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3 August 2021

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

Acquisition of Cindrigo Energy Limited (“CEL”)
Cancellation of Listing

Further to the announcement dated 2 August 2021 (the “**Completion Announcement**”) that the acquisition of Cindrigo Energy Limited (‘CEL’) (the “**Acquisition**”) had completed on 30 July 2021, Challenger Acquisitions Limited (LSE: CHAL) is pleased to further announce and confirm the details of the terms of the Acquisition, the allocation and settlement of the consideration, the pre-acquisition open offer conducted by CEL to provide additional working capital for its operating subsidiary Cindrigo Limited, the completion of the settlement of certain loan notes and its future plans for the integration and development of the Cindrigo Group.

The Acquisition

Following confirmation by the Takeover Panel that the Acquisition structure effected by the Plan of Arrangement as approved by shareholders of CEL (the “**Cindrigo Shareholders**”) and the Supreme Court of British Columbia, as announced on 15 July 2021, did not cause any obligation on any party to make an offer for the Company pursuant to Rule 9 of the Takeover Code, which was the last condition to completion of the Plan of Arrangement, completion took place at 3pm Pacific time (11pm London time) on Friday 30 July 2021.

The Company acquired the entire issued share capital of CEL, being 167,511,596 common shares of no par value, in consideration of the issue by the Company of 146,572,394 new ordinary shares, being 875 Challenger shares per 1,000 CEL shares, at an issue price of £0.10 per share, which was satisfied as to 140,370,295 in ordinary shares issued immediately (the “**Consideration Shares**”) together with loan notes with a principal value of £620,209.91 convertible into 6,202,099 ordinary shares at £0.10 per share (the “**Consideration Notes**”).

The Consideration Notes are zero coupon, unsecured, 10-year notes, convertible in whole or in part by either the Company or the Noteholder at any time save where the conversion would trigger a mandatory offer pursuant to Rule 9 of the Takeover Code, cause the proportion of the Company’s shares considered in accordance with the Listing Rules to be in public hands to fall below 25% or would require the production of a prospectus.

All the loan notes were issued to Danir AB. Had it taken all its consideration in ordinary shares, Danir AB would have acquired 30% or more of the issued share capital and voting rights in the Company therefore, in order to avoid a Rule 9 mandatory offer, Danir AB was issued with shares representing 29% of the issued share capital of the Company after the Acquisition and the balance of its consideration in Consideration Notes.

The Consideration Shares were allotted by resolution of the Challenger Board and will be settled by the Company's registrars. Share certificates are, subject to the information referred to below, expected to be dispatched on 20 August 2021 and CREST accounts credited, for those who elected to hold their entitlement of Consideration Shares in the CREST system, by 27 August 2021. After the issue of the Consideration Shares and if the Consideration Notes were converted in full, the Cindrigo shareholders would together hold nearly 96.5% of the issued shares of the Company. The Company will be contacting all its new shareholders in the coming days to clarify whether they wish to receive a share certificate or would prefer to hold their shares in electronic form.

Following completion of the Acquisition and the registration of the transfers of the Cindrigo Shares to the Company, CEL became a direct wholly-owned subsidiary of the Company and CEL's subsidiary Cindrigo Limited, became an indirect wholly-owned subsidiary of the Company.

The resolution to change the name of the Company to "Cindrigo Holdings Limited" passed at the extraordinary general meeting held on 21 June 2021 and was conditional upon the completion of the Acquisition which has now been satisfied. The name of the Company will change upon confirmation of the name change by the Guernsey Companies Registry whom the Company has already contacted to progress the change of name.

Settlement of Existing Loan Notes

As previously announced, the Company has reached agreement with the holders of existing convertible loan notes, that the principal amount of such notes and all accumulated but unpaid interest, would be settled by the issue of new ten-year, zero coupon unsecured convertible loan notes with a face value equal to the principal amount only of the existing loan notes. Two series of loan notes were constituted for this purpose. Series 1 have a principal amount of £700,000 and are convertible at £0.6417 per share and Series 2 have a principal amount of £1,000,000 and are convertible at £0.5458 per share. The Noteholders or the Company can convert at any time, subject to the same three conditions as the Consideration Notes and, in the case of conversion by the Company, subject to the Company being listed on a stock exchange or other public market at the time of conversion. The Company intends to convert all Series 1 and Series 2 notes at the time its ordinary shares are readmitted to listing following the approval of a prospectus and a successful readmission application.

One of the Noteholders also holds £52,000 in another series of loan notes issued in September 2020 which converted automatically on completion of the Acquisition at approximately £0.2667 per share and the Company will shortly issue 194,931 new ordinary shares in respect of the conversion.

CEL Open Offer

As announced on 17 June, prior to completion of the Acquisition, CEL made an open offer to invite the Cindrigo Shareholders to subscribe for further shares in CEL at £0.10 per share. The open offer was oversubscribed and CEL issued 20,939,202 new shares raising £2,093,920 which will be provided to Cindrigo Limited for working capital purposes.

Danir AB had agreed to take up to £1.5m of the shares on offer but, as one of the objectives of the open offer was to give other Cindrigo shareholders the opportunity to subscribe for shares at the average price at which Danir had subscribed historically, Danir agreed to scale back its participation to zero, to allow excess subscriptions by other shareholders to be satisfied.

The resulting increase in the number of shares in CEL that were acquired by the Company did not affect the number of Consideration Shares or Consideration Notes issued by the Company which was as stated earlier in this announcement and as previously announced.

Reorganisation

It is intended that in the following days, CEL and Cindrigo Limited will enter into an assignment and assumption agreement whereby the assets and liabilities of CEL, other than the shares in Cindrigo Limited, will be transferred to Cindrigo Limited. This will eliminate the approximately £4.2m intercompany balance due from Cindrigo Limited to CEL.

After the assignment and assumption, CEL will transfer the entire issued share capital of its wholly-owned subsidiary, Cindrigo Limited to the Company by way of a dividend in specie and Cindrigo Limited will become a direct, wholly-owned subsidiary of the Company.

After the above transactions, CEL will be wound up and dissolved, which the Company is advised can be completed in a matter of days under the laws of British Columbia. After its dissolution, CEL will cease to be part of the Company's Group.

The above transactions (together the "**Reorganisation**") are expected to be concluded in the next two weeks.

Cancellation of Listing

The Company is pleased to provide an update on the timing for the cancellation and re-admission of its ordinary shares to listing. In the Completion Announcement the Company indicated that it intended to discuss the cancellation of the Company's listing pursuant to Listing Rule 5.6.19 with the FCA, pending the approval of a prospectus and a successful application for readmission and that a further announcement on the outcome of those discussions and the timing of any cancellation will be made.

Since that time, the FCA has confirmed that, where an application for readmission is intended, the cancellation of the Company's listing should be simultaneous with the relisting of the Company's shares and will happen automatically at that time. The Company therefore no longer intends to make an application for the cancellation of its listing at the present time and the cancellation will now take place at a later date, yet to be determined, that will coincide with the re-admission of the shares to listing.

Re-admission Application

The Company intends for the enlarged group, being the Company and Cindrigo Limited (and its subsidiaries) after the completed Acquisition and the Reorganisation and dissolution of CEL (the "**Enlarged Cindrigo Group**"), to make an application for admission to the Official List of the London Stock Exchange (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities (the "**Listing Application**").

The Company is actively working to progress the Listing Application, including seeking approval of a prospectus for the Enlarged Cindrigo Group (the "**Prospectus**") a number of drafts of which have already been submitted and the Company is currently responding to the FCA's comments on the latest submission. Subject to the approval of the Prospectus, the Company meeting the eligibility for listing requirements to the FCA's satisfaction, and the process being concluded expeditiously and its application for readmission thereafter being successful, the Company now expects the re-admission of its ordinary shares will occur towards the end of August or in September 2021, but the Company is not able to guarantee that readmission will take place within that time frame or at all.

The Company will continue to update the market as and when appropriate.

****ENDS****

For more information visit www.challengeracquisitions.com or enquire to:

Challenger Acquisitions Limited

Lars Guldstrand

+44 (0) 7408 861 667

St Brides Partners Ltd (PR)

Frank Buhagiar/Cosima Akerman

+44 (0) 20 7236 1177

Cindrigo Limited

Mustaq Patel

+44 (0) 7408 886 668