

FACTSHEET

CIP Merchant Capital Limited (“CIP” or the “Company”) is a closed-ended investment company incorporated in Guernsey in 2017 and quoted on AIM, a market operated by London Stock Exchange plc. The Company’s strategy is to leverage on the expertise of Merchant Capital Manager Limited (“MCM”), an affiliate of Continental Investment Partners SA, to generate returns for its shareholders primarily through investment in small cap listed equity, private companies and other equity-related financial products and instruments using a private equity approach. CIP aims to deliver a 20% IRR to its investors on a medium to long term basis.

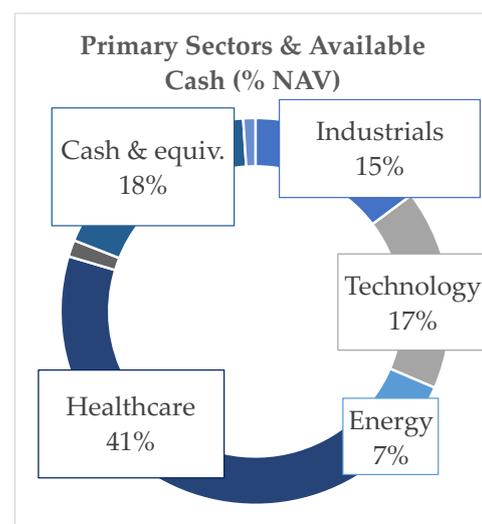
CIP’s Portfolio

CIP’s portfolio is currently diversified through several positions across its stated target industry sectors.

However, MCM, as the Investment Manager, views the current portfolio as primarily following a combination of two investment themes (in addition to a legacy oil & gas investment):

- Healthcare growth
- Business digitalisation

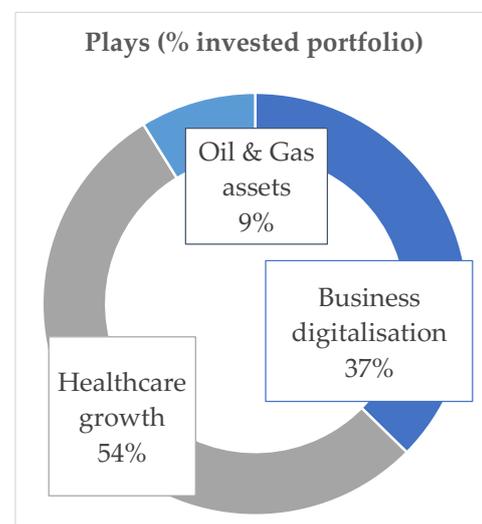
To date, CIP’s only realised investment is its former holding in Circassia Group plc, which was sold in August 2020 for a cash-on-cash return of 1.4x and an IRR of 72%.



	Top 10 shareholdings	Value	Portfolio NAV		Stake in investee company
			%	as p/ share	
1	CareTech Holdings	£ 8.4 m	17.2%	15.4p	1.2%
2	Alkemy	£ 5.2 m	10.5%	9.4p	7.4%
3	HSS Hire Group	£ 4.7 m	9.5%	8.5p	3.6%
4	Coro Energy	£ 3.4 m	6.9%	6.2p	7.1%
5	Orthofix Medical	£ 3.3 m	6.6%	5.9p	0.6%
6	EKF Diagnostic Holdings	£ 2.9 m	5.9%	5.3p	0.9%
7	Ixico	£ 2.9 m	5.8%	5.2p	7.9%
8	Redde Northgate	£ 2.7 m	5.5%	4.9p	0.3%
9	Proactis Holdings	£ 2.1 m	4.2%	3.7p	3.0%
10	Happy Friends	£ 1.9 m	3.9%	3.5p	49%*
	Other investments	£ 2.2 m	4.5%	4.0p	
	Cash & equiv. + accruals	£ 9.4 m	19.0%	17.0p	
	Total	£ 49.2 m	100.0%	89.5p	

Note: Figures based on CIP’s unaudited NAV as of 30 June 2021. Certain figures included in the table have been subjected to rounding adjustments, such that the totals may not be an arithmetic aggregation of the figures that precede them.

* - CIP also holds an option to acquire a further 41.6% of Happy Friends for minimal consideration.



Share price performance to date

The share price is currently trading in the region of 60p, which is well supported by the above value per share of CIP’s Top 10 holdings (68.5p). The recent announcement of CIP’s FY2020 final results has further supported the prevailing share price.

Current Investment Strategies

1. Healthcare growth → with the ageing of the world's population and consequential increase in spending on healthcare, we are utilising our experience in the industry to identify the best healthcare companies such as CareTech Holdings (where we have invested £5.2m and our holding is up over 60% in value to date). We select and back companies with a clear competitive edge and significant growth potential.
2. Business digitalisation → COVID-19 has accelerated materially the transition to business models where technology plays a central role. Our investments can be in either software companies (e.g. our investee company Proactis, which recently received a takeover offer at 75p per share, or 2.3x the money we invested) or businesses undertaking digital transformation projects internally (e.g. HSS Hire Group, where we recently invested £3.9m and the value of our position is up approximately 20% to date) or externally (e.g. Alkemy).

CIP snapshot

Investment objective: generating risk-adjusted returns for shareholders through investment in equity and equity-related products and instruments, by targeting appreciation in the value of our investments over the medium to longer term, principally through capital growth.

Fund information

Annual management fee: 2%

NAV reporting frequency: weekly

Performance fee: 20%

Investment restrictions

Any single investment	20% of NAV*
Unlisted companies	30% of NAV*
Investment in funds	10% of NAV*
Any single sector/industry	50% of NAV*

* calculated at the time of the investment.

Investment Managers

Carlo Sgarbi

Over 30 years' experience in capital markets and private equity, and investment banking, including 20 years at Banca IMI (Intesa Sanpaolo group). Founding Partner of Continental Investment Partners since 2013.

Marco Fumagalli

Over 25 years' experience in investing, including 15 years with 3i Group plc. Founding Partner of Continental Investment Partners since 2013.

Marcello Nesta

Over 10 years' experience in public and private markets, Investment Manager at Continental Investment Partners since 2017.

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