Regulation (EU 596/2014) (which is part of UK law by virtue of the European Union (Withdrawal) Act 2018) and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales. Nothing in this Announcement should be relied on for any other purpose.

The release, publication or distribution of this Announcement in or into certain jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore any

*persons into whose possession this Announcement comes should inform themselves of, and observe, such restrictions. In particular the ability of persons who are not resident in the United Kingdom to vote their Cenkos Shares at the Court Meeting or General Meeting, or to appoint another person as proxy to vote at the Court Meeting or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Further details in relation to the Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by finnCap or required by the Takeover Code, and permitted by applicable law and regulation, New finnCap Shares to be issued pursuant to the Merger shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction and no person may vote in favour of the Merger by use of mail or any other means of instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.*

*Accordingly, copies of this Announcement and all documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law or regulation), such Takeover Offer may not be made, directly or indirectly, in or into, or by use of mail or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and such Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities from within any Restricted Jurisdiction.*

*The availability of New finnCap Shares pursuant to the Merger to Cenkos Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Further details in relation to Cenkos Shareholders in overseas jurisdictions will be contained in the Scheme Document.*



*The Merger shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the AIM Rules, the FCA and the Registrar of Companies.*

***Additional information for US investors***

*Cenkos Shareholders in the United States should note that the Merger relates to the shares of an English company with a listing on AIM and is proposed to be effected by means of a scheme of arrangement under English law. This Announcement, the Scheme Document and certain other documents relating to the Merger have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Merger is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, finnCap exercises the right to implement the Merger by way of a Takeover Offer and determines to extend such Takeover Offer into the United States, any such Takeover Offer will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act and the US Securities Act.*

*Cenkos' financial statements, and all financial information included in this Announcement, the Scheme Document or any other documents relating to the Merger, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*Each Cenkos Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Merger applicable to them.*

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since finnCap and Cenkos are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*The Merger is intended to be implemented pursuant to a scheme of arrangement under the laws of England, the New finnCap Shares to be issued as part of the Merger will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Cenkos will advise the Court that its sanction of the scheme of arrangement will be relied upon by finnCap and Cenkos as an approval of the scheme of arrangement following a hearing on its fairness to Cenkos Shareholders at which hearing all such shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the scheme of arrangement and in respect of which notification has been given to all Cenkos Shareholders.*

*In accordance with normal UK practice and consistent with Rule 14e-5(b) of the US Exchange Act, (to the extent applicable) finnCap, certain affiliated companies and their nominees or brokers (acting as*

agents) may make certain purchases of, or arrangements to purchase, shares in Cenkos outside of the United States, other than pursuant to the Merger, until the date on which the Merger and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

Neither the United States Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Merger, passed upon the merits or fairness of the Merger or passed any opinion upon the accuracy, adequacy or completeness of this Announcement (nor will it do so in respect of the Scheme Document). Any representation to the contrary is a criminal offence in the United States.

### **Forward looking statements**

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Merger, and other information published by finnCap, Cenkos, any member of the Wider finnCap Group or any member of the Wider Cenkos Group may contain statements which are, or may be deemed to be, "forward looking statements". Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements.

The forward looking statements contained in this Announcement include statements relating to the expected effects of the Merger on finnCap, Cenkos, any member of the Wider finnCap Group or any member of the Wider Cenkos Group (including their future prospects, developments and strategies), the expected timing and scope of the Merger and other statements other than historical facts. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "cost-saving", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of finnCap's, Cenkos', any member of the Wider finnCap Group's or any member of the Wider Cenkos Group's operations and potential synergies resulting from the Merger; and (iii) the effects of global economic conditions and governmental regulation on finnCap's, Cenkos', any member of the Wider finnCap Group's or any member of the Wider Cenkos Group's business.

Although finnCap and Cenkos believe that the expectations reflected in such forward looking statements are reasonable, finnCap, Cenkos, the Wider finnCap Group and the Wider Cenkos Group

*can give no assurance that such expectations will prove to be correct. By their nature, 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 that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements.*

*These factors include, but are not limited to: the ability to complete the Merger; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which finnCap, Cenkos, the Wider finnCap Group and/or the Wider Cenkos Group operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which finnCap, Cenkos, the Wider finnCap Group and/or the Wider Cenkos Group operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.*

*Neither finnCap, Cenkos, the Wider finnCap Group nor the Wider Cenkos Group, nor any of their respective associates or directors, officers or advisers, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither finnCap, Cenkos, the Wider finnCap Group nor the Wider Cenkos Group is under any obligation, and each such person expressly disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.*

***No profit forecasts, estimates or qualified benefits statements***

*No statement in this Announcement, or incorporated by reference in this Announcement, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cenkos or finnCap for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cenkos or for finnCap.*

**No dividend forecasts**

*No statement in this Announcement, or incorporated by reference in this Announcement, is intended as a dividend forecast for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cenkos or finnCap for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cenkos or for finnCap.*

**Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

**Publication on website**

*A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Cenkos' website at [www.cenkos.com/investors](http://www.cenkos.com/investors) and finnCap's website at <https://announcements.finnncap.com/merger/> by no later than 12.00 p.m. on the Business Day following this Announcement. For the avoidance of doubt, neither the content of Cenkos' website nor finnCap's website is incorporated into, or forms part of, this Announcement.*

**Information relating to Cenkos Shareholders**

*Please be aware that addresses, electronic addresses and certain information provided by Cenkos Shareholders, persons with information rights and other relevant persons for the receipt of communications from Cenkos may be provided to finnCap during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

**Right to receive documents in hard copy form**

*Any person entitled to receive a copy of documents, announcements and information relating to the Merger is entitled to receive such documents in hard copy form free of charge. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. A person may request that all future documents, announcements and information in relation to the Merger are sent to them in hard copy form.*

*In accordance with Rule 30.3 of the Takeover Code, Cenkos Shareholders, persons with information rights and participants in Cenkos Share Plans may request a hard copy of this announcement by contacting, Link Asset Services, Cenkos' Registrars on 0371 664 0300 (or +44 371 664 0300 if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate.*

**Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (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](http://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. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **General**

*The right to elect, with the consent of the Panel, and subject to the terms of Co-operation Agreement, to implement the Merger by way of a Takeover Offer as an alternative to the Scheme, is reserved. In such an event, the Takeover Offer will be implemented on the same terms or, if finnCap so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as*

*applicable, as those which would apply to the Scheme and subject to the amendment referred to in Appendix 1 to this Announcement. Upon sufficient acceptances being received in respect of such Takeover Offer, finnCap intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Cenkos Shares in respect of which the offer has not been accepted.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

### **Rule 2.9**

*For the purposes of Rule 2.9 of the Takeover Code, Cenkos confirms that, as at the Latest Practicable Date, it had in issue 56,694,783 ordinary shares of 1 penny each (with no ordinary shares held in treasury). The International Securities Identification Number (ISIN) number of the ordinary shares is GB00B1FLHR07.*

*For the purposes of Rule 2.9 of the Takeover Code, finnCap confirms that, as at the Latest Practicable Date, it had in issue 181,094,844 ordinary shares of 1 penny each (with no ordinary shares held in treasury). The International Securities Identification Number (ISIN) number of the ordinary shares is GB00BGKPX309.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE MERGER AND NEW FINNCAP SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT AND THE FINNCAP CIRCULAR WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION IN RELATION TO CENKOS SECURITIES PLC AND FINNCAP GROUP PLC**

**FOR IMMEDIATE RELEASE**

**23 March 2023**

**RECOMMENDED ALL-SHARE MERGER**

**of**

**CENKOS SECURITIES PLC**

**and**

**FINNCAP GROUP PLC**

**to be implemented by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of finnCap Group plc ("**finnCap**") and Cenkos Securities plc ("**Cenkos**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended all-share merger of finnCap and Cenkos to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the "**Merger**").

finnCap and Cenkos are two complementary businesses, established in 2007 and 2004 respectively, by founders with the entrepreneurial, ambitious and dynamic spirit that has remained with both businesses. The Cenkos Board and the finnCap Board believe that there is a compelling strategic, strong financial and cultural rationale for the Merger which will benefit the shareholders, employees, clients, commercial counterparties and stakeholders of the Combined Group.

## **2. The Merger**

Under the terms of the Merger, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each Cenkos Shareholder will be entitled to receive:

**for each Cenkos Share: 3.19420647 New finnCap Shares**

Based on the Exchange Ratio and the Closing Price of 11.625 pence per finnCap Share on 22 March 2023 (being the Latest Practicable Date), the Merger values each Cenkos Share at 37.13 pence, comprising an equity value of Cenkos' entire issued ordinary share capital as at the Latest Practicable Date of approximately £21.1 million and finnCap's entire issued ordinary share capital as the Latest Practicable Date of approximately £21.1 million.

Upon completion of the Merger, Cenkos Shareholders and finnCap Shareholders will each hold approximately 50% of the entire issued ordinary share capital of finnCap, whose shares will continue to be traded on AIM.

It is intended that the Merger will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although the right to effect the Merger by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement, is reserved).

It is expected that the Scheme Document, containing further information about the Merger and notices of the Court Meeting and the General Meeting, together with the associated forms of proxy, will be posted to Cenkos Shareholders during April 2023 (or such later date as Cenkos, finnCap and the Panel agree) and the Meetings are expected to be held shortly thereafter.

It is expected that the finnCap Circular will be posted to finnCap Shareholders at a similar time as the Scheme Document is posted to Cenkos Shareholders, with the finnCap General Meeting being held before the Cenkos Meetings.

The Scheme will also need to be sanctioned by the Court. Finally, a copy of the Court Order must be delivered to the Registrar of Companies for registration, and the Scheme will become Effective upon such delivery.

Taking into account the FCA approval timetable, the Merger is currently expected to become Effective during the third calendar quarter of 2023, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement. An expected timetable of key events relating to the Merger will be provided in the Scheme Document.

The New finnCap Shares will be issued credited as fully paid and will rank pari passu in all respects with the finnCap Shares in issue at the time the New finnCap Shares are issued pursuant to the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Application will be made to the London Stock Exchange for the New finnCap Shares to be admitted to trading on AIM.

## **3. Information on Cenkos and current trading**



Cenkos acts as a nominated adviser, sponsor, broker and financial adviser to a range of companies and investment funds, at all stages of their growth and across all sectors. It concentrates on companies that seek admission of their shares to trading on AIM or the Main Market of the London Stock Exchange and companies that are already quoted on those markets. It seeks long-term relationships with its clients throughout the various stages of their development, its ethos being to focus on understanding its clients' financing needs to deliver good outcomes for them.

With over 90 employees, Cenkos provides its range of services from offices in London and Edinburgh to 100 clients quoted on AIM, the Main Market or other exchanges. A particular strength of the firm is its ability to raise funds for clients and complete transactions, even in challenging markets. In 2022, Cenkos acted on the three largest AIM IPOs by new money raised and was involved in transactions raising approximately 15% of total monies raised on AIM during that period.

#### *Current trading*

Cenkos reiterates guidance and the outlook provided with its annual report on 10 March 2023.

#### **4. Information on finnCap and current trading**

finnCap is a diversified financial advisory firm offering a full range of services across M&A advice, equity and debt capital raising and related services to corporate and institutional clients and high net worth investors including private equity and family offices. It has particular strength in the technology, life sciences, consumer and business services sectors. finnCap has global reach through its affiliation with the Oaklins partnership and access to net zero and carbon economy consultancy through its partnership with Energise Limited.

finnCap acts as Nominated Adviser and/or broker for 118 retained clients. In the six months ended 30 September 2022, finnCap advised on a total of 33 transactions with an aggregate deal value of c.£740 million. In particular it:

- (i) raised c.£80 million equity through 10 public market placings (*H1 22: 14 deals; c.£250 million raised*);
- (ii) advised on 11 private M&A deals with aggregate value of c.£430 million (*H1 22: 13 deals with aggregate value of c.£1 billion*);
- (iii) advised on four public company M&A deals with an aggregate value of c.£75 million (*H1 22: four deals with aggregate value of c.£500 million*); and
- (iv) completed eight debt financing mandates raising c.£160 million (*H1 22: six deals; c.£250 million raised*).

For the year ended 31 March 2022, finnCap had total revenues of £52.5 million (*FY21: £46.6 million*) and profit before tax of £8.1 million (*FY21: £8.4 million*) and for the six months ended 30 September 2022 it had total revenue of £16.4 million (*H1 22: £31.7 million*) and recorded a loss before taxation of £2.6 million (*H1 22: profit £6.3 million*).

#### *Current trading*

finnCap expects revenue in the second half of its financial year to 31 March 2023 to be broadly similar to the first half, and revenue for the financial year to be approximately £32 million.

ECM deal fees improved in the second half over the first half, with the team closing a number of fundraising transactions despite a backdrop of muted activity levels overall. Whilst M&A activity slowed in the second half, overall revenue and activity have been good.

In the second half, finnCap has also begun to see the benefit of its cost reduction programme such that finnCap believes its fixed operating expenditure in the next financial year to 31 March 2024 (on a standalone basis) would be approximately £28 million.<sup>(1)</sup> Non-recurring costs will be higher in the second half reflecting the costs of an employee restructuring and professional fees related to the lapsed bid by Panmure Gordon Group Limited.

Revenue trends in ECM improved in the second half and the ECM team has a pipeline of mandates under execution, but market conditions remain challenging.

finnCap is working on a number of M&A mandates whilst continuing to build a pipeline of M&A deals. Similarly to ECM, the frequency of completions and deal timetables have been impacted in the short term by the reduced availability and pricing of financing for private equity buyers.

*(1) Fixed operating expense = total fixed employee costs and non-people operating expenses. It excludes any non-recurring items, third party introductory fees and staff bonuses.*

## **5. Background to and reasons for the Merger**

The finnCap Board and the Cenkos Board believe that there is a compelling strategic, strong financial and cultural rationale for the Merger which will benefit the shareholders, employees, clients, commercial counterparties and other stakeholders of the Combined Group.

### ***A combined business with complementary capabilities and greater scale that is well positioned for future growth and a strong client proposition***

The Merger will combine the equity capital market practices of two complementary businesses. Each firm services a broad mix of corporate and institutional client constituencies in their respective equity capital market divisions. finnCap and Cenkos have very few shared corporate clients. The Merger will enhance and complement finnCap's larger client base by combining with Cenkos, an institutional stockbroker which has been involved in many of the largest fundraisings and IPOs by growth companies in recent years.

The Combined Group will have its combined client base at its heart and be focussed on providing the best possible service to them.

The Merger will give Cenkos' clients access to a wider range of services including finnCap's private M&A business Cavendish and finnCap's debt and private capital raising advisory teams which will enhance Cenkos' ability to provide strategic financial advice to its clients where it already enjoys a strong reputation for equity capital markets advice and capital raising.

This combination will therefore create a leading provider in fundraising and advisory services for quoted growth and investment companies, and together with the wider offering of finnCap across M&A, debt and private growth capital, will create a leading full-service advisory firm.

The Combined Group has over 210 retained listed or quoted clients companies across a complementary suite of sectors, and will be able to provide the combined client base with a greater depth of expertise, transactional capacity and fundraising strength, and for Cenkos' clients, a wider range of services and products.

***A combined business with a through-the-cycle financial performance that will underpin shareholder returns, the resources to invest and a stable platform for growth***

Both the finnCap Board and the Cenkos Board are strong believers in and supporters of the role of the public markets as a compelling source of growth capital whilst allowing their investors to achieve greater liquidity. The Combined Group will focus on delivering attractive and consistent shareholder returns through the economic cycle as detailed in the dividend policy below.

The Combined Group will have scale and greater breadth of clients, with a high level of recurring revenue and improved operating cost efficiency, which the Cenkos Board and the finnCap Board believe will allow it to perform strongly through the stock market cycle. Furthermore, the Combined Group has in excess of £20 million of combined cash on its balance sheet, which will provide both financial resilience and a platform to support the future growth of the Combined Group.

As further described in paragraph 10 below, the Cenkos Board and the finnCap Board also believe there will be areas of duplicative or inefficient spending across the Combined Group (as compared to the companies on a standalone basis) where financial savings can be made following the Effective Date which, if implemented, would have a beneficial impact on the Combined Group.

The finnCap Board and the Cenkos Board are mindful of the market challenges faced by the broking sector in recent years and that as this highly fragmented market is becoming increasingly competitive, scale is becoming increasingly important. The finnCap Board and the Cenkos Board believe that the consequent financial pressures faced by many competitors is expected to lead to consolidation in the short to medium term. The Merger will offer a stable platform from which the Combined Group can take advantage of disruption amongst competitors as this consolidation accelerates.

***Shared client-centred culture with an entrepreneurial and ambitious mindset***

The Combined Group will have, on a combined proforma basis, over 230 colleagues. The finnCap Board and the Cenkos Board believe there is a strong cultural alignment between two client-centric and ambitious groups, centring around collegiate respect, teamworking, dynamism and the entrepreneurialism needed to succeed and to deliver the best results for our clients.

The Merger presents a very robust platform from which to develop the Combined Group's talent pool through the sharing of best practices, revenue generating ideas and collaboration. The strengthened financial position of the Combined Group would also enable further investment in developing and recruiting the very best talent, at all levels and across divisions, to drive the Combined Group's growth.

## 6. Dividends

### ***2022 Dividend***

Each Cenkos Shareholder will be entitled to receive and retain the 0.5 pence cash dividend for each Cenkos Share held on the 2022 Dividend Record Date (the "**2022 Dividend**") which was announced on 10 March 2023 and is to be paid in respect of the financial year ended 31 December 2022, to Cenkos Shareholders without any reduction in their entitlements under the Exchange Ratio pursuant to the Scheme. The 2022 Dividend is due to be paid on 22 June 2023 to those Cenkos Shareholder who are on Cenkos' register of members at close of business on 26 May 2023 (the "**2022 Dividend Record Date**").

### ***Interim Dividend***

The Cenkos Board intends in due course to declare an interim dividend of 3 pence per Cenkos Share, which is intended to be formally declared after 30 June 2023 and paid before the Effective Date (the "**Interim Dividend**"). The timetable relating to the proposed Interim Dividend will be notified in due course. Holders of Cenkos Shares as at the record date for the Interim Dividend shall be entitled to receive the Interim Dividend without any reduction in their entitlements under the Exchange Ratio pursuant to the Scheme. Further information regarding the Interim Dividend will be notified in due course. Cenkos Shareholders should be aware that Cenkos reserves the right to bring forward the declaration, vary or even cancel the Interim Dividend at any time prior to its payment.

### ***Other dividends***

finnCap does not currently expect to pay a final dividend when it announces results in respect of the financial year ending 31 March 2023.

If either finnCap or Cenkos announces, declares, makes or pays any dividend or other distribution on or after the date of this Announcement and prior to the Effective Date, other than the 2022 Dividend and the Interim Dividend, there will be no change to the Exchange Ratio. Each of finnCap and Cenkos reserves the right to pay an equalising dividend to their respective shareholders should any dividend other than the 2022 Dividend or the Interim Dividend be paid by the other party.

The proposed procedure and timings for declaring and paying the dividends set out in this Announcement are indicative only and are expected to be set out in detail in the Scheme Document.

## 7. Recommendations

The Cenkos Directors, who have been so advised by SPARK Advisory Partners as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable and in the best interests of the Cenkos Shareholders taken as a whole. Accordingly, the Cenkos Directors recommend unanimously that Cenkos Shareholders vote or procure votes to approve the Scheme at the Court Meeting and to vote or procure votes in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do (or procure to be done) in respect of their own legal and beneficial holdings, being, in aggregate, 1,587,653 Cenkos Shares representing approximately 2.80 per cent. of the issued share capital of Cenkos as at the Latest Practicable Date.

In providing their advice to the Cenkos Directors, SPARK Advisory Partners has taken into account the commercial assessments of the Cenkos Directors. SPARK Advisory Partners is providing independent financial advice to the Cenkos Directors for the purposes of Rule 3 of the Takeover Code.

In order to allot and issue the New finnCap Shares, finnCap will be required to seek the approval of the finnCap Shareholders at the finnCap General Meeting. The Merger is accordingly conditional on the approval of the finnCap Shareholders of the issuance of the New finnCap Shares at the finnCap General Meeting. The finnCap Directors consider the Merger to be in the best interests of finnCap and the finnCap Shareholders as a whole and intend unanimously to recommend that finnCap Shareholders vote in favour of the finnCap Resolution to be proposed at the finnCap General Meeting, as they have irrevocably undertaken to do (or procure to be done) in respect of their own legal and beneficial holdings of 10,168,726 finnCap Shares (and those of their close family members) representing, in aggregate, approximately 5.62 per cent. of the issued ordinary share capital of finnCap as at the Latest Practicable Date.

## **8. Background to and reasons for the recommendation**

The Cenkos Board believes that in taking this proactive step to merge the two firms, it will create a combined group which will be a true market leader in advising growth and investment companies. The Combined Group will have the scale and diversity of operations to be a full-service advisory firm across equity, debt, and M&A serving the public and private capital markets. As standalone firms, the Cenkos Board believes it would be difficult for either of Cenkos or finnCap to achieve this breadth and scale through organic growth alone. The Merger is made possible through the shared vision, mutual respect, cultural alignment and complementary nature of the two businesses, with very little overlap between clients or sector focus.

The Cenkos Board further believes that the enlarged business of the Combined Group, with over £50 million of proforma combined revenues, in excess of £20 million of combined cash on its balance sheet and the potential cost benefits of economies of scale, provides the financial stability and business platform to drive future growth and deliver enhanced returns for its shareholders.

The terms of the Merger allow Cenkos Shareholders to participate fully in anticipated future value accretion and a potential rerating due to enhanced scale and business diversity.

## **9. Irrevocable undertakings and letter of intent**

### ***Cenkos Shares***

As described in paragraph 7 above, finnCap and Cenkos have received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Merger is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) from all of the Cenkos Directors who hold Cenkos Shares, in respect of their own legal and/or beneficial holdings which are under their control, totalling 1,587,653 Cenkos Shares (representing approximately 2.80 per cent. of the existing issued ordinary share capital of Cenkos as at the Latest Practicable Date), as well as any further Cenkos Shares of which they may become the legal or beneficial holder (as a result of

the exercise of options or vesting of awards under the Cenkos Share Plans). All of the Cenkos Directors support the Merger, as set out in paragraph 7 above.

The undertakings from Cenkos Directors will cease to be binding if: (i) finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement; (iii) the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time; (iv) the Scheme has not become Effective by 5.00 p.m. on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); and/or (v) any competing offer for the entire issued and to be issued ordinary share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective. These undertakings will remain binding in the event that a higher competing offer for Cenkos is made.

In addition to the irrevocable undertakings given by the Cenkos Directors, Cenkos Shareholders Jim Durkin, Bridger Limited, Stephen Keys, Sarah Keys and Michael Johnson have given irrevocable undertakings to finnCap and Cenkos to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Merger is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer), in each case in respect of their own legal and/or beneficial holdings (or those Cenkos Shares over which they have control) of Cenkos Shares, totalling 11,492,897 Cenkos Shares (representing approximately 20.27 per cent. of the existing issued ordinary share capital of Cenkos as at the Latest Practicable Date) as well as any further Cenkos Shares of which they may become the legal and/or beneficial holder (as a result of the exercise of options or vesting of awards under the Cenkos Share Plans).

In addition, finnCap and Cenkos have received a non-binding letter of intent from Canaccord Genuity Asset Management Limited to procure votes to approve the Scheme at the Court Meeting and to procure votes in favour of the Resolutions to be proposed at the General Meeting (or, in the event that the Merger is implemented by a Takeover Offer, to procure acceptance of such Takeover Offer). This letter of intent represents 5,500,000 Cenkos Shares representing approximately 9.70 per cent. of the ordinary share capital of Cenkos in issue as at the Latest Practicable Date.

### ***finnCap Shares***

As described in paragraph 7 above, Cenkos and finnCap have received irrevocable undertakings to vote or procure votes in favour of the finnCap Resolution to be proposed at the finnCap General Meeting from all of the finnCap Directors who hold finnCap Shares, in each case in respect of their own legal and/or beneficial holdings (and those of their close family members) (or those finnCap Shares over which they have control) totalling 10,168,726 finnCap Shares (representing

approximately 5.62 per cent. of the existing issued ordinary share capital of finnCap as at the Latest Practicable Date). All of the finnCap Directors support the Merger, as set out in paragraph 7 above.

The undertakings from finnCap Directors who hold finnCap Shares will cease to be binding if: (i) finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement; (iii) the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time; (iv) the Scheme has not become Effective by 5.00 pm on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); (v) any competing offer for the entire issued and to be issued ordinary share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective; and/or (vi) the finnCap Resolution is duly passed by the requisite majority of finnCap Shareholders at the finnCap General Meeting.

In addition to the irrevocable undertakings given by the finnCap Directors, finnCap Shareholders Jon Moulton, Vin Murria, Sam Smith, Lord Leigh, Mark Tubby, Peter Gray, and Rhys Williams have given irrevocable undertakings to Cenkos and finnCap to vote or procure votes in favour of the finnCap Resolution to be proposed at the finnCap General Meeting, in each case in respect of their own legal and/or beneficial holdings (or those finnCap Shares over which they have control) of finnCap Shares, totalling 83,860,205 finnCap Shares (representing approximately 46.31 per cent. of the existing issued ordinary share capital of finnCap as at the Latest Practicable Date).

In aggregate, Cenkos and finnCap have received irrevocable undertakings to vote or procure votes in favour of the finnCap Resolution to be proposed at the finnCap General Meeting in respect of 94,028,931 finnCap Shares, representing 51.92 per cent. of the issued share capital of finnCap as at the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

## **10. Directors, management, employees, pensions, research and development and locations**

### ***Management, directors, employees and pensions***

The Combined Group will endeavour to harness the talent in both companies to optimise the benefits for clients and shareholders of the Combined Group. The finnCap Board and the Cenkos Board also recognise that the management and employees of the Combined Group are its most important assets and the success of the Combined Group in the future is attributable to their skills, knowledge and expertise, as it has been to the success of finnCap and Cenkos previously. The integration of the finnCap and Cenkos businesses will be led by key finnCap and Cenkos personnel.

The Combined Group will have a culture which is client-centric and values the relationships developed with clients by front office staff. The Boards of finnCap and Cenkos believe that employees within the equity capital markets and stockbroking functions have similar roles and can naturally be merged with limited post-integration change or disruption.

finnCap and Cenkos have had high level discussions regarding other opportunities arising from the Merger and identified, at a high level, areas of cost duplication and other inefficiencies for the Combined Group (as compared to the companies on a standalone basis). This will be explored further as part of a comprehensive review following the Effective Date. This review will consider, in particular but not limited to, the further integration of systems, operational and administrative areas of the Combined Group and, as part of this, to identify duplication or overlap in staff roles. This review will also explore other efficiencies and financial benefits of the Merger, while being mindful to ensure that the Combined Group has the appropriate systems and controls in keeping with its greater scale, regulatory requirements and with best market practice. finnCap recognises in connection with this that the Combined Group's headcount would likely reduce over a twelve-month implementation period (and the number of affected individuals could potentially, depending on the outcome of this review, be material), some of which would take place via natural attrition, and that rationalisation is particularly likely within central and support functions across the Combined Group.

Pending this review, which will only commence after the Effective Date, it is not possible to detail the steps for and extent of any rationalisation, however it is an important strategic consideration for Cenkos and finnCap to retain and reward the best talent across the Combined Group from each business, without preference or bias. This rationalisation will be subject to any required consultation with employees and/or their representatives.

Other than as set out above, finnCap and Cenkos are not planning any material change in the balance of the skills and functions of the employees and management of the Combined Group taken as a whole.

The Cenkos Board and the finnCap Board have each confirmed that the existing statutory and contractual employment rights, including accrued pension rights of all Cenkos or finnCap employees, will be fully safeguarded upon and following completion of the Merger.

Cenkos operates a defined contribution pension scheme for its employees and contributes towards a number of personal pension plans set up by its employees pursuant to the scheme. finnCap's intention for the Combined Group is to maintain current employer contributions to existing pension arrangements. Any Cenkos employees who are not participants in such scheme at the Effective Date will be entitled to join the finnCap pension plan after the Effective Date on the same basis as existing finnCap employees.

finnCap and Cenkos believe that the benefits of the Merger include the opportunity to establish new incentive and remuneration policies for existing and future employees of the Combined Group, based on existing practices, designed to reward revenue generation and financial performance as well as non-financial contributions to the success of the Combined Group. It is intended that a new employee incentive policy and plan will be adopted following the Effective Date.



The Combined Group will be led by the existing CEOs of finnCap and Cenkos as co-CEOs. Lisa Gordon will become Chair of the Combined Group Board which will comprise an equal numbers of finnCap Directors and Cenkos Directors. The remainder of the Combined Group Board will comprise Ben Procter (CFO), Richard Snow (COO), Robert Lister (senior independent non-executive director) and an expected two further independent non-executive directors to be agreed, one of whom will be nominated by each of Cenkos and finnCap. Individual appointments to the Combined Group Board will be subject to the approval of the FCA.

An executive committee with day to day operational responsibility for the Combined Group (including during the implementation period taking particular responsibility for overseeing integration), reporting to the Combined Group Board, will be constituted comprising of the co-CEOs of the Combined Group, the CFO, COO, Jeremy Osler and Geoff Nash. Separate management committees will be established following the Effective Date for each of the Combined Group's principal operating divisions.

### ***Incentivisation Arrangements***

finnCap and Cenkos have not entered into, and have not discussed any form of incentivisation arrangements with members of Cenkos' management team. Following the Effective Date, the Combined Group may put in place incentive arrangements, including for certain members of the Cenkos management team and/or the continuing Cenkos Directors.

As set out above, it is intended that a new employee equity incentive plan will be adopted for the Combined Group following the Effective Date following further consultation with the management of Cenkos.

### ***Name, headquarters and locations***

The finnCap Board and the Cenkos Board are highly respectful of the value and heritage attaching to their respective names and brands amongst their clients, counterparties and employees. The Merger presents an opportunity for the Combined Group to establish its own identity and, following the Effective Date, it is intended that a working group will further consider a rebranding of the Combined Group. In the meantime, the Combined Group will be known as Cenkos finnCap Group plc, its equity capital markets business will be branded Cenkos finnCap, and its M&A division as Cavendish.

The Combined Group will be headquartered at the current existing registered office of finnCap being 1 Bartholomew Close, London EC1A 7BL with all Cenkos' operations transferring to that address at an appropriate time following the Effective Date. No change is intended with regard to Cenkos' existing office in Edinburgh.

### ***Business, assets, research and development***

Neither finnCap nor Cenkos has any material research or development function nor do they intend to create such functions. It is intended that the fixed assets of Cenkos located at its headquarters in London will be transferred together with the combination of operations at finnCap's London office, as described above.

## ***Trading Facilities***

finnCap and Cenkos are both currently traded on AIM and, as explained in paragraph 16 below, finnCap and Cenkos intend to make a request to the London Stock Exchange to cancel trading of the Cenkos Shares on AIM, with effect from and shortly following the Effective Date. Cenkos will be re-registered as a private company following the Effective Date.

## ***Statements***

None of the statements in this paragraph 10 is a "post-offer undertaking" for the purposes of Rule 19.5 of the Takeover Code.

### **11. Cenkos Share Plans**

Participants in the Cenkos Share Plans will be contacted regarding the effect of the Merger on their rights under the Cenkos Share Plans and, where required, an appropriate offer or proposal will be made to such participants which reflects their rights under the Cenkos Share Plans in due course.

Details of any offer or proposal will be set out in the Scheme Document and in separate letters to be sent to participants in the Cenkos Share Plans. Further Details of the impact of the Scheme on each of the Cenkos Share Plans will be set out in the Scheme Document.

The finnCap Board and the Cenkos Board believe the Merger will create a strong platform for value creation for all stakeholders.

Prior to completion of the Merger, the Remuneration Committee of Cenkos proposes to grant, on a basis which is materially consistent with past Cenkos policy and practice of granting discretionary bonus and equity incentive awards to employees, new awards under the Cenkos Securities Short Term Incentive Plan (the "**STIP**") over a total of up to 6,800,000 Cenkos Shares which are currently held as unallocated shares in the Cenkos employee benefit trust (the "**New STIP Awards**"). The New STIP Awards shall not vest in full on the completion of the Merger but shall be rolled over into finnCap Shares and will continue to vest in accordance with their original terms. SPARK Advisory Partners, in its capacity as independent financial adviser to the Cenkos Directors for the purposes of Rule 3 of the Takeover Code, considers the proposed New STIP Awards to be fair and reasonable and in the best interests of the Cenkos Shareholders taken as a whole.

### **12. Offer-related arrangements**

#### ***Confidentiality Agreement***

On 24 January 2023, Cenkos and finnCap entered into a mutual confidentiality agreement in relation to the Merger (the "**Confidentiality Agreement**"), pursuant to which, amongst other things, each of finnCap and Cenkos gave certain undertakings to keep, and to procure that certain of their respective representatives keep, confidential information relating to the other party and/or to the Merger confidential, to use such information solely for the agreed purpose in relation to the Merger

and not to disclose it to third parties (subject to certain exceptions). These confidentiality obligations will remain in force until 24 January 2025.

The Confidentiality Agreement also contains undertakings from each of finnCap and Cenkos that, for a period of 12 months from the date of the Confidentiality Agreement, they shall not, without the prior written consent of the counterparty, approach certain employees or officers of the counterparty nor employ or otherwise engage certain employees or visit or inspect any of the counterparty's premises.

Each of finnCap and Cenkos has also agreed to customary standstill arrangements pursuant to which they agree not to, without the prior written consent of the counterparty, for a period of 12 months from the date of the Confidentiality Agreement acquire Cenkos Shares or any interest in Cenkos Shares (in the case of finnCap) or finnCap Shares or any interest in finnCap Shares (in the case of Cenkos). These restrictions fall away immediately following the making of this Announcement.

### ***Co-operation Agreement***

On 23 March 2023, finnCap and Cenkos entered into a co-operation agreement in relation to the Merger (the "**Co-operation Agreement**"), pursuant to which, amongst other things: (i) Cenkos and finnCap have agreed to co-operate to ensure the satisfaction of certain regulatory conditions, and finnCap has entered into certain commitments in relation to obtaining regulatory clearances; (ii) finnCap has agreed to provide Cenkos with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (iii) finnCap has agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (iv) each of Cenkos and finnCap has agreed to take certain actions to implement certain proposals in relation to the Cenkos Share Plans.

The Co-operation Agreement will terminate if: (i) the parties agree in writing prior to the Effective Date that it shall be terminated; or (ii) amongst other things: (a) the Merger is withdrawn or lapses; (b) (at finnCap's election) prior to the Long Stop Date any Condition becomes incapable of satisfaction; (c) (at finnCap's election) the Cenkos Directors withdraw their recommendation of the Merger; (d) (at finnCap's election) the Cenkos Directors recommend or intend to recommend a competing proposal; (e) (at either party's election) a competing proposal completes, becomes effective or is declared unconditional; or (f) the Scheme does not become Effective in accordance with its terms by the Long Stop Date.

### **13. Structure of the Merger**

It is intended that the Merger will be implemented by means of a Court-sanctioned scheme of arrangement between Cenkos and Scheme Shareholders under Part 26 of the Companies Act (although the right to effect the Merger by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement, is reserved).

The purpose of the Scheme is to provide for finnCap to become the holder of the entire issued and to be issued ordinary share capital of Cenkos. This is to be achieved by the transfer of the Cenkos Shares (other than any Excluded Shares) to finnCap, in consideration for which the Cenkos Shareholders will receive the New finnCap Shares on the basis set out in paragraph 2 above.

The Merger is subject to the Conditions and further terms referred to in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- (i) a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders;
- (ii) the Resolutions required to implement the Scheme being duly passed by Cenkos Shareholders at the General Meeting representing at least 75 per cent. of the votes validly cast on such Resolutions, either in person or by proxy;
- (iii) following the Court Meeting and the General Meeting, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by finnCap and Cenkos); and
- (iv) following such sanction, a copy of the Court Order is delivered to the Registrar of Companies.

The Scheme will lapse if, amongst other things:

- (i) the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such Meetings, which will be set out in the Scheme Document (or such later date as may be agreed between finnCap and Cenkos, with the consent of the Panel and, if required, the Court);
- (ii) the Sanction Hearing to approve the Scheme is not held on or before the 22nd day after the expected date of such hearing, which will be set out in the Scheme Document (or such later date as may be agreed between finnCap and Cenkos, with the consent of the Panel and, if required, the Court); or
- (iii) the Scheme does not become Effective on or before the Long Stop Date,

provided, however, that the deadlines for the Court Meeting, the General Meeting and the Sanction Hearing as set out above may be waived by finnCap and the deadline for the Scheme to become Effective may be extended by agreement between Cenkos and finnCap, with the consent of the Panel and, if required, the Court.

Once the necessary approvals from Cenkos Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction (or, where applicable, waiver) of the Conditions and the further terms set out in Appendix 1, the Scheme is expected to become Effective during the third calendar quarter of 2023.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) entitlements to Cenkos Shares held within the CREST system will be cancelled and such entitlements rematerialised; and (iii) share certificates in respect of Cenkos Shares will cease to be valid. The New finnCap Shares will be allotted and issued to Cenkos Shareholders no later than 14 days after the Effective Date.

Any Cenkos Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Cenkos Shares issued after the Scheme Record Time (other than to finnCap and/or its nominees) to be automatically transferred to finnCap and, where applicable, for New finnCap Shares to be issued as consideration to the transferee or to the original recipient of the Cenkos Shares so transferred or issued on the same terms as the Merger (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than finnCap and its nominees) holding shares in the capital of Cenkos after the Effective Date.

The right to elect to implement the Merger by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement), is reserved. In such event, the Merger will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition which, unless otherwise agreed in writing between finnCap and Cenkos or otherwise required by the Panel, will be set at 90 per cent. (or such lesser percentage as may be agreed between Cenkos and finnCap in writing after, to the extent necessary, consultation with the Panel, being in any case more than 75 per cent. of the voting rights attaching to the Cenkos Shares) of the shares to which the Merger relates and those required by, or deemed appropriate by, finnCap under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Cenkos Shares are otherwise acquired, it is the intention of finnCap to apply the provisions of the Companies Act to acquire compulsorily any outstanding Cenkos Shares to which such Takeover Offer relates.

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the General Meeting and the Sanction Hearing, together with notices of the Meetings and with the associated forms of proxy, will be set out in the Scheme Document, which will be posted to Cenkos Shareholders within 28 days of this Announcement (or such later date as Cenkos, finnCap and the Panel agree) and the Meetings are expected to be held shortly after posting. The General Meeting is expected to be held immediately after the Court Meeting.

The Scheme will be governed by the laws of England and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the AIM Rules, the FCA and the Registrar of Companies.

### ***finnCap Shareholder Approval***

In order to allot and issue the New finnCap Shares, finnCap will be required to seek the approval of the finnCap Shareholders at the finnCap General Meeting. finnCap will prepare and send the finnCap

Circular to finnCap Shareholders, which will include a notice convening the finnCap General Meeting. The Merger is conditional on, among other things, the finnCap Resolution being passed by the requisite majority of finnCap Shareholders at the finnCap General Meeting. It is expected that the finnCap Circular will be posted to finnCap Shareholders at the same time as the Scheme Document is posted to Cenkos Shareholders, during April 2023.

### ***Indicative Timing***

The timing of implementation of the Merger will be dependent upon a number of factors including availability of the Court and receipt of regulatory approvals. However, subject to these factors, it is expected that the posting of the Scheme Document and the finnCap Circular will occur during April 2023 and that the Scheme will become effective during the third calendar quarter of 2023.

#### **14. Conditions to the Merger**

Appendix 1 to this Announcement sets out the Conditions and further terms to which the Merger will be subject, including (i) the approval by the FCA of the change of control in Cenkos in accordance with section 189 of the FSMA; and (ii) given the importance to each of Cenkos and finnCap of their ability to operate as Nominated Adviser to AIM companies, the requirement that each of Cenkos and finnCap maintain their status as Nominated Adviser pursuant to the AIM Rules for Nominated Advisers for the period ending on the Effective Date.

#### **15. Admission of New finnCap Shares**

Application will be made to the London Stock Exchange for the New finnCap Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the New finnCap Shares will commence on AIM at 8.00 am on the first Business Day following the Effective Date.

#### **16. Cancellation of trading of Cenkos Shares on AIM and re-registration**

Before the Scheme becomes Effective, it is intended that applications will be made to the London Stock Exchange for the cancellation of trading of the Cenkos Shares on AIM, with effect from or shortly following the Effective Date. The last day of dealings in, and registration of transfers of, Cenkos Shares on AIM is expected to be the Business Day immediately prior to the Effective Date.

On the Effective Date, share certificates in respect of Cenkos Shares will cease to be valid and entitlements to Cenkos Shares held within the CREST system will be cancelled. Cenkos Shareholders shall be required to return share certificates to Cenkos or destroy them following the Effective Date.

It is also proposed that, following the Effective Date and after its shares are delisted, Cenkos will be re-registered as a private limited company under the relevant provisions of the Companies Act.

#### **17. Disclosure of Interests in Cenkos securities**

As at the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 9 above, neither finnCap, nor any of its directors, nor, so far as finnCap is aware, any person acting in concert (within the meaning of the Takeover Code) with any of them for the purposes of the Merger had:

- (i) any interest in or right to subscribe for any relevant securities of Cenkos;
- (ii) any short positions in respect of relevant securities of Cenkos (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (iii) borrowed or lent any relevant securities of Cenkos (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed relevant securities of Cenkos which had been either on-lent or sold; and/or
- (iv) entered into any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

"**interests in securities**" for these purposes and within the meaning of the Takeover Code arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). Notwithstanding the above, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

## **18. Consents**

SPARK Advisory Partners has given and not withdrawn its written consent to the publication of this Announcement with the inclusion of the references to its name in the form and context in which they appear.

## **19. General**

The Merger will be on the terms and subject to the Conditions set out in Appendix 1 to this Announcement, and the full terms and conditions will be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix 2 to this Announcement. A summary of the irrevocable undertakings and letter of intent given in relation to the Merger is contained in Appendix 3 to this Announcement. Certain terms and expressions used in this Announcement are defined in Appendix 4 to this Announcement.

The Scheme Document and the forms of proxy accompanying the Scheme Document will be sent to Cenkos Shareholders within 28 days of this Announcement (or on such later date as may be agreed between finnCap and Cenkos, with the consent of the Panel).

This Announcement does not constitute an offer or an invitation to purchase or subscribe for any securities. Cenkos Shareholders are advised to read carefully the Scheme Document and associated forms of proxy once they have been dispatched.

The availability of New finnCap Shares pursuant to the Merger to Cenkos Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident

in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Cenkos Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

## **20. Documents available on website**

Copies of the following documents will be available promptly via a link on Cenkos' website at [www.cenkos.com/investors](http://www.cenkos.com/investors) and finnCap's website at <https://announcements.finncap.com/merger/>, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, and in any event by no later than noon on the Business Day following the date of this Announcement until the end of the Merger:

- (i) a copy of this Announcement;
- (ii) the irrevocable undertakings and letter of intent referred to in paragraph 9 above;
- (iii) the Confidentiality Agreement referred to in paragraph 12 above;
- (iv) the Co-operation Agreement referred to in paragraph 12 above; and
- (v) the written consent letter from SPARK Advisory Partners as referred to in paragraph 18 above.

The content of the websites referred to in this Announcement is not incorporated into and does not form part of this Announcement.

### **Enquiries:**

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Travers Smith LLP is acting as legal adviser to finnCap and Simmons & Simmons LLP is acting as legal adviser to Cenkos.

## APPENDIX 1

### CONDITIONS TO AND FURTHER TERMS OF THE SCHEME AND THE MERGER

#### PART A: CONDITIONS TO THE SCHEME AND THE MERGER

##### Long Stop Date

1. The Merger will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date or such later date (if any) as finnCap and Cenkos may agree, with the consent of the Panel, and (if required) the Court may allow.

##### Scheme approval

2. The Scheme will be conditional upon:

(a)

- (i) its approval by a majority in number of the Scheme Shareholders who are on the register of members of Cenkos (or the relevant class or classes thereof, if applicable) at the Voting Record Time and who are, present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or at any adjournment of such meeting) and who represent at least 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders; and
- (ii) such Court Meeting (and any separate class meeting which may be required) being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date as may be agreed by finnCap and Cenkos, with the consent of the Panel, and the Court may allow (if required));

(b)

- (i) the Resolutions being duly passed by the requisite majority or majorities of Cenkos Shareholders at the General Meeting (or at any adjournment of that Meeting); and
- (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of such meeting to be set out in the Scheme Document (or such later date as may be agreed by finnCap and Cenkos with the consent of the Panel, and the Court may allow (if required)); and

(c)

- (i) the sanction of the Scheme by the Court (with or without modification, but subject to any modification being on terms

acceptable to Cenkos and finnCap) and the delivery of a copy of the Court Order to the Registrar of Companies; and

- (ii) the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of such hearing to be set out in the Scheme Document (or such later date as may be agreed by finnCap and Cenkos with the consent of the Panel, and the Court may allow (if required)).

### **Other conditions**

In addition, subject as stated in Part B below and to the requirements of the Panel, finnCap and Cenkos have agreed that the Merger will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied (and continue to be satisfied pending the commencement of the Sanction Hearing) or, where relevant, waived:

#### **finnCap Shareholder approval**

- 3. the passing at the finnCap General Meeting (or at any adjournment thereof) of the finnCap Resolution to authorise the allotment and issue of New finnCap Shares to Scheme Shareholders (and any other Cenkos Shareholders whose Cenkos Shares are issued after the Scheme becomes Effective) by no later than the Long Stop Date;

#### **Admission to trading**

- 4. the London Stock Exchange having acknowledged to finnCap or its agent (and such acknowledgement not having been withdrawn) that the New finnCap Shares will be admitted to trading on AIM by no later than the Long Stop Date;

#### **Regulatory approvals**

##### ***FCA change in control***

- 5. the FCA:
  - (a) giving written notice in accordance with section 189(4)(a) of FSMA of its approval of the acquisition of control (within the meaning of section 181 of FSMA) in respect of Cenkos; or
  - (b) being treated as having given such approval pursuant to section 189(6) of FSMA;

##### ***Nominated Adviser Status***

- 6. prior to the Effective Date, the London Stock Exchange having not removed or suspended the Nominated Adviser status of either Cenkos or finnCap or imposed any conditions on the ability of either Cenkos or finnCap to act as Nominated Adviser (including by way of

imposing a moratorium) pursuant to the AIM Rules for Nominated Advisers, unless successfully appealed prior to the Effective Date;

***Anti-trust and regulatory***

7. one of the following has occurred:

- (i) the CMA having indicated in a response to a briefing paper that it has no further questions at that stage in relation to the Merger; and as at the date on which all other Conditions are satisfied or waived, the CMA has not:
  - (a) requested submission of a merger notice;
  - (b) given notice to either party that it is commencing a Phase I investigation;
  - (c) indicated that the statutory review period in which the CMA has to decide whether to make a reference under section 34ZA Enterprise Act 2002 has begun; or
  - (d) requested documents or attendance by witnesses under section 109 of the Enterprise Act 2002 which may indicate that it intends to commence the aforementioned statutory review period in respect of the Merger; or
- (ii) where the CMA has commenced an investigation following the submission of a merger notice or a briefing paper, the CMA:
  - (a) in accordance with section 33(1) of the Enterprise Act 2002, announcing that it has decided not to refer the Merger to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (a "**Referral**"); or
  - (b) in accordance with section 73(2) of the Enterprise Act 2002, formally accepting undertakings in lieu of a Referral offered by finnCap, or a modified version of them;

**Notifications, waiting periods and Authorisations**

8. all notifications, filings or applications which are necessary or reasonably considered appropriate or desirable by finnCap having been made in connection with the Merger and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Merger and its implementation and all Authorisations reasonably necessary or appropriate for or in respect of the Merger and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the Merger of any shares or other securities in, or control or management of, Cenkos or any other member of the Wider Cenkos Group by any member of the Wider finnCap Group having been obtained in

terms and in a form reasonably satisfactory to finnCap from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Cenkos Group or the Wider finnCap Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Cenkos Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect and filings necessary for such purpose have been made and at the time at which the Merger becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **General antitrust and regulatory**

9. no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice or having taken any other steps (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to, in any case to an extent or in a manner which is or would be material in the context of the Wider Cenkos Group or Wider finnCap Group (as the case may be) taken as a whole or in the context of the Merger:
- (a) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider finnCap Group or by any member of the Wider Cenkos Group of all or any part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (b) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider finnCap Group or the Wider Cenkos Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Cenkos Group or any asset owned by any Third Party (other than in connection with the implementation of the Merger);
  - (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider finnCap Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares, loans or securities convertible into shares or any other securities in any member of the Wider Cenkos Group or on the ability of any member of the Wider Cenkos Group or any member of the Wider finnCap Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares, loans or securities convertible into shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Cenkos Group;

- (d) otherwise adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Cenkos Group or any member of the Wider finnCap Group;
- (e) result in any member of the Wider Cenkos Group or any member of the Wider finnCap Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (f) make the Scheme or the Merger, its implementation or the acquisition of any shares or other securities in, or control or management of, Cenkos or any member of the Wider Cenkos Group by any member of the Wider finnCap Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require material amendment of the Scheme and/or the Merger or the acquisition of any shares or other securities in, or control or management of, Cenkos or any member of the Wider Cenkos Group by any member of the Wider finnCap Group;
- (g) require, prevent or materially delay a divestiture by any member of the Wider finnCap Group of any shares or other securities (or the equivalent) in any member of the Wider Cenkos Group or any member of the Wider finnCap Group;
- (h) impose any limitation on the ability of any member of the Wider finnCap Group or any member of the Wider Cenkos Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider finnCap Group and/or the Wider Cenkos Group;
- (i) require any member of the Wider Cenkos Group or the Wider finnCap Group to terminate or vary in any material way any material contract to which any member of the Wider Cenkos Group or the Wider finnCap Group is a party;
- (j) require any member of the Wider finnCap Group or any member of the Wider Cenkos Group or any of their respective affiliates to: (i) invest, contribute or loan any capital or assets to; or (ii) guarantee or pledge capital assets for the benefit of any member of the Wider finnCap Group or any member of the Wider Cenkos Group; or
- (k) otherwise materially adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Cenkos Group or any member of the Wider finnCap Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement

or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Merger or the acquisition of any Cenkos Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

10. except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Cenkos Group or any member of the Wider finnCap Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject to or any event or circumstance which, as a consequence of the Merger or the proposed acquisition or the acquisition by any member of the Wider finnCap Group or any member of the Wider Cenkos Group of any shares or other securities (or the equivalent) in Cenkos or finnCap or because of a change in the control or management of any member of the Wider Cenkos Group or any member of the Wider finnCap Group or otherwise, would or might reasonably be expect to result in, in each case to an extent which is material in the context of the Wider Cenkos Group or the Wider finnCap Group as a whole:

- (a) any monies borrowed by, or any other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider Cenkos Group or any member of the Wider finnCap Group being or becoming repayable, or capable of being declared repayable, immediately or before its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (b) save in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Cenkos Group or any member of the Wider finnCap Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) being enforced or becoming enforceable;
- (c) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or becoming capable of being terminated or adversely modified or the rights, liabilities, obligations or interests of any member of the Wider Cenkos Group or any member of the Wider finnCap Group being terminated or adversely modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (d) any liability of any member of the Wider Cenkos Group or any member of the Wider finnCap Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (e) the rights, liabilities, obligations, interests or business of any member of the Wider Cenkos Group or any member of the Wider finnCap Group under any such arrangement, agreement, licence, permit, lease or instrument or the

interests or business of any member of the Wider Cenkos Group or any member of the Wider finnCap Group in or with any other person or body or firm or company (or any arrangement or agreement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (f) any member of the Wider Cenkos Group or any member of the Wider finnCap Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (g) the business, assets, profits, value of, or the financial or trading position or prospects of, any member of the Wider Cenkos Group or any member of the Wider finnCap Group being prejudiced or adversely affected; or
- (h) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Cenkos Group or any member of the Wider finnCap Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Merger,

and, except as Disclosed, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Cenkos Group or any member of the Wider finnCap Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions 10(a) to (h);

#### **Certain events occurring since 31 December 2022**

- 11.** Except as Disclosed, no member of the Wider Cenkos Group having since 31 December 2022 and no member of the Wider finnCap Group having since 30 September 2022:
- (a) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Cenkos Shares or finnCap Shares out of treasury (except, where relevant (i) as between Cenkos and wholly-owned subsidiaries of Cenkos or between the wholly-owned subsidiaries of Cenkos; and (ii) as between finnCap and wholly-owned subsidiaries of finnCap or between the wholly-owned subsidiaries of finnCap, and except for (i) the issue or transfer out of treasury of Cenkos Shares on the grant of restricted share awards, the exercise of employee share options and/or the vesting of employee share awards in the ordinary course under the Cenkos Share Plans); or the issue or transfer out of treasury of finnCap



Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the finnCap Share Plans);

- (b) except for the 2022 Dividend or the Interim Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by: (i) any wholly-owned subsidiary of Cenkos to Cenkos or any of its wholly-owned subsidiaries; or (ii) any wholly-owned subsidiary of finnCap to finnCap or any of its wholly-owned subsidiaries;
- (c) other than pursuant to the Merger (and except for: (i) transactions between Cenkos and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Cenkos; (ii) transactions between finnCap and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of finnCap; and (iii) transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or offer or disposal of assets or shares or loan capital (or the equivalent thereof), in each case to an extent which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole;
- (d) except for: (i) transactions between Cenkos and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Cenkos; (ii) transactions between finnCap and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of finnCap; and (iii) transactions in the ordinary course of business, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole;
- (e) (except for: (i) transactions between Cenkos and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Cenkos; and (ii) transactions between finnCap and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of finnCap), issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Cenkos Group taken as a whole or is material in the context of the Merger), in each case to an extent which is material in the context of the Wider Cenkos Group or Wider finnCap Group taken as a whole or in the context of the Merger;

- (f) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is or could be materially restrictive on the business of any member of the Wider Cenkos Group or any member of the Wider finnCap Group to an extent which is or is reasonably likely to be material to the Wider Cenkos Group or the Wider finnCap Group, taken as a whole;
- (g) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director except for salary increases, bonuses or variations of terms in the ordinary course, or senior executive of any member of the Wider Cenkos Group or any member of the Wider finnCap Group;
- (h) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Cenkos Group or the Wider finnCap Group which are material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole;
- (i) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;
- (j) except in the ordinary course of business, waived, compromised or settled any claim which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or in the context of the Merger;
- (k) terminated or varied the terms of any agreement or arrangement between any member of the Wider Cenkos Group or the Wider finnCap Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Cenkos Group or the Wider finnCap Group taken as a whole;
- (l) (except as disclosed on publicly available registers) made any alteration to its memorandum or articles of association or other constitutional documents (other than in connection with the Scheme) which is material in the context of the Merger;
- (m) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented, in each case to an extent which is material in the context of the Wider Cenkos Group or the Wider

finnCap Group taken as a whole or in the context of the Merger, to any change to:

- (i) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Cenkos Group for its directors, employees or their dependants;
  - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or in the context of the Merger;
- (o) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (p) (except for transactions between Cenkos or finnCap and its wholly-owned subsidiaries or between the wholly-owned subsidiaries), made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (q) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other similar transaction or arrangement (other than the Scheme) which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or in the context of the Merger;
- (r) having taken (or agreed or proposed to take) any action which requires or would require, the consent of the Panel or the approval of Cenkos

Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or

- (s) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 11 which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or in the context of the Merger;

**No adverse change, litigation, regulatory enquiry or similar**

12. except as Disclosed, since 31 December 2022 in respect of Cenkos and since 30 September 2022 in respect of finnCap, there having been:

- (a) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in, the business, assets, value, financial or trading position or profits or prospects or operational performance of any member of the Wider Cenkos Group or any member of the Wider finnCap Group which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Cenkos Group or any member of the Wider finnCap Group or to which any member of the Wider Cenkos Group or any member of the Wider finnCap Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Cenkos Group or any member of the Wider finnCap Group, in each case which is or might reasonably be expected to be material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger;
- (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Cenkos Group or any member of the Wider finnCap Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Cenkos Group or any member of the Wider finnCap Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger;
- (d) no contingent or other liability having arisen or become apparent to finnCap or Cenkos increased which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects or

operational performance of any member of the Wider Cenkos Group or the Wider finnCap Group to an extent which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger;

- (e) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Cenkos Group or any member of the Wider finnCap Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger; and
- (f) no member of the Wider Cenkos Group and no member of the Wider finnCap Group having conducted its business in material breach of any applicable laws or regulations to an extent which might reasonably be expected to have a material adverse effect on the Wider Cenkos Group or the Wider finnCap Group taken as a whole or is material in the context of the Merger;

#### **No discovery of certain matters regarding information or liabilities**

**13.** except as Disclosed, neither finnCap nor Cenkos having discovered that:

- (a) any financial, business or other information concerning the Wider Cenkos Group or the Wider finnCap Group publicly announced before the date of this Announcement or disclosed at any time: (i) to any member of the Wider finnCap Group by or on behalf of any member of the Wider Cenkos Group; or (ii) to any member of the Wider Cenkos Group by or on behalf of any member of the Wider finnCap Group, before the date of this Announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole in the context of the Merger;
- (b) any member of the Wider Cenkos Group or any member of the Wider finnCap Group is subject to any liability, contingent or otherwise which is material in the context of the Wider Cenkos Group or the Wider finnCap Group taken as a whole or material in the context of the Merger;

#### **Anti-corruption, sanctions and criminal property**

**14.** except as Disclosed, neither finnCap nor Cenkos having discovered that, to an extent that is material in the context of the Wider Cenkos Group or Wider finnCap Group taken as a whole:

- (a) (i) any past or present member of the Wider Cenkos Group or any member of the Wider finnCap Group is or has at any time engaged in any activity, practice

or conduct would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation; or (ii) any person that performs or has performed services for or on behalf of the Wider Cenkos Group or the Wider finnCap Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation;

- (a) any asset of any member of the Wider Cenkos Group or any member of the Wider finnCap Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Cenkos Group or any member of Wider finnCap Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (b) any past or present member, director, officer or employee of the Wider Cenkos Group or the Wider finnCap Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states; or
- (c) a member of the Wider Cenkos Group or of the Wider finnCap Group has engaged in any transaction or conduct which would cause any member of the Wider finnCap Group or of the Wider Cenkos Group to be in breach of any applicable law or regulation upon completion of the Merger, including the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states.

## **PART B: FURTHER TERMS OF THE MERGER**

1. Conditions 2(a), 2(b) and 3 to 14 (inclusive) of Part A above must each be fulfilled, determined by finnCap or Cenkos (as applicable) to be or to remain satisfied or (if capable of waiver) be waived by finnCap or Cenkos (as applicable) prior to the commencement of the Sanction Hearing, failing which the Scheme will, with the consent of the Panel, lapse.
2. Notwithstanding paragraph 1 of this Part B, subject to the requirements of the Panel and the Takeover Code, finnCap reserves the right in its sole discretion to waive:
  - (a) the deadline set out in Condition 1 of Part A above, and any deadlines set out in Condition 2 of Part A above for the timing of the Court Meeting, the General Meeting and the Sanction Hearing. If any such deadline is not met, finnCap shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Cenkos to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of Conditions 8 to 14 (inclusive) of Part A above (only so far as such Conditions relate to Cenkos, the Wider Cenkos Group or any part thereof).
3. Notwithstanding paragraph 1 of this Part B, subject to the requirements of the Panel and the Takeover Code, Cenkos reserves the right in its sole discretion to waive:
  - (a) the deadline set out in Condition 3 of Part A above. If such deadline is not met, Cenkos shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition or agreed with finnCap to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the Conditions 8 to 14 (inclusive) of Part A above (only so far as such Conditions relate to finnCap, the Wider finnCap Group or any part thereof):
4. Save as set out in paragraphs 2 and 3 in this Part B, the Conditions in paragraphs 1 to 3 in Part A above cannot be waived.
5. Neither Cenkos nor finnCap shall be under any obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
6. If finnCap is required by the Panel to make an offer for Cenkos Shares under the provisions of Rule 9 of the Takeover Code, finnCap may make such alterations to any of the above

Conditions and terms of the Merger as are necessary to comply with the provisions of that Rule.

- 7.** Under Rule 13.5(a) of the Takeover Code, finnCap may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel.
- 8.** Under Rule 13.6(a) of the Takeover Code, Cenkos may only invoke a Condition that is subject to Rule 13.6(a) of the Takeover Code so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel.
- 9.** The Panel will normally only give its consent to the invocation of Conditions pursuant to paragraphs 7 and 8 if the circumstances which give rise to the right to invoke the Condition are of material significance to finnCap or Cenkos (as applicable) in the context of the Merger. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Conditions 1, 2(a), 2(b) and 2(c) of Part A above and, if applicable, any acceptance condition if the Merger is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
- 10.** Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by finnCap.
- 11.** Fractions of New finnCap Shares will not be allotted or issued to persons accepting the Scheme.
- 12.** The New finnCap Shares to be issued pursuant to the Merger have not been and will not be registered under the United States Securities Act of 1933 (as amended) nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New finnCap Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
- 13.** The New finnCap Shares will be issued credited as fully paid and will rank pari passu in all respects with finnCap Shares in issue at the time that the New finnCap Shares are issued pursuant to the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date. An application will be made to the London Stock Exchange for the New finnCap Shares to be admitted to trading on AIM.
- 14.** finnCap reserves the right to elect to implement the Merger by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Merger will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition which, unless otherwise agreed in writing between finnCap and Cenkos or otherwise required by the Panel, will be set at 90 per cent. (or such lesser percentage as may be agreed between finnCap and Cenkos in writing after, to the extent necessary, consultation with the Panel, being in any case more than 75 per cent. of the



voting rights attaching to Cenkos Shares) of shares to which the Merger relates and those required by, or deemed appropriate by, finnCap under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Cenkos Shares are otherwise acquired, it is the intention of finnCap to apply the provisions of the Companies Act to acquire compulsorily any outstanding Cenkos Shares to which such Takeover Offer relates.

- 15.** The Cenkos Shares to be acquired pursuant to the Merger will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date other than in respect of the 2022 Dividend and the Interim Dividend.
- 16.** If either finnCap or Cenkos announces, declares, makes or pays any dividend or other distribution on or after the date of this Announcement and prior to the Effective Date, including each of the 2022 Dividend and the Interim Dividend, there will be no change to the Exchange Ratio. Each of finnCap and Cenkos reserves the right to pay an equalising dividend to their respective shareholders should any dividend other than the 2022 Dividend or the Interim Dividend be paid by the other party.
- 17.** The availability of New finnCap Shares pursuant to the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
- 18.** The Merger is not being made or implemented, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
- 19.** The Scheme will be governed by the laws of England and will be subject to the jurisdiction of the courts of England and Wales and to the Conditions and further terms set out in this Appendix 1. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the AIM Rules, the FCA and the Registrar of Companies.
- 20.** Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

**APPENDIX 2**  
**SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement, unless otherwise stated or the context otherwise requires, the following sources and bases have been used:

1. The "**Latest Practicable Date**" for the purposes of this Announcement means close of business on 22 March 2023 (being the last Business Day before the date of this Announcement).
2. The equity value of Cenkos' entire issued and to be issued ordinary share capital has been calculated on the basis of 56,694,783 Cenkos Shares, being the number of Cenkos Shares in issue as at the Latest Practicable Date, and references in this Announcement to the "entire issued and to be issued ordinary share capital of Cenkos" are each based on such number of Cenkos Shares.
3. As at the Latest Practicable Date, 12,219,978 Cenkos Shares are held by Cenkos Securities EBT and the Cenkos Employee Benefit Trust which are expected to be used to satisfy the exercise of options and vesting of awards under the Cenkos Share Plans.
4. Based on the proposals for the Cenkos Share Plans set out in this Announcement, Cenkos expects that no Cenkos Shares would be required to be issued on or after the date of this Announcement to satisfy in full the awards granted or agreed to be granted under the Cenkos Share Plans.
5. The equity value of finnCap's entire issued ordinary share capital has been calculated on the basis of 181,094,844 finnCap Shares, being the number of finnCap Shares in issue as at the Latest Practicable Date.
6. finnCap:
  - (a) as at the Latest Practicable Date, has outstanding option and/or incentive awards under the finnCap Share Plans in respect of in aggregate 23,313,660 finnCap Shares; and
  - (b) intends to grant new option and/or incentive awards under the finnCap Share Plans following the date of this Announcement and prior to the Effective Date in respect of in aggregate 12,065,000 finnCap Shares.
7. As at the Latest Practicable Date, 11,165,597 finnCap Shares are held by the finnCap Group Employee Benefit Trust which are expected to be used to part-satisfy the exercise of options and vesting of awards described in paragraph 6 above.
8. As at the Latest Practicable Date, neither Cenkos nor finnCap holds any ordinary shares in treasury.
9. The enlarged issued ordinary share capital of the Combined Group (being 362,189,687 finnCap Shares) has been calculated on the basis of:

- (a) 181,094,844 finnCap Shares (as referred to in paragraph 5 above); and
- (b) 181,094,843 New finnCap Shares which would be issued under the terms of the Merger,

and references in this Announcement to the "entire issued ordinary share capital of the Combined Group" are each based on such number of finnCap Shares including for the purposes of calculating the aggregate holdings of Cenkos Shareholders in the entire issued ordinary share capital of the Combined Group following completion of the Merger as described in paragraph 10 below.

- 10.** The percentage of the enlarged issued ordinary share capital of the Combined Group that will be owned by Cenkos Shareholders following completion of the Merger is calculated by dividing the number of New finnCap Shares to be issued pursuant to the terms of the Merger referred to in paragraph 9 by the enlarged issued share capital of the Combined Group (as set out in paragraph 9 above) and multiplying the resulting amount by 100 to produce a percentage.
- 11.** The percentage of the enlarged issued ordinary share capital of the Combined Group that will be owned by the existing finnCap Shareholders following completion of the Merger is calculated by dividing the number that is equal to the enlarged issued share capital of the Combined Group (as set out in paragraph 5 above) less the New finnCap Shares to be issued pursuant to the terms of the Merger by the enlarged issued share capital of the Combined Group and multiplying the resulting amount by 100 to produce a percentage.
- 12.** The Closing Price on any particular date is taken from the AIM appendix to the Daily Official List.
- 13.** Unless otherwise stated:
  - (a) the financial information relating to Cenkos is extracted from the annual report and audited accounts of the Cenkos Group for the financial year ended 31 December 2022, prepared in accordance with IFRS; and
  - (b) the client and employee information relating to Cenkos is as at the Latest Practical Date.
- 14.** Unless otherwise stated:
  - (a) the financial information relating to finnCap is extracted from the annual report and audited accounts of the finnCap Group for the financial year ended 31 March 2022, prepared in accordance with IFRS, the interim results for the six months ended 30 September 2022 or the trading update for finnCap in this Announcement; and
  - (b) the client and employee information relating to finnCap is stated as at the Latest Practicable Date.

- 15.** Pro forma revenue of the Combined Group has been calculated using the sum of the consolidated revenue of Cenkos for the year ended 31 December 2022 of £20.3m (as set out in its audited accounts for the year then ended) and the estimated consolidated revenue of the finnCap of £32m as set out in the current trading update for finnCap in this Announcement.
- 16.** Pro forma combined cash of the Combined Group has been calculated using the sum of the cash for Cenkos of £14.2 million at 31 December 2022 (as set out in the consolidated balance sheet in Cenkos' annual report and accounts for the year then ended) and the cash of finnCap of £11.1 million at 30 September 2022 (as set out in the consolidated balance sheet in its Interim Results statement for the period then ended) less £2.0 million being the cash payment of the final dividend made by finnCap to its shareholders in October 2022 and up to £2.0 million being the aggregate of the Interim Dividend and the 2022 Dividend.
- 17.** Certain figures included in this Announcement have been subject to rounding adjustments.

**APPENDIX 3**  
**IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT**

**Part I - Irrevocable undertakings and letters of intent in respect of Cenkos Shares**

**1. Cenkos Directors**

The following Cenkos Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if finnCap exercises its right to implement the Merger by way of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement), to accept or procure acceptance of such Takeover Offer, in each case in respect of their own legal and/or beneficial holdings (or those Cenkos Shares over which they have control) of Cenkos Shares as well as any further Cenkos Shares of which they may become the legal and/or beneficial holder (as a result of the exercise of options or vesting of awards under the Cenkos Share Plans):

<b>Name</b>	<b>Total Number of Cenkos Shares</b>	<b>Percentage of existing issued share capital of Cenkos</b>
Julian Morse	1,221,556	2.15%
Jeremy Osler	82,945	0.15%
Lisa Gordon	100,000	0.18%
Andrew Boorman	128,152	0.23%
Jeremy Miller	55000	0.10%
<b>Total</b>	<b>1,587,653</b>	<b>2.80%</b>

These irrevocable undertakings remain binding in the event a higher competing offer is made for Cenkos and will only cease to be binding if:

- finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time;
- the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement;
- the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time;

- the Scheme has not become Effective by 5.00 p.m. on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); and/or
- any competing offer for the entire issued and to be issued share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

## 2. Other shareholders

### *Irrevocable undertakings*

The following holders, controllers and/or beneficial owners of Cenkos Shares have given irrevocable undertakings to vote or procure the vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if finnCap exercises its right to implement the Merger by way of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement), to accept or procure acceptance of such Takeover Offer, in each case in respect of their own legal and/or beneficial holdings (or those Cenkos Shares over which they have control) of Cenkos Shares as well as any further Cenkos Shares of which they may become the legal and/or beneficial holder:

<b>Name</b>	<b>Total Number of Cenkos Shares</b>	<b>Percentage of existing issued share capital of Cenkos</b>
Jim Durkin	4,677,343	8.25%
Bridger Limited	5,477,162	9.66%
Stephen Keys	19,376	0.03%
Sarah Keys	858,206	1.51%
Michael Johnson	460,810	0.81%
<b>Total</b>	<b>11,492,897</b>	<b>20.27%</b>

These irrevocable undertakings remain binding in the event a higher competing offer is made for Cenkos and will only cease to be binding if:

- finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time;

- the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement;
- the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time;
- the Scheme has not become Effective by 5.00 p.m. on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); and/or
- any competing offer for the entire issued and to be issued share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

***Letter of intent***

The following controller and/or beneficial owner of Cenkos Shares has given a non-binding letter of intent to procure votes in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if finnCap exercises its right to implement the Merger by way of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement), to procure acceptance of such Takeover Offer, in each case in respect of their beneficial holdings (or those Cenkos Shares over which they have control) of Cenkos Shares.

<b>Name</b>	<b>Total Number of Cenkos Shares</b>	<b>Percentage of existing issued share capital of Cenkos</b>
Canaccord Genuity Asset Management Limited	5,500,000	9.70%

## Part II - Irrevocable undertakings in respect of finnCap Shares

### 3. finnCap Directors

The following finnCap Directors have given irrevocable undertakings to vote or procure the vote in favour of the finnCap Resolution to be proposed at the finnCap General Meeting, in each case in respect of their own legal and/or beneficial holdings (and those of their close family members) (or those finnCap Shares over which they have control) of finnCap Shares:

Name	Total Number of finnCap Shares	Percentage of existing issued share capital of finnCap
Robert Lister	65,640	0.04%
Barbara Firth	357,142	0.20%
Andrew Hogarth	357,142	0.20%
Geoffrey Nash	7,132,626*	3.94%
John Farrugia	1,927,669	1.06%
Richard Snow	328,697	0.18%
<b>Total</b>	<b>10,168,726</b>	<b>5.62%</b>

*\* This figure includes 6,860,000 finnCap Shares which are legally and/or beneficially held by Geoffrey Nash's wife.*

These irrevocable undertakings will only cease to be binding if:

- finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time;
- the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement;
- the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time;
- the Scheme has not become Effective by 5.00 pm on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in



accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn);

- any competing offer for the entire issued and to be issued share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective; and/or
- the finnCap Resolution is duly passed by the requisite majority of finnCap Shareholders at the finnCap General Meeting.

#### 4. Other shareholders

##### *Irrevocable undertakings*

The following holders, controllers and/or beneficial owners of finnCap Shares have given irrevocable undertakings to vote or procure the vote in favour of the finnCap Resolution to be proposed at the finnCap General Meeting, in each case in respect of their own legal and/or beneficial holdings (and those of their close family members and others they control) (or those finnCap Shares over which they have control) of finnCap Shares:

<b>Name</b>	<b>Total Number of finnCap Shares</b>	<b>Percentage of existing issued share capital of finnCap</b>
Jon Moulton	20,022,854	11.06%
Vin Murria	18,305,198*	10.11%
Sam Smith	17,730,000	9.79%
Lord Leigh	16,327,892	9.02%
Mark Tubby	4,705,763	2.60%
Peter Gray	4,179,943	2.31%
Rhys Williams	2,588,555	1.43%
<b>Total</b>	<b>83,860,205</b>	<b>46.31%</b>

\* This figure includes 15,268,640 finnCap Shares which are legally held by Lynchwood Nominees Ltd.

These irrevocable undertakings will only cease to be binding if:

- finnCap announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap in accordance with Rule 2.7 of the Takeover Code at the same time;

- the Scheme Document is not dispatched to Cenkos Shareholders within 28 days (or such longer period as may be agreed between Cenkos, finnCap and the Panel) of this Announcement;
- the Merger lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by finnCap by such time;
- the Scheme has not become Effective by 5.00 pm on the Long Stop Date or such later time and date as Cenkos and finnCap may agree with the approval of the Court and/or Panel if required (other than in circumstances where finnCap has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn);
- any competing offer for the entire issued and to be issued share capital of Cenkos is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective; and/or
- the finnCap Resolution is duly passed by the requisite majority of finnCap Shareholders at the finnCap General Meeting.

## **APPENDIX 4 DEFINITIONS**

The following definitions apply throughout this Announcement unless the context requires otherwise:

<b>"2022 Dividend"</b>	has the meaning given to it in the section of this Announcement entitled "Key Terms".
<b>"2022 Dividend Record Date"</b>	has the meaning given to it in the section of this Announcement entitled "Key Terms".
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange.
<b>"AIM Rules"</b>	the rules of AIM as set out in the "AIM Rules for Companies" issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM.
<b>"AIM Rules for Nominated Advisers"</b>	the rules of AIM as set out in the "AIM Rules for Nominated Advisers" issued by the London Stock Exchange from time to time relating to Nominated Advisers.
<b>"Announcement"</b>	this announcement (including the summary and Appendices to this announcement) made pursuant to Rule 2.7 of the Takeover Code.
<b>"Authorisations"</b>	authorisations, orders, determinations, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions, exemptions or approvals, in each case of a Third Party.
<b>"Business Day"</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business.
<b>"Cenkos"</b>	Cenkos Securities plc.
<b>"Cenkos Articles"</b>	the articles of association of Cenkos as amended from time to time.
<b>"Cenkos Board"</b>	the board of directors of Cenkos from time to time.
<b>"Cenkos Directors"</b>	the directors of Cenkos from time to time.

"Cenkos Group"	Cenkos and its subsidiaries and its subsidiary undertakings and where the context permits, each of them.
"Cenkos Share Plans"	the Cenkos Securities PLC Deferred Bonus Share Scheme, the Cenkos Securities PLC 2021 Long Term Incentive Plan, the Cenkos Securities PLC 2018 Company Share Option Plan, the Cenkos Securities PLC Share Incentive Plan, the Cenkos Securities PLC Sharesave Plan and the Cenkos Securities Short Term Incentive Plan.
"Cenkos Shareholders"	holders of Cenkos Shares.
"Cenkos Shares"	the ordinary shares of 1 penny each in the share capital of Cenkos from time to time.
"Closing Price"	the closing middle market price of a Cenkos Share or finnCap Share (as applicable) on a particular trading day as derived from the AIM appendix to the Daily Official List on any particular date.
"CMA"	the UK Competition and Markets Authority.
"Combined Group"	the enlarged group following the Scheme becoming Effective, comprising the finnCap Group and the Cenkos Group.
"Combined Group Board"	the board of directors of finnCap with effect from the Effective Date.
"Companies Act"	the Companies Act 2006, as amended.
"Conditions"	the conditions to the Merger, as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document and " <b>Condition</b> " shall mean any one of them.
"Confidentiality Agreement"	the mutual confidentiality agreement entered into between finnCap and Cenkos dated 24 January 2023 in respect of the Merger.
"Co-operation Agreement"	the co-operation agreement entered into between finnCap and Cenkos dated 23 March 2023 relating to, amongst other things, the implementation of the Merger.
"Court"	the High Court of Justice in England and Wales.

<b>"Court Meeting"</b>	the meeting of Scheme Shareholders to be convened at the direction of the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), and including any adjournment, postponement or reconvening thereof.
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act.
<b>"CREST"</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form.
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time.
<b>"Daily Official List"</b>	the Daily Official List published by the London Stock Exchange.
<b>"Dealing Disclosure"</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer.
<b>"Disclosed"</b>	<p>(A) in respect of the information fairly disclosed by, or on behalf of Cenkos: (i) in the annual report and audited accounts of the Cenkos Group for the financial year ended 31 December 2022; (ii) in the interim results of the Cenkos Group for the six month period ended 30 June 2022 (iii) in this Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of Cenkos before the publication of this Announcement; and/or (v) as otherwise fairly disclosed in writing prior to the date of this Announcement to finnCap (or its officers, employees, agents or advisers (in their capacity as such)).</p> <p>(B) in respect of the information fairly disclosed by, or on behalf of finnCap: (i) in the annual report and</p>

audited accounts of the finnCap Group for the financial year ended 31 March 2022; (ii) in the interim results of the finnCap Group for the six month period ended 30 September 2022 (iii) in this Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of finnCap before the publication of this Announcement; and/or (v) as otherwise fairly disclosed in writing prior to the date of this Announcement to Cenkos (or its officers, employees, agents or advisers (in their capacity as such)).

**"Disclosure Guidance and Transparency Rules"** the disclosure guidance and transparency rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time.

**"Effective"** in the context of the Merger: (i) if the Merger is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Merger is implemented by way of a Takeover Offer, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code.

**"Effective Date"** the date on which the Merger becomes Effective.

**"Euroclear"** Euroclear UK & International Limited.

**"Exchange Ratio"** 3.19420647 New finnCap Shares for each Cenkos Share.

**"Excluded Shareholders"** holders of Excluded Shares.

**"Excluded Shares"** any Cenkos Shares at the Scheme Record Time which (if any):

- (a) are owned or controlled by the finnCap Group; or
- (b) are held by Cenkos as treasury shares (within the meaning of the Companies Act).

**"FCA" or "Financial Conduct Authority"** the Financial Conduct Authority of the United Kingdom or its successor from time to time, acting

	in its capacity as the competent authority for the purposes of Part VI of FSMA.
<b>"FCA Handbook"</b>	the FCA's Handbook of rules and guidance as amended from time to time.
<b>"finnCap"</b>	finnCap Group plc.
<b>"finnCap Board"</b>	the board of directors of finnCap from time to time.
<b>"finnCap Circular"</b>	the circular to be sent by finnCap to finnCap Shareholders in connection with the Merger, which will include a notice convening the finnCap General Meeting.
<b>"finnCap Directors"</b>	the directors of finnCap from time to time.
<b>"finnCap General Meeting"</b>	the meeting of finnCap Shareholders to be convened to consider and, if thought fit, approve the finnCap Resolution, including any adjournment thereof.
<b>"finnCap Group"</b>	finnCap and its subsidiaries and its subsidiary undertakings and where the context permits, each of them.
<b>"finnCap Resolution"</b>	the shareholder resolution of finnCap proposed to be passed by the finnCap Shareholders at the finnCap General Meeting to be set out in the notice of the finnCap General Meeting contained in the finnCap Circular.
<b>"finnCap Shares"</b>	the ordinary shares of 1 penny each in the share capital of finnCap from time to time.
<b>"finnCap Share Plans"</b>	the finnCap Group plc Company Share Option Plan, the finnCap Group plc Enterprise Management Share Option Plan, the finnCap Limited Unapproved Share Option Scheme, the finnCap Limited Enterprise Management Incentive Plan and the finnCap Group Employee Benefit Trust (as each is amended and restated from time to time).
<b>"finnCap Shareholders"</b>	holders of finnCap Shares.
<b>"Forms of Proxy"</b>	the forms of proxy for use at the Court Meeting and the General Meeting which will accompany the Scheme Document.

<b>"FSMA"</b>	the Financial Services and Markets Act 2000, as amended from time to time.
<b>"General Meeting"</b>	the general meeting of Cenkos Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolutions (with or without amendment), which is expected to be held as soon as the preceding Court Meeting shall have concluded or been adjourned, and including any adjournment, postponement or reconvening thereof.
<b>"IFRS"</b>	International Financial Reporting Standards.
<b>"Interim Dividend"</b>	has the meaning given to it in the section of this Announcement entitled "Key Terms".
<b>"Latest Practicable Date"</b>	has the meaning given to it in paragraph 1 of Appendix 2 to this Announcement.
<b>"London Stock Exchange"</b>	London Stock Exchange plc or its successor.
<b>"Long Stop Date"</b>	31 December 2023 or such later date as Cenkos and finnCap may, with the consent of the Panel, agree and, if required, as the Court may approve.
<b>"Meetings"</b>	the Court Meeting and/or the General Meeting, as the case may be.
<b>"Merger"</b>	the proposed acquisition by finnCap of the entire issued, and to be issued, ordinary share capital of Cenkos, other than Excluded Shares, to be implemented by means of the Scheme (or should finnCap elect (subject to the consent of the Panel and the terms of the Co-operation Agreement) by means of a Takeover Offer) and, where the context requires, any subsequent revision, variation, extension or renewal thereof.
<b>"New finnCap Shares"</b>	the new finnCap Shares to be issued fully paid to the Scheme Shareholders pursuant to the Scheme (and any other Cenkos Shares which are issued after the Scheme becomes Effective).
<b>"New STIP Awards"</b>	has the meaning given in paragraph 11 of this Announcement.



<b>"Nominated Adviser"</b>	an adviser whose name appears in the directory of nominated advisers held by the London Stock Exchange from time to time.
<b>"Offer Document"</b>	should the Merger be implemented by way of a Takeover Offer, the document which would be sent to Cenkos Shareholders containing, amongst other things, the terms and conditions of the Takeover Offer.
<b>"Offer Period"</b>	the offer period (as defined by the Takeover Code) relating to Cenkos, which commenced on 23 March 2023 (being the date of this Announcement) and ending on the earlier of: (i) the Effective Date and/or (ii) the date on which the Scheme lapses or is withdrawn (or such other date as the Takeover Code may provide or the Panel may decide).
<b>"Opening Position Disclosure"</b>	has the same meaning given to it in Rule 8 of the Takeover Code.
<b>"Overseas Shareholders"</b>	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom.
<b>"Panel"</b>	the Panel on Takeovers and Mergers;
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales.
<b>"Regulatory Information Service"</b>	a regulatory information service as defined in the FCA Handbook.
<b>"relevant securities"</b>	"relevant securities" as defined in the Takeover Code.
<b>"Resolutions"</b>	the resolution(s) to be proposed at the General Meeting necessary to facilitate the implementation of the Scheme, including, without limitation, a resolution to amend the Cenkos Articles by adoption and inclusion of a new article (in terms approved by finnCap) under which any Cenkos Shares issued or transferred after the Scheme Record Time (other than to finnCap and its nominees) shall be automatically transferred to finnCap (or as it may direct) and, where applicable, for New finnCap Shares to be issued as consideration to the transferee or to the original recipient of the Cenkos Shares so transferred or

	issued on the same terms as the Merger (other than terms as to timings and formalities).
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger (including this Announcement) is sent or made available to Cenkos Shareholders in that jurisdiction.
<b>"Sanction Hearing"</b>	the Court hearing to sanction the Scheme.
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Cenkos and Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Cenkos and finnCap, to implement the Merger of the entire issued and to be issued share capital of Cenkos by finnCap.
<b>"Scheme Document"</b>	the document to be sent to Cenkos Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting.
<b>"Scheme Record Time"</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such later time as finnCap and Cenkos may agree.
<b>"Scheme Shareholders"</b>	holders of Scheme Shares.
<b>"Scheme Shares"</b>	all Cenkos Shares which remain in issue at the Scheme Record Time and are: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the</li> </ul>

	holders thereof shall have agreed in writing to be bound by the Scheme,
	excluding, in each case, any Excluded Shares.
<b>"SPARK Advisory Partners"</b>	SPARK Advisory Partners Limited.
<b>"STIP"</b>	the Cenkos Securities Short Term Incentive Plan.
<b>"Substantial Interest"</b>	a direct or indirect interest in 20 per cent. or more of the voting rights or equity share capital of an undertaking.
<b>"Takeover Code" or "Code"</b>	the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time.
<b>"Takeover Offer"</b>	subject to the consent of the Panel and the terms of the Co-operation Agreement, should the Merger be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of finnCap to acquire the entire issued and to be issued share capital of Cenkos, other than Excluded Shares and, where the context admits, any subsequent revision, variation, extension or renewal of such Takeover Offer.
<b>"Third Party"</b>	any relevant central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction.
<b>"UK" or "United Kingdom"</b>	United Kingdom of Great Britain and Northern Ireland.
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof.

<b>"US Exchange Act"</b>	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
<b>"Voting Record Time"</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting and the General Meeting will be determined, expected to be 6.30 p.m. on the day which is two days (excluding non-working days) before the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned Meeting.
<b>"Wider finnCap Group"</b>	finnCap and its subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which finnCap and/or all such undertakings (aggregating their interests) have a Substantial Interest.
<b>"Wider Cenkos Group"</b>	Cenkos and its subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which Cenkos and/or all such undertakings (aggregating their interests) have a Substantial Interest (excluding, for the avoidance of doubt, finnCap and all of its associated undertakings which are not members of the Cenkos Group).

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and order from time to time made thereunder or deriving validity therefrom.

All times referred to in this Announcement are London times.

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**", "**associated undertaking**" and "**equity share capital**" have the meanings given by the Companies Act.

References to the singular include the plural and vice versa.