# Strategic Review

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GCP Asset Backed Income Fund Ltd
13 December 2023

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

13 December 2023

**GCP Asset Backed Income Fund Limited**

**("GABI" or the "Company")**

**LEI: 213800FBBZCQMP73A815**

**Strategic Review**

The Company today announces that the Board of Directors (the "Board") will be commencing a strategic review to consider how it may best deliver value to shareholders (the "Strategic Review"). This follows the Company's announcement on 18 September 2023 that it had ceased merger discussions with GCP Infrastructure Investments Limited ("GCP Infra") and that the Board would propose a continuation vote at its Annual General Meeting to be held in May 2024 (the "2024 AGM").

The decision to commence the Strategic Review follows extensive engagement by the Company with its shareholders in connection with the merger discussions with GCP Infra, through which shareholders expressed views on both the proposed merger and the future of the Company. Further, the Board is mindful of the importance of market liquidity to many shareholders, the discount to asset value at which the Company's shares trade and the limited scope for growing the Company under current market conditions. The Board also notes the opportunity for GABI to lend to borrowers in the prevailing higher interest rate environment.

The Board will consider all options for the future of the Company with the aim of maximising value for shareholders including, but not limited to:

- undertaking some form of consolidation, combination, merger or comparable corporate action;
- selling the entire issued share capital of the Company;
- selling all or substantially all of the assets of the Company;
- a continuation of the Company under its current investment policy, alongside potential cash exit opportunities for shareholders, including as a one-off event and/or at regular intervals and which may be conducted by way of one or more share repurchases, tender offers and/or the creation of a new realisation share class which would return capital to holders of those shares as investments are realised over time; and
- an orderly wind-down of the Company.

As part of the Strategic Review, the Company will seek shareholder feedback to inform the Board's decision-making process. Key shareholders will be contacted in early January 2024, ahead of which further information relating to the options set out above will be announced by the Company.

During the Strategic Review, the Company's existing investment policy and strategy will continue to be applied. As announced on 20 October 2023, no new investment activity is planned ahead of the 2024 AGM. In addition, no material amendments or extensions of facilities to existing borrowers will be made without the Board's prior consent. Gravis Capital Management Limited, the Company's Investment Manager, will continue to work to maximise value for the Company.

In October 2024, three of the Company's Directors will have served on the Board for a period of nine years. Accordingly, subject to the outcome of the Strategic Review, the Board will recommence its process of succession planning once the Strategic Review is complete.

On 6 October 2023, the Board received a non-binding proposal from a US-listed investment company (the "Possible Offeror") to acquire the entire issued share capital of the Company. The proposal comprised a cash offer at a level of 68 pence per share in the Company, paired with an alternative pursuant to which shareholders could elect to receive US listed shares in the Possible Offeror for each share held in the Company, with an exchange ratio to be set at a point prior to any firm offer announcement to equate to a value of 76 pence per share. The proposal was unanimously rejected by the Board, following which on 27 November 2023 a second conditional and non-binding proposal comprising a cash offer at a level of 72 pence per share in the Company, paired with a share alternative offer at a level of 78 pence per share was received. The Board agreed to provide the Possible Offeror access to confirmatory due diligence. Prior to accessing such information, on 11 December 2023 the Possible Offeror notified the Company that it would be withdrawing its proposal.

***This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("MAR"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging the release of this announcement on behalf of the Company is Sophie Botterill, Manager at Apex Financial Services (Alternative Funds) Limited.***

**For further information:**

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Alex Ohlsson, Chairman

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Adrian Beidas
Callum West
Stuart Muress (Corporate Broking)

**About GABI**

GABI is a closed-ended investment company traded on the Main Market of the LSE. The company makes investments secured against physical assets or contracted cash flows, in sectors which are integral to society.

***Important notices***

*This announcement is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction, whether pursuant to this announcement or otherwise.*

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*Following this announcement, the Company is now considered to be in an "offer period" as defined in the Code, and the dealing disclosure requirements of Rule 8 of the Code as summarised below will apply.*

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***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4)*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

***Rule 26.1 disclosure***

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at https://www.graviscapital.com/funds/gabi-strategic-review/literature by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.*

***Rule 2.9 information***

*In accordance with Rule 2.9 of the Code, the Company confirms that as at the close of business on 12 December 2023 its issued share capital consisted of 442,033,518 ordinary shares of no par value. At that date, the Company held 16,407,459 ordinary shares in treasury.*

*The ordinary shares are admitted to trading on the main market of the London Stock Exchange under the International Securities Identification Number JE00BYXX8B08.*

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