

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**It should be read together with the scheme circular to Cenkos Shareholders dated 20 April 2023 (the “Scheme Document”) which contains further details of the Merger and Scheme of Arrangement referred to in this letter. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you are outside the UK, you should immediately consult an appropriately authorised independent financial adviser.**

**The Scheme Document can be viewed, together with a copy of this letter, on the Cenkos Securities plc website at [www.cenkos.com/investors](http://www.cenkos.com/investors)**

Unless the context otherwise requires, the definitions contained in the Scheme Document also apply to this letter.

If you have any questions on this letter, other than those relating to financial or tax advice, you should consult Claire Bamber or Edward Macartney at Cenkos Securities plc.

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Information for the holders of options  
which are granted under  
the Cenkos Company Share Option Plan  
(the “CSOP”)

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London,  
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20 April 2023

To: Holders of options under the CSOP (“**Option Holders**”).

**This letter is for information purposes only and no action is required.**

Dear Option Holder

**Recommended all-share merger between Cenkos Securities plc and finnCap Group plc**

## **INTRODUCTION**

On 23 March 2023, the Cenkos Directors and the finnCap Directors announced that they had reached agreement on the terms and conditions of a recommended all-share merger between Cenkos and finnCap, to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"), pursuant to which finnCap would acquire the entire issued and to be issued share capital of Cenkos (the "**Merger**").

This letter explains the effect of the Merger on the options granted to you under the CSOP (the "**CSOP Options**").

The remainder of this letter should help to explain what you need to know about the Merger and the effect of the Merger on your Options. You can also find additional information regarding the Merger and the Scheme in the Scheme Document.

If you participate in other Cenkos share plans you will receive a separate letter about the effect of the Merger on any awards you hold under those plans and the choices available to you. Please read those letters carefully.

## **THE MERGER**

### **1. Why am I being contacted now?**

You are being contacted now because if the Merger proceeds, your CSOP Options will be impacted when the Scheme is sanctioned by the Court (which is expected to be during the third quarter of 2023) ("**Court Sanction**").

## **2. How does the Merger work?**

The Merger is intended to be effected by means of the Scheme. The purpose of the Scheme is to provide for finnCap to become the holder of the entire issued and to be issued share capital of Cenkos. This is to be achieved by transferring the Cenkos Shares held by Cenkos Shareholders to finnCap, in consideration for which finnCap will allot and issue the New finnCap Shares to the Cenkos Shareholders on the basis set out in Q&A 3 below.

The Scheme is subject to approval by Cenkos shareholders at a special general meeting due to be held on 17 May 2023. However, the Scheme will only become effective if the High Court of Justice of England and Wales sanctions the Scheme. The Court hearing to sanction the Scheme is expected to take place during the third quarter of 2023, with the Scheme expected to become effective two business days following this date. The date on which the Scheme becomes effective is the time at which the Merger takes place (and referred to in this letter as the Effective Date).

The Merger and the Scheme are described in more detail in the Scheme Document, a copy of which you can view at [www.cenkos.com/investors](http://www.cenkos.com/investors)

## **3. What are the terms of the Merger for Cenkos shareholders?**

Under the terms of the Merger, Cenkos shareholders will be entitled to receive:

**3.19420647 New finnCap Shares in exchange for each Cenkos Share (the "Merger Consideration").**

Based on this exchange ratio and the Closing Price of 11.625 pence per finnCap Share on 22 March 2023 (being the last Business Day prior to the Rule 2.7 Announcement), the Merger values each Cenkos Share at 37.13 pence.

The full terms of the Merger and the Scheme are set out in the Scheme Document.

## **4. Will the Merger definitely go ahead?**

The Merger is conditional upon among other things (i) approval of the Scheme by Cenkos's shareholders at the special general meeting to be held on 17 May 2023 and (ii) Court Sanction. Whilst it is expected that shareholders will approve the Merger and the Court will sanction the Scheme, this cannot be guaranteed.

## **5. What if the Merger does not go ahead?**

If the Merger does not go ahead, your CSOP Options will continue unaffected.

## **YOUR CSOP OPTIONS**

### **6. What are my CSOP Options?**

Your CSOP Options consist of a right to acquire a certain number of Cenkos Shares pursuant to the CSOP Option at the Exercise Price (see below).

Your Options are subject to the rules of the CSOP and the terms set out in the option documentation provided to you when your CSOP Options were granted.

### **7. What is the effect of the Merger on my CSOP Options?**

As a result of the Merger, your CSOP Options will become exercisable earlier than in normal circumstances and will be exercisable on Court Sanction.

The rules of the CSOP provide that you may acquire Cenkos Shares if you exercise your options and pay an exercise price per Cenkos Share (the "**Exercise Price**"). The Exercise Price was specified in the CSOP Options documentation which was provided to you when the CSOP Options were granted.

**Currently, the Exercise Price of your CSOP Option is higher than the value of the Merger Consideration. As a result it would be uneconomical for you to exercise your CSOP Options i.e. you would make a financial loss if you exercise your CSOP Options and exchange the resulting Cenkos Shares as part of the Merger.**

However, if you still wish to exercise your CSOP Options (even though the consideration you would receive under the Merger would be worth less than the price you would have to pay to exercise your CSOP Options) you may do so under the rules of the CSOP, provided that you pay the Exercise Price. If you wish to do so, please contact Claire Bamber or Edward Macartney at Cenkos as soon as possible.

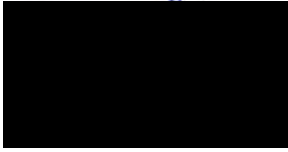
### **8. What if I do nothing?**

If you do nothing and Court Sanction occurs, your CSOP Options will lapse will lapse on the earlier of the Effective Date and the six month anniversary of the date of the Court Sanction.

### **9. Further queries**

If you have any queries, you should contact Claire Bamber or Edward Macartney at Cenkos, although Claire and Edward will not be able to give you any financial or tax advice.

Yours faithfully



**Jeremy Osler**  
**For and on behalf of Cenkos Securities plc**