

Disruptive Capital GP Limited

Guernsey
Channel Islands

Edited 7th Sept 2022

Edited 9th Sept 2022

Dear PCC Board,

We are writing to make an offer (“LTA Offer”) by Long Term Assets to acquire 100% of Disruptive Capital Investments II Limited ('DCIL II') from the Cell, resulting also in LTA taking on exposure to the DCIL II/Secondary Disruptive LP ('SDLP') loan and other liabilities.

This LTA Offer is outlined below and is made on behalf of LTA by Disruptive Capital GP as the manager of LTA. The LTA Offer is approved by the independent Board of LTA.

LTA offers to acquire 100% of DCIL II at 31 March 2022 Adjusted NAV¹ in exchange for LTA shares valued at 31 March 2022 Adjusted March NAV

incorporating Look Back protections

Overview

Long Term Assets is a Guernsey company due to be listed on the Specialist Funds Segment of the London Stock Exchange.

LTA has 81% of voting shares in the Cell and 46% by value.

The independent board comprises a number of highly experienced investment individuals, independent of Disruptive and Zedra, chaired by Michelle McGregor Smith and comprising Eric Barnett, Keith Corbin, James Hanbury, Roger Le Tissier², and Farah Buckley.

Long Term Assets is seeking to list to provide a path to liquidity and growth for all investors. The LTA Prospectus³ is now verified, audited and ready to go, subject only to final comments from the FCA. In essence, with the Cell's acceptance of the offer the Cell will receive:

- an interest in a portfolio of similar assets to those already held by DCIL II, albeit of more than twice the size and better diversified
- the benefit of the DCIL II loan being absorbed by Long Term Assets, on better interest rate terms and maturity, that would otherwise diminish the value of DCIL II and thereby the Cell and the interests of the Cell shareholders
- a route map to liquidity in the form of LSE-listed shares, albeit subject to lock-up provisions initially.

¹ (as adjusted as per below)

² not independent of Disruptive GP

³ *Humboldt - Prospectus - Potential Investor Draft (15 August) - HSF version [without drafting notes].docx*

LTA, which already holds the voting super-majority of over 81% of the Cell, is fully supportive of this proposal as a Cell shareholder and has strongly urged the Cell board to accept this Offer without further ado.

LTA Offer

Disruptive Capital GP Limited, as the investment manager of Long Term Assets Limited, is making an offer (“the **LTA Offer**”) on behalf of Long Term Assets to **acquire all the outstanding shares in DCIL II from the Cell**, together with all outstanding liabilities, as set out herein. To accept the LTA Offer, we request the Cell to confirm its acceptance in principle, subject to GFSC and TISE consultation (which DCIL II gives authorisation to consult) if required and Butterfield approval/no objection, by return please and no later than 17.00 UK time on **9th September 2022**, and as soon as GFSC, TISE and Butterfield approval/no objection responses are obtained, with a signed copy of the contribution agreement to complete the transaction (“Acceptance”). **Zedra is urged to expedite Acceptance and for Acceptance to be no later than 9th September 2022 so as to allow time for completion of the complex transaction steps.**

DCIL II currently has a loan which is extended on a short term basis (weekly / monthly). All parties have looked to restructure the loan with the following changes:

- extended termination date to June 2024
- reduced interest rate to 7%
- additional security on the loan to include LTA assets on acquisition of DCIL II.

These are highly improved terms for investors.

On acceptance, the Cell will receive consideration in the form of Long Term Assets Ordinary Shares, which are then to be listed on the London Stock Exchange (subject to market conditions and the FCA granting its final approval). To the extent that Acceptance is delayed beyond the 19th August, the value of the Offer will reduce by £21,800 per day.

In order to complete the transaction, the following will be held in escrow with Ogiers:

- £850,000 in cash payable to Zedra in relation to PCC fees and costs
- Share Transfer and contribution agreements for the acquisition of DCIL II to LTA
- LTA Cell Shares to be distributed to an LTA subsidiary entity (share transfer forms)
- Any other required documents for the transaction

On completion of the transaction, funds and share transfers will be released simultaneously.

The LTA Offer is based on the Adjusted NAV of DCIL II, which in turn is based on the audited 31st March 2022 NAV. The NAV will be adjusted for:

- an allowance for cash sums to be paid or distributed to the Cell;
- any accrued payables post balance sheet date;
- further interest and fees on the DCIL II loans to the date of transfer;
- winding up costs including termination costs of the management arrangements of DCIL II and of the Cell; and
- post 31st March 2022 balance sheet movements to the date of transfer, subject to Look Back Provisions

The value of the LTA Offer is based on the audited 31st March 2022 NAV of Long Term Assets. This NAV, which it should be noted is in turn affected by the estimated NAV of the Cell (as a major asset of LTA), will be adjusted for the following items:

- post 31st March 2022 balance sheet movements to the date of transfer, subject to Look Back Provisions
- further interest and fees on the DCIL II loans to the date of transfer
- the estimated listing costs of approximately 3% of 'gross' NAV⁴

VALUATION METHODOLOGY and LOOK BACK VALUATIONS⁵

The SOM already contains provisions in relation to the valuation of assets coming into the Cell:

The terms of investments ... permit the pricing of shares in DCIL II to be calculated based on a fair valuation to be undertaken by Disruptive Capital GP⁶ Limited in its capacity as advisor to DCIL II with the assistance of an auditor ... All such valuations shall be reviewed by DCIL's auditors on or around the date of DCIL II's first audit (i.e: as at 31st March 2022) following the related dealing in DCIL shares (a "Look Back Valuation").

It is now proposed that a Look Back Valuation is prepared following the interim results to 30th September 2022, to cover any material issues that might arise from the first audit; and from adjustments made in the calculation of the consideration due under this Offer.

If either party deems it necessary, it is agreed that the Look Back Valuation may be reviewed for appropriateness by a wholly independent, expert, professional party, to be jointly appointed by LTA/DCGP and ZPCC/ZFM(G)L Board of Directors (each party to recommend a suitable, qualified and appropriate valuer, and who shall be a member of the Institute of Chartered Accountants in England and Wales (or equivalent body if permitted by Law) and the final selection of the party is to be determined by mutual agreement based on the criteria of independence from all parties, being an expert, experience, professionalism, and mindful of costs and time.

Both parties are to agree jointly the terms of reference for the valuer in advance of the valuation and which is principally envisaged to be to ascertain if the values as at the time of the first audit of the said assets sold by DCI Cell (through DCIL II and its associates/subsidiaries) to LTA represented a fair market value for the assets at the time in a willing buyer/willing seller transaction and on a commercial arms-length basis, taking into account the circumstances that prevailed at the time. The valuer may also take into account discounts for uncertainty and lack of liquidity, where relevant.

Resultant material changes, if any, resulting from that exercise, will in the first instance be agreed in good faith between the Cell board and Disruptive Capital GP as Manager of LTA and investment adviser to the Cell. In event of disagreement, the auditors shall be asked to opine; and only if the parties can still not agree, both parties undertake to submit to arbitration/mediation in Guernsey, the result of which shall be binding on all parties. Such an expert, and the terms of reference given to them, shall be mutually agreed by Disruptive Capital GP and the Cell board.

The SOM makes the following stipulations on the Look Back Valuation:

Specifically, in the event that the Look Back Valuation shows the relevant valuation was inaccurate in any material respect (in respect of which any deviation of more than 1.5% shall be deemed to be material) and has the effect of altering the value of the Cell's investment in DCIL II and in circumstances where there has been dealing in Shares based on values which are affected by the Look Back Valuation, the Directors shall seek to make any reasonably required adjustments (an "Adjustment") between the interests of Shareholders (whether by making compensating further issuances, redemptions, cancellations, buy backs or other lawful means) so as to put them in the position they would have been with respect to their interests in the Cell had the dealings been based on the Look Back Valuation in the first instance.

⁴ Note that the cost to Cell shareholders will be pro rata to its final shareholding in LTA

⁵ Page 23 -24 of the SOM

⁶ Updated for new corporate names and structure

The application of the Look Back Valuation methodology at the DCIL II level may affect the value of the Cell's interest in DCIL II. In the interests of fair treatment of Shareholders, the Directors have resolved to replicate the Look Back Valuation methodology for the Cell to the extent it is reasonably practicable to do so. Upon receipt of notice of a material Look Back Valuation from DCIL which has the effect of altering the value of the Cell's investment in DCIL and in circumstances where there has been dealing in Shares based on values which are affected by the Look Back Valuation, the Directors shall seek to make any reasonably required adjustments between the interests of Shareholders so as to put them in the position they would have been with respect to their interests in the Cell had the dealings been based on the Look Back Valuation in the first instance

The SOM already contains such a mechanism, which is greatly aided by LTA being a very substantial holder of Cell shares, and so can be adjusted with ease:

☐ *_In the case of overvalue: Upon receipt of a material Look Back Valuation, if the material Look Back Valuation means Shares previously issued or redeemed were deemed to be overvalued, the Directors will compulsorily redeem from Long Term Assets such number of Shares (including fractions) which remain in issue which represent such overvalue (such number of Shares to be determined by reference to the Redemption Price as at the last Valuation Point as adjusted by the Look Back Valuation or on such other basis if the Directors consider it in the interest of Shareholders to do so) for nil consideration.*

☐ *_In the case of undervalue: Upon receipt of a material Look Back Valuation, if the material Look Back Valuation means Shares previously issued or redeemed were deemed to be undervalued, the Directors will issue additional Shares (including fractions) to Long Term Assets of such number which represent the undervalue (such number of Shares to be determined by reference to the Subscription Price as at the last Valuation Point as adjusted by the Look Back Valuation or on such other basis if the Directors consider it in the interest of Shareholders to do so) for nil additional consideration.*

The implementation of such Look Back Valuation methodology by the Cell shall be at the absolute discretion of the Directors and the Directors reserve the right to facilitate such methodology on terms which differ from that set out above if they consider it in the interests of Shareholders to do so.

This methodology has been agreed by all subscribers:

I/We acknowledge⁷ that redemptions and the settlement thereof are generally subject to the provisions pertaining to Look Back Valuations as detailed in under the heading "Look Back Valuations" in the Supplementary Offering Memorandum which may involve the issue and/or compulsory redemption of Shares for nil consideration or the withholding of redemption proceeds and, furthermore, I/we consent to such adjustments in my/our holding of Shares and/or the withholding of redemption proceeds and shall execute and deliver any other documents and take any other steps as shall be reasonably required by him/her (if any) to give effect to such adjustments or withholding.

Cell expenses

Under the LTA Offer, the £850,000 of Cell accumulated costs will be payable in the form of cash dividends to the Cell from DCIL II, with such payment being received in the Cell's bank account within five days of the release of the escrow.

DCIL II will have received funds from the Issus distribution from the sale of PIC.

Moreover, the Cell will receive marketable shares in LTA.

The LTA shares are expected to pay dividends, and the Cell (and its ultimate shareholders post distribution) will be entitled to their share of the same.

The estimated total costs to be incurred by the Cell in the management and winding up process are some £850,000, excluding DCGP investment advisory fees (which will be paid in LTA shares, deducted from the consideration otherwise paid to the Cell at Acceptance; and from the Cell's holding of LTA shares thereafter⁸).

⁷ Undertakings by subscribers – Page 53 of SOM

⁸ Admina to review

The LTA board will create a ‘buy-back facility’, so that any shortfall not met by dividends, over and above the £850,000 requested, can be met on winding up by the sale of LTA Ordinary shares back to the company for cash. This ‘buy-back facility’ is already authorised (as further explained by the discount control mechanism below) by LTA and incorporated into the prospectus, albeit that the Cell will be able to exercise the buy-back at the time of winding up, rather than have to wait for the next ‘dealing day’.

Commitment to Distribute LTA Shares

LTA has some 81% of voting shares in the Cell and 46% by value (the “**LTA Cell Shares**”). On completion of the transaction, the board of the Cell commits to distributing LTA Cell Shares (converted to LTA shares during the transaction) to LTA to avoid circularity and conflicts of interest, and governance issues. The terms of the distribution will be agreed between the Parties to respect inter alia the ‘heavy voting’ rights and preferred terms attaching to the A Shares in the Cell.

Cell Representation on the Board of LTA

Post transaction, the Cell will hold LTA Shares (less those distributed to LTA as per above). In order to represent the remaining shareholders of the Cell, the Cell will be granted a position (subject to regulatory requirements) on the board of LTA, subject to the following:

- Cell shares representing a minimum of 15% of the overall LTA outstanding Shares
- The representative the board of LTA needs to be an individual vs a corporate: the “Named Representative”
- Tenure to be subject to Board Discretion

Long Term Assets Limited

The Long Term Assets portfolio combines mature bedrock assets and high-upside growth equity investments. ESG and positive impact lie at the heart of the investment process, and the initial assets include renewable energy, medical rehabilitation, compliance, forestry, and a manufacturer of delivery mechanisms for gene therapy. The portfolio is founded on disruptive companies, sustainable business models, growing markets, and sectors that will be central to the ‘new economy’ - a future-proofed portfolio of *Positive Impact* investments.

We expect Long Term Assets to scale up rapidly, under an ongoing placement programme targeting pension funds and other long-term investors. We see considerable demand for a tailored, long-term vehicle, and the UK government is pushing to widen access to private markets while unlocking new investment to “*build back better*”. Long Term Assets will deploy the bulk of new funds with major investment firms such as Ardian, the €120 billion private equity and infrastructure manager; Gresham, the UK’s leading sustainable resources – forestry and renewable energy – manager; and into a secured loan portfolio in co-operation with HSBC to produce a reliable yield.

Long Term Assets intends to list its ZDPs and Ordinary Shares as soon as market conditions permit.

The Ordinary Shares benefit from all the upside in the growth of the portfolio, once the ZDP Shares have been taken into account. The portfolio aims to produce long term growth, as well as a steady yield. Long Term Assets was formed in February 2020. Over the past two years LTA has shown a Total Shareholder return of 22% p.a., though this performance cannot be relied upon to be repeated in the future.

Dealing Arrangements

As and when the Shares are listed on the London Stock Exchange, holders should be able to sell, subject to orderly market restrictions. Long Term Assets Ordinary shareholders will have the choice of:

- a) in the first year, electing for their shares to be sold via JPMC or Shore Capital if the company is trading at a premium to NAV; or
- b) thereafter, be
 - a. either sold back to Long Term Assets; or
 - b. placed in the market; or
- c) of holding the shares for the longer term

Within Long Term Assets, there will be a **discount control mechanism**, underpinned by a semi-annual tender process whereby all Ordinary shareholders will be offered the chance to sell up to 25% of the shares in issue back to the company at 100% of NAV⁹, subject to available liquidity. As the majority of Long Term Assets shareholders, including the Pension SuperFund Capital Reserve; Evora SRC (a Pension Rescue company); and the Truell Conservation Foundation, have undertaken not to use the redemption mechanism, the liquidity should be largely available to ex-Cell minority shareholders.

Shareholders in Long Term Assets may sell their Ordinary shares in the market via JPMC or Shore Capital at any time if the company is trading at a premium to NAV, when they would in all likelihood be better so doing than in utilising the tender mechanism.

In current volatile markets, the brokers are not prepared to underwrite the sale of your Ordinary shares.

Cell Winding Up

Whilst a matter for the ZPCC board, it may wish to note that, in addition to the dealing arrangements set out above, the SOM does intimate that it is possible for shareholders to accept *in specie* redemptions:

The Redemption Price may be paid in cash (not withstanding anything in the Articles concerning satisfaction of Redemption requests by transfer of assets in-specie at the sole discretion of the Directors

LTA will want to receive its share of the Cell in its own shares to then be held in Treasury. It will not accept dilution of its NAV should other holders refuse to accept such a distribution and so incur dealing costs and discounts; as well as continued operating costs. Therefore, the sooner that LTA can receive its own shares, with a suitable adjustment for its holding being predominantly in A shares rather than C shares, the better, and we expect the ZPCC board to facilitate this.

Please note:

Shareholders should note¹⁰ that the terms of redemption of Shares are also generally subject to the provisions pertaining to Look Back Valuations.

The payment of proceeds from the redemption of Class A ... shall at all times be subject to:

..
(c) any restrictions imposed by any provider of debt to the Cell, any of its wholly or partly owned subsidiaries or any of its Investments.

Debt secured on the DCIL II assets

We anticipate that the former SDLP Lenders to DCIL II will agree to the loan being reconstituted as an obligation backstopped by LTA, which is a condition precedent to this Offer.

LTA Management Fees

⁹ less transaction costs

¹⁰ Page 10 of the SOM

The investment sub-management fees are 0.50% p.a. in Long Term Assets. This is a material improvement on the 1% p.a. currently charged to C shareholders in the Cell.

The Long Term Assets manager, Disruptive Capital, charges only 0.05% p.a. fee. Audit and board costs are likely to be proportionately lower than the costs of DCIL II, Zedra and Butterfield.

Cell shareholders who have already accepted the LTA proposal

Certain Cell shareholders have accepted the Offer on behalf of Long Term Assets of 14th April 2022 to receive Ordinary and/or 2028 ZDP Shares in Long Term Assets in exchange for their Cell Shares and/or Cell Redemption Requests. Furthermore, 2028 ZDPs have been offered to satisfy those Redemption Requests that had been prematurely converted into creditors of the Cell.

The Parties will co-operate to put these transfers into effect.

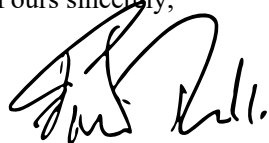
Next Steps

We look forward to receiving your confirmation in principle, subject to consultation with the GFSC and TISE, if required, and Butterfield approval/no objection, by return and no later than 17.00 UK time on 19th August 2022.

We are conflicted, so if you are in any doubt then please seek independent advice; and should you have any questions in the meantime, please do not hesitate to be in touch.

We look forward to resolving the long running liquidity issues; and to providing a solution to the benefit of all concerned.

Yours sincerely,



Edmund Truell
Director
Disruptive Capital GP Limited

Accepted on behalf of the Zedra PCC (No.1) Board



Name: Damien Fitzgerald
Position: DIRECTOR

ZEDRA PCC (NO.1) Limited (the "Company")
Disruptive Capital Investments Cell (the "Cell")
Registered Number 34809

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the holders of Participating Shares in the Cell will be held at Floor 3 Cambridge House, Le Truchot, St Peter Port, Guernsey GY1 3UW on Thursday 29th September 2022 at 10am to consider and if thought fit, pass the following resolution as a Special Resolution of the holders of Participating Shares in the Cell:

Agenda Item

1. THAT the terms of the Offer to acquire the entire issued share capital of Disruptive Capital Investments II Limited by Long Term Assets Limited from the Cell (as described in the Offer Letter appended to the circular to Participating Shareholders on 16 September 2022) be and are hereby approved and the Directors of the Company be and are hereby authorised to accept the terms of the Offer for and on behalf of the Cell subject to such modifications as they see fit.

By the order of the board



Damien Fitzgerald
Director

For and on behalf of ZEDRA PCC (No.1) Limited, for an on behalf of Disruptive Capital Investments Cell

Dated this 16th day of September 2022

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf, although a proxy so appointed need not also be a member of the company.

A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

A proxy may demand, or join with others in demanding a poll on any matter

The instrument appointing such a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must be deposited at the registered office of the company at least 48 hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote.

Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.

In the case of joint holders, such persons shall not have the right of voting individually but shall elect one of their number to represent them and vote in their names, in default of which the vote of the first-named who tenders a vote, whether in person or by proxy, will count.

The quorum of the meeting shall be at least one holder of Participating Shares holding or representing by proxy not less than 10 per cent of the issued Participating Shares in the Cell.

ZEDRA PCC (NO.1) Limited (the "Company") (registered number 34809)
Disruptive Capital Investments Cell (the "Cell")

The Company announces that an Extraordinary General Meeting ("**EGM**") of the holders of Participating Shares in the Cell will be held at 10:00 a.m. on Thursday, 29 September 2022 at Floor 3 Cambridge House, Le Truchot, St Peter Port, Guernsey GY1 3UW. The notice of EGM has been emailed to shareholders and a copy can be found attached to this announcement. If you do not understand the contents of the documentation provided then we urge you to contact your bank manager, stock broker, accountant or similar professional advisor.

Cell Shareholders are requested to consider and to vote upon an offer received by the Cell to sell its entire interest in Disruptive Capital Investments II Limited ("**DCIL II**"). As set out in more detail below the Offer has been approved by both the Zedra PCC (No.1) Limited and Zedra Fund Managers (Guernsey) Limited boards, subject to shareholder approval at this EGM. Our recommendation to Cell shareholders is to vote in favour of the Offer.

Specifically, the Cell has received an offer (the "**Offer**") from Long Term Assets Limited (the "**Acquirer**"), a Guernsey investment company limited by shares, as presented by the investment adviser (Disruptive Capital GP Limited) to the Cell for the 100% acquisition of the issued share capital (the "**Shares**") of DCIL II and that presently represent the sole direct investment property of the Cell. If approved by Shareholders, it is proposed the Acquirer – subject to any legal, regulatory and administrative requirements – will finance the acquisition of the Shares (as consideration paid to the Cell) by issuing an equivalent amount of new equity shares in LTA ("**LTA Shares**") to the Cell.

A copy of the following documents are enclosed with this letter:

- the Offer letter dated 9 September 2022 ("**Offer Letter**"); and
- the most recent financial statements of DCIL II as at 31/03/22.

A copy of the prospectus of the Acquirer (the "**Prospectus**") will be circulated separately prior to the EGM.

Further particulars in respect of the Offer are described in the Offer Letter and further particulars in respect of the Acquirer, including applicable risk factors for an investment in the Acquirer will be described in the Prospectus. Investors should note that the Acquirer is not listed and whilst it is proposed to list the LTA Shares on the Specialist Fund Segment of the Main Market of the London Stock Exchange this is contingent

on factors beyond the control of the Company; accordingly, there is risk that the LTA Shares might not be listed and the prospects for enhanced liquidity might not materialise. Investors should also note that, upon listing, the LTA Shares will be subject to orderly market restrictions which would limit the Cell's ability to dispose of them for an initial period; however, LTA is proposing to introduce a discount control mechanism which would allow limited sales at 100% of NAV less transaction costs (see "Dealing Arrangements" in the Offer Letter).

As with any investment, on a forward looking basis, there can be no guarantee that LTA will achieve its stated investment objective or that investors will get back the full value of their investment. LTA may fail to deliver its targeted returns and/or achieve its target dividend yield. LTA will be exposed to the usual risks associated with investing in both illiquid and liquid assets.

Costs: Initially, the Total Expense Ratio ("**TER**") of LTA is expected to be broadly in line with DCIL II (c.1% per annum), however, on a forward looking basis and if LTA can scale up its assets under management, the TER is expected to fall to 0.6% per annum. There is a risk of course that these fee levels may not be achieved and the benefits not realised. Mindful of the complexities and significant time spent on the negotiation of the terms described by the Offer, estimated legal and administrative costs to be incurred by the Cell in connection with implementation of the Offer including seeking Shareholder approvals are anticipated to be not more than £100,000.

It should be noted that, aside from considering the investment merits presented by the Offer to the Cell, and which were considered in the context of the Investment mandate described in the Offering Memorandum of the Company and the Supplementary Offering Memorandum of the Cell ("**SOM**"), the board of the Cell and the Investment Manager were, due to factual circumstances, compelled to consider the Offer while concurrently considering the ongoing structural liquidity issues faced by the Cell and hence its ability to continue as an investment vehicle into the future. After extensive deliberation and consideration, it has been concluded that the Offer provides the dual benefits of an investment that continues to be wholly compliant with the investment strategy of the Cell SOM and is expected to offer at least equivalent investment performance over the medium to long-term as measured against a sole investment in DCIL II alone and the prospect of enhanced liquidity; and further should the offer be declined, it was judged by the respective boards that there was a significant risk that all or a considerable amount of value in the Cell would be destroyed, in the circumstances of the Cell and its subsidiary (DCIL II) being subject to enforcement actions in respect of outstanding borrowing by DCIL II and related security (the "**Debt Arrangements**") or entered into administration/receivership/liquidation (as applicable). Under the terms of the Offer, the Debt Arrangements are expected to be reconstituted

as an obligation backstopped by LTA although completion of such transaction is not guaranteed and the Cell remains exposed to the risk of a default by DCIL II (and/or LTA, as the case may be). The Offer also remedies the immediate solvency issues faced by the Cell through an injection of cash (specifically, one of the features of the Offer is that, if accepted, DCIL II shall declare a cash dividend in the amount of £850,000, which shall be paid to the Cell upon completion). Such cash will enable the payment of all current creditors of the Cell and to stabilise cash flow solvency.

During our deliberations, we have at all times been mindful of the conflicts of interest and/or conflicts of duty that are both evident and/or set out in the SOM relating to the investment adviser (noting their role with LTA and with the Company) and as presented by Zedra as a current creditor to the Cell.

After a thorough review of the Offer, it has been approved by both the Zedra PCC (No.1) Limited and Zedra Fund Managers (Guernsey) Limited boards, subject to shareholder approval at this EGM. Our recommendation to Cell shareholders is to vote in favour of the Offer.

Shareholders should note that, if the resolution is approved, then the completion of the transactions constituting the Offer remain subject to various legal, regulatory and administrative requirements which are yet to be satisfied. The Company will provide updates in respect of completion of the Offer in due course.

Resolution

The resolution, which is being proposed as a special resolution of the Cell, is:

- A resolution to approve the terms of the Offer and to authorise the Directors of the Company to accept the terms of the Offer for and on behalf of the Cell subject to such modifications as they see fit.

Reasons for the change

The Cell is presently cash-flow insolvent, without sufficient cashflow to continue in operation. The proposed offer will enable creditors to be paid, as well as giving various benefits to the investors. It will also allow for the restructure of the Debt Arrangements.

Given the known conflicts of the investment adviser (given their role with LTA and with the Company), the respective Zedra boards were mindful of said conflicts when conducting their own investment review process, as presented by the investment advisor. The boards have taken steps so that the Offer terms include measures to ensure a fair market valuation of DCIL II reflecting a willing buyer / willing seller transaction and on commercial arm's length terms.

The offer has been approved by both the Zedra PCC (No.1) Limited and Zedra Fund Managers (Guernsey) Limited boards, subject to shareholder approval at this EGM.

Other Considerations

If the Offer is accepted, it is anticipated that LTA, which holds approximately 81% of the voting rights in the Cell and 46% by value, will lodge a redemption request in respect of its entire holding, such redemption to be satisfied in specie by the transfer of LTA Shares received by the Cell pursuant to the Offer (see "Commitment to Distribute LTA Shares" in the Offer Letter). Such a significant redemption might impact upon the future economic viability of the Cell, which considerations will be kept under review.

A copy of this notice and its enclosures have been provided to the Guernsey Financial Services Commission.

Voting Rights

Class A Shares, Class B Shares and Class C Shares each carry a right to attend and vote at meetings of the Cell and to attend and vote at general meetings of the Fund. Each Class A Share, each Class B Share and each Class C Share is entitled to one vote. As at the date of this document, there are 205,546.401297 Class A Shares in issue, 3,960.269567 Class B Shares in issue and 2,442.946334 Class C Shares in issue.

All Cell shareholders are encouraged to attend and vote at the EGM.

For further information please contact:

Damien Fitzgerald

Zedra Fund Managers (Guernsey) Limited

Floor 3 Cambridge House, Le Truchot, St Peter Port, Guernsey GY1 3UW

Company No. 34809



ZEDRA PCC (No.1) Limited – solely for the
Disruptive Capital Investments Cell

Appointment of Proxies

I, _____ of _____ being a holder of Participating Shares in ZEDRA PCC (NO.1) Limited - **Disruptive Capital Investments Cell** (the "Cell") hereby appoint _____ of _____ or, failing him/her, Directors of ZEDRA Fund Managers (Guernsey) Limited or, failing them, the Chairman of the Meeting as my proxy to vote for me and on my behalf at the Extraordinary General Meeting of the holders of Participating Shares in the Cell to be held at Floor 3, Cambridge House, Le Truchot, St Peter Port, Guernsey GY1 3UW on Thursday 29th September 2022 at 10:00 a.m. and at any adjournments thereof.

I instruct the person appointed as my proxy/representative to vote as follows. Please cross as appropriate:

	For	Against
Item 1 (Offer)	<input type="checkbox"/>	<input type="checkbox"/>

Any item not indicated a voting preference will be voted at the discretion of the person appointed as proxy.

Signed this _____ day of _____ 2022

..... (Please sign and print your name)

Notes:

1. A Member may appoint a proxy of his own choice. A proxy need not also be a member of the Company.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. To be valid, this form must be completed and deposited at the registered office of the Company not less than 48 hours before the time affixed for holding the meeting or adjourned meeting