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For immediate release

1 September 2020

**Challenger Acquisitions Limited  
(‘Challenger’ or the ‘Company’)**

**Offer Letter to Cindrigo Shareholders**

Challenger Acquisitions Limited (LSE: CHAL) is pleased to announce that, further to its announcement dated 19 August 2020, it has issued a letter (“Offer Letter”) to certain of the shareholders of Cindrigo Energy Limited (“Cindrigo Shareholders”) of British Columbia, Canada making an offer (“Offer”) to acquire from such shareholders at least 50.1% of the shares of Cindrigo Limited (“Cindrigo”) that they will hold following the completion of a proposed reorganisation of the Cindrigo Group pursuant to a Plan of Arrangement (“PoA”) of Cindrigo Energy Limited. Cindrigo is part of a group of companies pursuing renewable energy projects built on broad Swedish expertise and experience in the waste to energy and biomass energy sector (see [www.cindrigo.com](http://www.cindrigo.com)).

The Offer Letter includes the following principal points:

- The Offer Letter is open for acceptance until 21 September 2020.
- The Offer Letter has been approved by the boards of Challenger and Cindrigo Energy Limited and Cindrigo, and the Cindrigo boards have recommended acceptance of the Offer by the Cindrigo Shareholders.
- The Offer is conditional upon Cindrigo shareholders who will together hold at least 50.1% of the shares in Cindrigo accepting the Offer. Challenger then proposes to acquire the remaining shares through the operation of drag-along rights in the articles of association of Cindrigo.
- Cindrigo has received irrevocable undertakings to accept the Offer from Cindrigo shareholders holding 60% of the shares in Cindrigo Energy Limited and who will hold a corresponding number of shares in Cindrigo
- After a proposed reorganisation of the current issued share capital of Challenger, consisting of a consolidation of Challenger’s ordinary shares on the basis of a consolidation factor of 266 existing shares to 1 (“Challenger Reorganisation”), Challenger will be offering 1 new share in Challenger (“Consideration Shares”) for each share in Cindrigo (there will be 146,572,394 shares Cindrigo shares outstanding on completion of the PoA). If the Challenger Reorganisation does not proceed, the number of shares being offered will increase by the consolidation factor.
- It has been agreed between Challenger and Cindrigo that the Consideration Shares will be issued at a price of £1.09 per share.

- Zero coupon convertible loan notes 2030 (“Loan Notes”) may be issued to Cindrigo Shareholders who would otherwise hold 30% or more of Challenger’s issued share capital on completion of the acquisition of Cindrigo in respect of the number of shares that they would hold in excess of 29.9%. The Loan Notes will be convertible by the Company or noteholders at any time prior to maturity at the same price per share as shares are to be issued pursuant to the Offer. Loan Notes shall not be convertible where doing so would trigger a mandatory offer obligation, require Challenger to publish a prospectus or cause the proportion of Challenger’s issued share capital that is in public hands for the purposes of the Listing Rules to drop below 25%. To the extent that the Loan Notes have not been converted, they will be redeemable at face value ten years from issue.
- The Offer, if completed, will represent a reverse takeover for Challenger.
- Upon making the Offer, Cindrigo has agreed to transfer £450,000 to the client account of Challenger’s solicitors, McCarthy Denning, in order to fund the costs of the Offer and reverse takeover process as well as certain and present public company costs of Challenger.
- Upon making the Offer and completing the funds transfer referred to above, Challenger has agreed to appoint two of the directors of Cindrigo Energy Limited, (Mustaq Patel and Lars Guldstrand) as directors of Challenger and accept the resignation of two of the existing four Challenger directors (George Lucan and Rupert Baring).
- The new Chairman of Challenger will be Lars Guldstrand.
- Cindrigo Energy Limited, the current parent of Cindrigo will transfer all of its business, assets and liabilities to Cindrigo pursuant to the PoA. The PoA will also involve the transfer of the existing shares and/or new shares in Cindrigo to the current shareholders of Cindrigo Energy Limited so that they hold the same number of shares in Cindrigo as they currently hold in Cindrigo Energy Limited. The PoA requires the approval of at least 75% of the current shareholders in Cindrigo Energy Limited and the court in British Columbia, Canada. The Offer is conditional on the completion of the PoA on terms satisfactory to Challenger.
- Cindrigo Shareholders will, in aggregate, hold 96.5% of the issued share capital of Challenger when Challenger has acquired 100% of the shares in Cindrigo.
- The Offer is also conditional on there not being any mandatory offer required under the UK City Code on Takeovers and Mergers UK. The Company will seek confirmation from the Takeover Panel that the Cindrigo shareholders, or any of them, are not acting in concert and that the presumption in the Takeover Code that they are so acting is rebutted. If this confirmation is not given, Challenger will use its reasonable endeavours to procure from its independent shareholders holding more than 50% of the voting rights that would be exercisable on a formal Rule 9 Whitewash resolution (“Whitewash Resolution”), were one proposed, written confirmation that they would vote in favour of such a resolution and a waiver by the Takeover Panel of the mandatory offer obligation on this basis. Should neither of these confirmations be given by the Takeover Panel, Challenger will propose a formal Whitewash Resolution at a general meeting.
- Challenger will hold a General Meeting to propose to its shareholders certain resolutions to facilitate the Cindrigo acquisition including resolutions to grant authority to issue some of

the Consideration Shares and disapply the existing shareholders' pre-emption rights (the "Share Issuance Resolutions"). Resolutions will also be proposed to consolidate the issued share capital pursuant to the Challenger Reorganisation and, conditional upon the completion of the Offer, change the name of the Company to Cindrigo Holdings Limited and a Rule 9 whitewash resolution if necessary. The Offer is conditional on the passing of the Share Issuance Resolutions and the Whitewash Resolution (if required) but not conditional on the Challenger Reorganisation being approved by shareholders nor the change of name. The two main Challenger convertible loan note holders have agreed to support the Cindrigo acquisition and, conditional on completion of the acquisition of Cindrigo, will (by way of partial conversion and settlement of the notes and accumulated interest ("Note Settlement")) receive between them 2.25% of the shares that Cindrigo shareholders will receive. These note holders will also be granted 18 month warrants to purchase the same number of shares for £900,000 in aggregate ("Warrants"). Loan notes held by a third noteholder will be redeemed in accordance with their terms, such redemption to be funded by the issue of new convertible loan notes ("New Notes") to one of the other noteholders which will then be converted. The Offer is conditional on the Note Settlement becoming unconditional other than as to completion of the Offer.

- On completion of the acquisition and of the conversion of the existing loan notes and the New Notes, the existing Challenger shareholders will together hold 3% of the issued share capital of Challenger. If the Warrants are exercised, all the shareholders of Challenger will be diluted, but the Company will receive the exercise price for additional working capital.
- The Offer will complete on the satisfaction or waiver of the last of the conditions pursuant to which it is made. If the conditions have not been satisfied or waived by 30 October 2020 or such later date as Cindrigo and Challenger shall agree (the "Longstop Date") and have not been waived by Cindrigo and Challenger, or if there is an adverse change in the financial position, profits or prospects of Cindrigo prior to the Longstop Date that is, in the reasonable opinion of Challenger, material in the context of the Offer, the Offer will lapse and be of no further force or effect.

When the Offer completes, completes, the Company's listing on the standard segment of the Official List and trading on the Main Market of the London Stock Exchange ("Listing") will be cancelled pursuant to the Listing Rules applicable on a reverse takeover. Challenger intends to commence work on the preparation of a prospectus to enable the enlarged share capital to be readmitted to Listing. The Offer is not conditional on readmission and there is no certainty that Challenger's prospectus will be approved by the FCA and that permission will be given for readmission. Challenger will call a general meeting of shareholders shortly to propose the above mentioned resolutions. Cindrigo will proceed with the PoA as quickly as possible.

The Board of the Company will update the market further as and when necessary.

**Biographies for two new directors:**

**Lars Guldstrand –**

Mr. Guldstrand has more than 35 years of executive and international investing experience in the energy, technology, telecom and media sector.

During his career, Mr. Guldstrand has held executive positions in a number of private and public companies in Europe, the United States, the Middle East and Africa. Mr. Guldstrand is currently serving as the Chairman of Ellge Kapital I Stockholm AB and Bergasols Stiftelse.

Mr. Guldstrand started his career in his family business between 1978-1992, thereafter, during 1992-1998 with Telia as CEO Din Del AB, Exec VP Marketing & Business Development for TeleMedia Group, CEO for Local Touch Co (USA), TeleMedia North America LLC (USA) and Telia InfoMedia International (Sweden & USA). Between 1998-2003 he was CEO of Eniro AB (publ) and, between 2004-2007, he was Chairman Monetar Pensionsförvaltning AB (Sweden), Paynova AB (publ) (Sweden), European Directories / Maquiere Capital Scandinavia (Denmark) and Deputy Chairman Golden Pages (Israel). Between 2007-2013 he was CEO of KMW Renewable AB (Sweden), Chairman GKL Growth Capital AB (Sweden), Director Auriant Mining AB (publ) (Sweden) & Director Amari Mining (South Africa).

Mr. Guldstrand has a Master of Business Administration from California Coast University.

**Mustaq Patel –**

Mr. Patel has served as the group Managing Director since the inception of Cindrigo and has been the President since January 2018. He has a background in mergers and acquisitions for clients such as Hewlett Packard, Compaq, Ford Motor Company, Hutchinson Whampoa, Rank Organization, Airbus and the Royal Bank of Scotland.

He spent two years working for the Government of Brunei in the recovery and restructuring of assets for the Government of Brunei and the Brunei Investment Agency. Mr. Patel was previously the Head of Legal & Corporate Affairs for Jumar Holdings and Petromir, one of the world's largest gas fields (Angaro-Lenskoye field) in the East Siberian region of Russia.

**Mark Gustafson, Challenger's Chief Executive Officer, said, "The making of the Offer is a substantial step forward for the Company. We will now work directly with Cindrigo on completing this transaction. We want to express our deep gratitude to George Lucan and Rupert Baring for their endless support during this reverse takeover process."**

**\*\*ENDS\*\***

For more information visit [www.challengeracquisitions.com](http://www.challengeracquisitions.com) or enquire to:

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