

DISRUPTIVE CAPITAL ACQUISITION COMPANY LIMITED (“DCAC” or the “Company”) Option for DCAC to acquire the entire issued share capital of Global InterConnection Group SA

DISRUPTIVE CAPITAL ACQUISITION COMPANY LIMITED

(“DCAC” or the “Company”)

Option for DCAC to acquire the entire issued share capital of

Global InterConnection Group SA

in respect of

DCAC Shareholders (ISIN Code GG00BMB5XZ39) and
DCAC Public Warrant Holders (ISIN Code GG00BMB5XY22)

13 March 2023

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The proposed Business Combination

DCAC announced proposals to form the Advanced Cables Business Combination in the press release issued by the Company on 20th February 2023. The DCAC Board has now decided to expedite the proposals, and DCAC has therefore agreed an exclusive option to acquire the holding company of Advanced Cables, Global InterConnection Group SA (“**GIG**” or the “**Target**”). Besides Advanced Cables, GIG is also the holding company of ASC Energy Limited. It is intended that DCAC will be renamed “Global InterConnection Group Limited” on completion of the Business Combination.

If the Business Combination is agreed and approved, the DCAC Shareholders who are verified as being members of DCAC on a date to be set by the DCAC Board (the “**Record Date**”) and so being eligible for voting at an extraordinary general meeting of DCAC (the “**EGM** to be convened in connection with the Business Combination”) will receive a special distribution of £8.50 inflation-linked sustainable loan notes (“**ILSLNs**”), at the rate of one ILSLN per DCAC Ordinary Share (the “**Special Distribution**”). The ‘green bond’ ILSLNs are to be listed on The International Stock Exchange in Guernsey; and further ILSLNs are then expected to be placed with institutional investors at par. The Special Distribution will also be made to DCAC Public Warrant Holders following exercise of their DCAC Public Warrants. DCAC intends to amend the terms and conditions of the Warrants to facilitate immediate exercise at completion of the Business Combination.

Possible Impact on DCAC Shareholders

It should be highlighted that the DCAC Sponsor's valuation analysis has not been audited, there is no guarantee that the fair value estimate is correct, that the estimates of DCAC/GIG shares in future issue, the treatment of ineligible Tenders under the Repurchase Offer has been fully reflected herein, nor, in particular, that the DCAC/GIG shares will trade on Euronext Amsterdam at these levels or any other level.

Assuming completion of the Business Combination, analysis would imply after dilution from a reduced DCAC Sponsor Promote (as defined and set out below) and from the exercise of 66% of the DCAC Public Warrants, the pro forma combined calculations would give:

Value on BC

Price on BC: £20.00 / share

Special Distribution: £8.50 a share in ILSLNs

Enterprise value of: £445m

Value/Share Equity post dilution £19.15/share

fully diluted ILSLN £ 3.55/share

Combined £22.70/share

GIG's valuation analysis suggests that the proposed GIG acquisition would have a fair value in the region of £556 million, based on comparable multiples and discounted cashflows. Importantly only the basis on those illustrative assumptions, the pro forma calculations, together with anticipated cash and ILSLN issuance, would give:

'Fair Value of GIG	Enterprise value of	£606m
Pro forma	Equity	£28.00/share
value/share	ILSLN	£ 3.50/share
fully diluted	Combined	£31.50/share
Anticipated dividends	4% p.a. of Issue Price, from H2 2024, £0.80/share	

Steps towards creating Transaction Certainty

Transaction certainty has been enhanced, on both sides, by GIG granting DCAC a binding and exclusive option to acquire the entire issued share capital of GIG for a consideration of approximately **£330 million**¹ (the "**Option**"). Under the terms of the Option, this consideration will be settled, subject to DCAC Shareholder approval of the proposed Business Combination, with approximately £300 million of DCAC Ordinary Shares, comprising those to be sold and transferred out of treasury and those newly issued at £20.00 per DCAC Ordinary Share; together with approximately £30 million of ILSLNs, issued at par, in both cases subject to the conditions below including the approval of the DCAC Shareholders at a forthcoming EGM.

Following their experience with the failed putative Business Combination with Saxo Bank A/S, the DCAC Board has agreed to the Option in order to minimise the risk of the Company incurring considerable costs pursuing a Business Combination; and for its DCAC Shareholders and DCAC Warrant Holders to incur time and cost examining the proposals, only for the transaction not to proceed due to the Target and/or its shareholders deciding to withdraw. The GIG board was similarly concerned lest they enter into an agreement that would similarly cause them to incur costs and expense, considerable management time, and above all reputational risks and exposure, without having as much certainty as possible.

Whilst it is the intention for DCAC to acquire directly the shareholdings of the GIG shareholders, to further deliver certainty of outcome, the Target has agreed under the terms of the Option that in the event that it cannot deliver good title to 100% of its shares, DCAC has the option to acquire the intermediary holding company and thus secure 100% of the business and assets, on the same terms.

In connection with the Business Combination, the DCAC Sponsor has agreed to vote its DCAC Ordinary Shares and DCAC Sponsor Shares in favour of the Business Combination. On the date of this Release, DCAC has made a preliminary estimate² that the DCAC Sponsor would hold more than 50% of the voting rights by way of DCAC Ordinary Shares and DCAC Sponsor Shares, taking into account the anticipated, but uncertain, effect of the Repurchase Tender Offer and the Stub Tender Offer, and noting that there are still ineligible tenders extant under the Repurchase Tender Offer. As at the date of this Release, certain other DCAC Shareholders, together holding what is estimated amounts to approximately 93% of the voting rights in aggregate, tendered or sought to tender their DCAC Ordinary Shares for repurchase under the Repurchase Tender Offer and, under the Stub Tender Offer, have either tendered or informed DCAC of their intention to tender their DCAC Ordinary Shares; and more tenders are thought likely to be made.

Accordingly, it is more likely than not that the necessary DCAC Shareholder approval for the Business Combination will be received.

Background

DCAC has been in extensive and fruitful negotiations with the board and key shareholders of GIG and its divisional executive management and is now entering into the Option to acquire GIG. The GIG board believes the Business Combination will serve GIG well by giving it greater access to investment capital and diversification of the current shareholder base. A diversified shareholder base provides for a strong foundation for executing the GIG group's strategy and potentially leveraging DCAC's and other shareholders' background, network and know-how to further grow the GIG group's credibility and geographical reach. A listing on Euronext Amsterdam will further create flexibility in the ownership structure, adding governance enhancements to already impeccable environmental and social credentials, and provide an avenue for sourcing 'sustainable capital' funding and raise the public profile of GIG.

DCAC believes the Business Combination will provide a platform to build a renewable energy group comprising high voltage direct current ("**HVDC**") cable manufacturing, interconnectors, and ancillary services. The DCAC Board considers that these markets support and benefit from the global tailwinds of energy security and decarbonisation initiatives. The supply of HVDC cable is crucial to many interconnector, offshore wind and grid upgrade projects. The supply shortages of HVDC cables represent a hurdle to the energy transition and so should lead long-term revenues at high margins; and so provide an attractive opportunity for DCAC to invest in the development of new HVDC manufacturing capacity via the Business Combination.

Interconnectors are growing in number and importance, are widely regarded as a key component of decarbonisation and energy security, and directly benefit from higher power prices. The Business Combination offers DCAC the opportunity for income from operating interconnectors and capital appreciation from interconnector development projects.

The proliferation of interconnectors and grid upgrades also represents an opportunity for the provision of design, planning and operational consultancy services to such projects. The combination of cable manufacturing, interconnector ownership, and related consultancy services offers scope for cross-selling and vertical integration. It is a strategic objective of GIG to use the expertise, cable supply capacity and market knowledge of the divisions, harnessed with access to capital, in order to buy, build and transform a portfolio of interconnectors, both operating assets and projects in development.

The Target

GIG currently comprises two existing assets: 100% of Advanced Cables Limited ("**Advanced Cables**") and 99% of ASC Energy Limited ("**ASC**" or "**Atlantic SuperConnection**"), that represent a strong foundation for its strategy.

Advanced Cables is developing a 1,500 km/year capacity HVDC cable manufacturing and armouring facility. Having carried out a detailed site selection process across three countries, DCRE expects the UK factory to be located in Teesside, in the North East of England, (the "**Teesside Factory**") to offer both deep water port access and a highly attractive tax and permitting regime. The Teesside Factory, due to come into full operation in 2025, is expected to create over 800 jobs, support dozens of renewable energy projects globally, and make Britain a world-leader in the manufacture and export of HVDC cable. The local authorities and regional development institutions have given Advanced Cables their strong support in areas such as site acquisition, planning, labour force training, and have emphasised the benefits of the Teesside Factory being located in a freeport.

It is anticipated the Teesside Factory will be operated and part-owned in joint venture with a world leading HVDC manufacturer. Advanced Cables is looking to finalise terms shortly with its preferred partner and then move into the construction phase. Advanced Cables was led to expect on 20 February 2023 that it should be eligible for UK government support from, inter alia, regional development grants and from UK Export Finance. The UK Department of International Trade has recently demonstrated support for Advanced Cables' plans, by engaging with the preferred manufacturing partner to help secure their involvement with government incentives.

In addition, Advanced Cables expects to create an aluminium stranding factory; and a testing and research centre in Iceland, in order to support the Teesside Factory and further enhance the substantial economic benefits offered by GIG to Iceland. Aluminium stranding – the core of HVDC cables - manufacturing is planned to be situated in Stromsvik ("**Stromsvik Factory**"). The site enjoys deep water access and has the infrastructure already in place to handle heavy materials, since it is adjacent to an ageing aluminium smelter that is expected to close in the next decade. The Stromsvik Factory is expected to create several hundred jobs and give Iceland significant added economic value from its production of aluminium, which is largely exported in ingot form at present.

The Advanced Cables Testing and Research Centre, to be based near Keflavik, is expected to create some 40 jobs, largely in highly skilled scientific and engineering roles. It is intended to support Advanced Cables and its customers in the continual improvement of the product and its performance, effectiveness and usage.

Once the Advanced Cables Factory is completed, this will enable GIG to provide expedited HVDC cable supply to Atlantic SuperConnection and such other interconnector projects as it may acquire. Moreover, the possession of scarce HDVC cable manufacturing capacity is likely to give GIG an advantage when originating and negotiating interconnector and consultancy business opportunities; and deploying capital to invest into interconnector projects.

Atlantic SuperConnection is developing a 1,638km bi-pole interconnector between Iceland and the United Kingdom with a capacity of up to 1.8GW. It has achieved significant progress to date, including the confirmation of technical feasibility via extensive studies, the completion of a seabed route survey to confirm the optimal route, and the signing of a connection agreement with the UK National Grid to come in force in 2028/29.

ASC offers DCAC a unique entry point into the interconnector industry. Most interconnectors are two-way and link two energy networks with fluctuating supply and demand. As such the directional flow of energy via the interconnector, and the revenue it generates therefrom, depends on the relative energy surplus or shortage of the two countries at any one time. In contrast, ASC will connect Iceland – an isolated grid with an economical and dependable energy supply from geothermal and hydroelectric generation – with the UK, a grid facing severe supply shortages and sharp price fluctuations, in need of zero carbon baseload and dispatchable power to fill the role historically played by hydrocarbons. In connecting two energy markets with highly asymmetrical supply-demand dynamics, ASC expects energy transmission to be predominantly one way from Iceland to the UK, and so generate more predictable revenues underpinned by long-term power purchase agreements, typically with prices linked to UK inflation rates.

However, ASC intends to use the periods of surplus wind generation in the UK to send electricity to Iceland to power pumped storage into existing hydroelectric facilities, in effect creating a highly efficient battery, with the power to be returned to the UK in times of shortage and high marginal prices.

Furthermore, the development and construction of this project supported by GIG's Advanced Cables and ancillary services, and harnessing capital by GIG, of which the proposed Business Combination is intended to improve access, is expected to serve as a significant demonstration to the interconnector market of GIG's integrated capabilities.

Proposed GIG board

DCAC's leadership team currently comprises executive directors: Edmund Truell (Chief Executive Officer), non-executive directors: Wolf Becke (Chair/Independent Non-Executive Director) and Roger Le Tissier (Non-Executive Director) and special advisers: Kari Stadigh, Dimitri Goulondris and Luke Webster.

If the Business Combination is approved, then the DCAC board has extended an invitation to join the GIG supervisory board as non-executive directors to the economic adviser to the Icelandic Government; an industry leader from a global interconnector operator; and Luke Webster joining to bring his infrastructure investment experience as Chief Investment Officer of the Greater London Authority and so overseeing Transport for London and Crossrail; and to senior advisers from the cable and energy sector. Wolf Becke, now aged 76, will be retiring as Chair and non-executive director of DCAC; and Edmund Truell will take on the Chair, with an industry leader from the global interconnector and grid sector expected to be appointed as CEO in due course.

Executive Management and Advisers

GIG's subsidiaries are led by Ian Drew, Executive Chairman and Matthew Truell, Chief Technical Officer, with financial matters overseen by Henry Tilbury and Julien Fournier, and marketing and political relations by Chrissie Boyle (UK) and Fridjon Fridjonsson (Iceland). Jennie Younger is an independent non-executive director. Noting the conflicts of interests, DCAC has reviewed the reports and records of Advanced Cables and of ASC Energy, many of which have been produced by external consultants, conducted interviews with them and has relied on those reports and interviews.

In September 2022, GIG entered into a partnership with RTE International ("**RTEi**"), the consultancy arm of the French transmission system operator RTE. This saw RTEi appointed as ASC's owner's engineer for the completion of the development stage, with RTEi take options

over up to 0.92% of the equity in order to promote alignment. RTEi and its parent are among the world's major interconnector consultancies and owner-operators respectively, bringing significant expertise and experience to the ASC project.

GIG already has in place a full suite of energy market, cable manufacturing and transmission infrastructure advisers, including Afry, Red Penguin, Powershore and AECOM as well as RTEi. They have provided power price models; economic impact studies; technical feasibility reports, their detailed benefit of their experience of working on most of the current European projects and operating interconnectors; and of designing and building HVDC factories. These advisers are under contract to GIG and / or its subsidiaries. In compiling this offer, DCAC has reviewed their reports and conducted interviews with them and has relied on those reports and interviews. Noting the conflicts of interests, DCAC has taken further comfort from the verification work conducted on behalf of Long Term Assets, a shareholder in GIG, including an historical audit report, historical asset valuation procedures and extensive legal due diligence conducted in the production of a wide-ranging Long Term Assets prospectus submitted to the Guernsey Financial Services Commission and then submitted in near-final draft to the Financial Conduct Authority as regulator of the London Stock Exchange. It has further noted that Herbert Smith Freehills is the UK regulatory adviser to ASC Energy in respect of seeking exemptions from OfGem from the application of material UK electricity market regulations.

DCAC has invited JP Morgan to act as formal adviser to the business and, in particular, to co-ordinate the ILSLN placing and to advise GIG, post Business Combination. JP Morgan has previously advised GIG, along with Kvika, the Icelandic Bank; as well as JP Morgan being the Global Co-Ordinator for the IPO of DCAC. This invitation is being examined, not least for conflicts checking, and may or may not be accepted.

Acquisition Terms

The proposed Business Combination entails the sale of GIG to DCAC, pursuant to which DCAC and GIG have entered into the Option in order to increase transaction certainty. Under the terms of the Option, the consideration payable by DCAC to GIG is £330 million, which consideration will be settled with £300 million of DCAC Ordinary Shares together with approximately £30 million of ILSLNs.

The GIG board has recommended to its shareholders that they enter into an exclusive agreement with DCAC to acquire the entire issued share capital of GIG³. If DCAC Shareholders approve the GIG Business Combination, then DCAC will acquire GIG for the issue of 30 million Swiss Francs⁴ of DCAC ILSLNs and DCAC Ordinary Shares worth 340 million Swiss Francs at a price of £20.00 per DCAC Ordinary Share. The DCAC Ordinary Shares will come from a combination of the issue of new DCAC Ordinary Shares and the sale of DCAC Ordinary Shares from treasury. DCAC will be the ongoing Euronext Amsterdam listed entity, and an application will be made for the admission of newly issued DCAC Ordinary Shares under the Business Combination. However, it will trade as "Global InterConnector Group", and DCAC Shareholders will be invited to approve this change of name at the forthcoming EGM.

Excluding short-term trade payables of some 1 million Swiss Francs, GIG has no other debt. Any excess debts or payables above 1 million Swiss Francs in GIG at the Business Combination Completion Date will be deducted GBP for GBP from the consideration due above. GIG will bear its own costs, offset in part by the Option premium of 25,000 Swiss Francs, plus a refundable advance of 900,000 Swiss Francs to be deducted from the consideration if not repaid. The Option must normally be exercised by DCAC on or before 14th May 2023, or will lapse after that date.

Terms of the ILSLNs

The ILSLNs will be issued at par. As GIG expects to have long term revenues, correlated to UK inflation, the ILSLNs have been designed with the assistance of experts in the pension and insurance sector to appeal to such institutional investors, whilst raising capital in on attractive terms that provide a natural hedge for the issuer against its anticipated revenue streams.

Summary of Terms

Inflation Linked *Sustainable* Loan Notes

Issuer:	Global Interconnector Group ("GIG")		
Sector:	<i>Positive Impact</i> Renewable Energy Infrastructure		
Issuer's Advisor:	Pension SuperFund Capital		
Currency of Instrument:	GBP denominated Inflation Linked Sustainable Loan Notes (ILSLN)		
Offering Size:	£77m (+unrelated party issuance)		
Special Distribution:	Each DCAC Ordinary Share held on Record Date receives £8.50 of GIG ILSLNs		
Ineligible Tenders:	Certain Ineligible Tenders under the Repurchase Offer will be accommodated by the issue of ILSLNs		
Listing structure:	It is intended that the ILSLN will be listed on the Guernsey TISE		
Index Linked Loan Terms:	Maturity:	33 years	
	Amortising:	From year 8. Straight Line at 4% p.a. of principal, plus accrued inflation	
	Coupon Frequency & Amount:	Annual at [3%] p.a. UK CPI linked. First payment 30/9/2024	

Redemption Amount: Inflation Linked Redemption @ UK CPI

Max Rate Payable (inflation cap): 5% on year over year basis

Min Rate Payable (inflation floor): Zero on year over year basis

Issue Price: 100p per Note

Covenants: Max LTV 50%. Security thereafter

Make Whole 4 year non-call period @ IL Gilts + 35bps

Other: Pre-emption rights on further ILN issuance. Quarterly reporting to Stock Exchange. Monthly management reports.

GIG sustainable bond designed to pave the way to multi-billion issuance

Conflict Management, Rights Issue and Open Offer for DCAC Shareholders

Please note that, on a successful Business Combination, 'Concert Party' interests are estimated to hold approximately 79% of the enlarged share capital of DCAC/GIG⁵:

With 66% Warrant Exercise

	% Votes
GIG Shareholders	70.2%
DCAC Shareholders	1.8%
DCAC Warrantholders	18.8%
GIG board	0.2%
Sponsor (DCGP)	9.0%
Total	100.0%

GIG is controlled by parties who are also materially direct and indirect holders of interests in DCAC.

The Concert Party is the group of shareholders DCAC believes will be deemed to be acting in concert for the purpose of Euronext Amsterdam free-float provisions. The Concert Party includes the Sponsor 'grouping'⁶ and the Truell family shareholder grouping⁷

The Truell Conservation Foundation, a UK registered charity, is also a substantial investor.

Careful processes have been put in place to manage and mitigate these conflicts, which are catered for in the Amended Articles and which DCAC will comply with.

It is planned for DCAC to raise further capital, not least from the highly experienced new independent directors who wish to subscribe at £20.00 per DCAC/GIG Ordinary Shares upon joining the DCAC Board. Major institutional and strategic industry participants have also indicated interest in investing either in GIG, or in the Advanced Cables and/or ASC Energy subsidiaries, by way of direct investment or in operational joint venture. The terms of the proposed Business Combination have been further developed on the basis of such discussions, albeit with no firm assurance of success.

DCAC Shareholders and ILSLN holders will have first refusal to participate in a further capital raise, either by subscribing for further equity at £20.00 per DCAC Ordinary Share, or by subscribing for further ILSLNs at par (referred to in this Release as the "**Rights Issue and Open Offer**"). To the extent external investors invest directly into the Advanced Cables and/or ASC Energy subsidiaries DCAC Shareholders expressing interest will be able to co-invest on the same terms, and further details will be provided on request

DCAC Shareholder Consent

A comprehensive DCAC Shareholder Circular (as defined below) is currently being prepared, which will include, inter alia, notice of an EGM and notice of a meeting of the DCAC Warrant Holders, to be held 21 days after posting of the DCAC Shareholder Circular. The processes involved in the re-statement of GIG's accounts to IFRS make the timing of this posting uncertain.

DCAC will thus be issuing further information to the DCAC Shareholders and to DCAC Warrant Holders in the form of a detailed shareholder circular (the "**DCAC Shareholder Circular**") in order that they may make an informed vote at the EGM and Warrant Holder meeting, once the DCAC Shareholder Circular has been produced. The DCAC Shareholder Circular will contain important information, including risk factors and addressing the conflicts of interest inherent in the Business Combination proposals.

The approval of the DCAC Sponsor Shareholders and the DCAC Warrant Holders will also be required to consummate the Business Combination. Accordingly, in addition to the EGM, a class meeting of the DCAC Ordinary Shareholders, a class meeting of the DCAC Sponsor Shareholders and a meeting of the DCAC Warrant Holders will also be held on the same day and subsequent to the EGM.

Conditions Precedent applying to DCAC

GIG's obligations under the proposed agreement with DCAC are intended to be predicated upon, inter alia, that:

- i. DCAC Shareholders approve the Business Combination (by shareholder vote as retained in the Amended Articles);
- ii. DCAC Warrant Holders approving the acceleration of the timing by which DCAC Warrants can be exercised
- iii. The DCAC Board making a Special Distribution of ILSLNs (to holders satisfying the DCAC board of their valid ownership on the Record Date, DCAC Ordinary Shareholders validly voting in the EGM, and DCAC Warrant Holders validly voting in their meeting).
- iv. Changes are made to reduce the DCAC Sponsor Promote arrangements (as below) in, inter alia, the Amended Articles and to reward the GIG management rather than the DCAC Sponsor by the transfer of DCAC Sponsor Warrants to the GIG management incentive plan.
- v. The DCAC Ordinary Shares and DCAC Public Warrants continue to be listed on Euronext Amsterdam and that DCAC maintains sufficient external shareholders to satisfy any 'free float' requirements of Euronext Amsterdam. As it is estimated that former GIG shareholders would have 70% of the enlarged share capital, and the DCAC Sponsor group 9%, this condition should be satisfied, as long as sufficient DCAC Warrant Holders exercise their DCAC Warrants.
- vi. The Amended Articles contain an obligation on DCAC that, *in case the Company intends to consummate a Business Combination with a target or business that is affiliated with a holder of Sponsor Shares or a director, the remaining non-affiliated director(s) either (i) obtains an opinion from an independent investment banking firm and/or (ii) procures that persons that are not affiliated to, managed by or advised by a holder of Sponsor Shares or any Insider (or any of its affiliates) subscribe for new shares or interests (a) in the target or business the subject of a Business Combination at the same time and price and on the same terms as the Company or (b) in the Company at the same time and price and on the same terms the Company is proposing to issue such shares or interests to the vendors of and/or persons connected to the target or business the subject of a Business Combination.*

As certain DCAC Sponsor Shareholders hold shares in both DCAC and GIG, it is intended to address these conflicts of interests as follows:

- i. The non-affiliated directors of both GIG and DCAC approved entering into substantive discussions and thereafter the exclusive option to effect the Business Combination;
- ii. Whilst there can be no guarantee that funds will be forthcoming, GIG is in discussions with certain independent parties who may invest in equity and/or equity options, and provide debt, conditional upon Business Combination.
- iii. Highly knowledgeable and experienced persons have agreed to subscribe their own funds for an issue of DCAC Ordinary Shares to them. The issue price for the DCAC Ordinary Shares will be £20.00, being the same price at which DCAC Ordinary Shares will be offered to the GIG shareholders; and to DCAC Shareholders under the Rights Issue and Open Offer. Subscription will be subject to the Business Combination being approved.
- iv. Other expert executives and advisers are expected to join on a similar basis.
- v. Whilst there can be no guarantee that funds will be forthcoming, Pension SuperFund Capital Services⁸ are being appointed to assist in the structuring of the ILSLNs, leading to the possible raising of capital from institutional investors.
- vi. Whilst there can be no guarantee that funds will be forthcoming, independent investors have indicated that they may acquire DCAC Ordinary Shares on completion of the Business Combination.

Conditions Precedent applying to GIG

DCAC's obligations under the proposed agreement with GIG are intended to be predicated upon, inter alia, that:

- i. GIG shareholders approve the Business Combination (by shareholder vote as contained in the GIG Articles).
- ii. No material adverse change in GIG.
- iii. Approval of the final documentation by the independent directors of ASC and Advanced Cables, as well as of GIG .
- iv. Agreement to suitable employment contracts with the board and management of GIG.
- v. Agreement to changes in the terms of the GIG Management Incentive Plan.
- vi. Tax and regulatory clearances (if any)

There is no guarantee that regulatory approvals, permits and authorisations, or non-objections, will be forthcoming or not be withdrawn.

Changes in terms and reduction of DCAC Sponsor Shares and DCAC Sponsor Warrants

The GIG board and shareholders have demanded as a condition of the agreement, and the DCAC Board intends to accept, the following changes to the DCAC Sponsor promote arrangements (the "**DCAC Sponsor Promote**"):

- i. The Sponsor Group will place all the DCAC Sponsor Warrants into a GIG Management MIP. They will not be eligible to receive the Special Distribution of ILSLNs
- ii. Half of the DCAC Sponsor Shares in issue as at the Business Combination Completion Date (as defined in the Amended Articles) shall automatically convert on a one for one basis into one DCAC Ordinary Share.
- iii. Half of the DCAC Sponsor Shares in issue as at the Business Combination Completion Date (as defined in the Amended Articles) will then be acquired by the Company and thereafter may be cancelled or may be held as treasury shares, subject to and in accordance with the Companies (Guernsey) Law, 2008 (as amended)
- iv. In addition, the option for *£2 million of Sponsor loans issued to the Company to fund the Excess Costs* are converted into additional Sponsor Warrants (being the maximum amount of Sponsor loans that may be converted into additional Sponsor Warrants) will be cancelled and so no longer dilute other DCAC and former GIG shareholders.

Terms of GIG Management MIP

The GIG Management Incentive Plan ("MIP") currently provides for cash payments of up to a maximum of £13.5 million, only if demanding objective targets are met. These targets being met would imply an equity value of GIG in excess of £1 billion, broadly equating to £52 per DCAC Ordinary Share.

Under the proposed arrangements with DCAC, the MIP entitlements will be replaced by the receipt of 2,500,000 DCAC Sponsor Warrants, exercisable at £11.50 for DCAC Ordinary Shares over the next 10 years. Fully diluted, this would represent some 9% of the enlarged GIG share capital if exercised.

Demanding vesting terms will apply to individual beneficiaries' potential entitlements, with 20% vesting on granting, and 30% after 12 months, 30% after 24 months, and 20% after 36 months. Allocations will be made to the board and management, who include related parties to DCAC Shareholders. The allocation of these DCAC Sponsor Warrants will be under the control of the independent members of the GIG board; and details will be set out in the DCAC Shareholder Circular. The DCAC Board believes that this will benefit all DCAC and former GIG shareholders not least to ensure an alignment of interest with GIG management.

Lock Ups

If the proposals are approved, former GIG shareholders holding more than 5% of the DCAC share capital will normally be subject to a customary 6-month lock up arrangements, and thereafter be at liberty to trade their DCAC Ordinary Shares.

Further fundraising

On completion of the Business Combination, GIG could expect to utilise its listing to access public market funding for both ASC Energy and Advanced Cables.

Including upfront investments into these subsidiaries, it is planned that DCAC/GIG will be able to provide in the near term:

- ┆ For Advanced Cables: £80 million development and construction equity
- ┆ For ASC Energy: £20 million development funding

This will be funded from DCAC's existing funds as well as:

- ┆ proceeds from the DCAC Public Warrant exercise: as described herein, it is intended that DCAC Public Warrant Holders are being offered an accelerated opportunity to exercise their DCAC Public Warrants for cash at the time of the Business Combination, subject to a positive vote by the DCAC Warrant holders to approve the required amendment to the DCAC Warrant T&Cs and to gain eligibility to the Special Distribution. If all such DCAC Public Warrants were to be exercised, this would generate approximately £73 million in cash proceeds. The estimates herein assume that 66% of Public Warrants will be exercised.
- ┆ the primary placement of new DCAC Ordinary Shares and of ILSLNs with DCAC Shareholders as well as with investors with whom GIG is already in advanced discussions.

In addition, Advanced Cables expects to raise £180 million of bank debt for the construction of the Teesside Factory, largely with the anticipated benefit of a UK governmental agency guarantee.

In due course, some or all of ASC Energy's £3.3 billion construction budget may be funded by DCAC/GIG, together with major partners, with some £1 billion of equity and the issuance of £2.3 billion of ILSLNs.

Conclusion

The proposed Business Combination, noting the conflicts of interests and the need for DCAC Shareholders and DCAC Warrant Holders to receive the comprehensive DCAC Shareholder Circular including a careful appreciation of the risk factors, offers the prospect of substantial value appreciation for current and prospective new investors alike.

Edmund Truell

CEO, DCAC

About DCAC

DCAC is a special purpose acquisition company incorporated on 29 April 2021 under the Companies Law as a non-cellular company limited by shares. DCAC was created for the purpose of completing a merger, amalgamation, share exchange, asset and/or liability acquisition, share purchase, reorganisation or similar business combination with a target business or entity.

DCAC's leadership team comprises executive directors: Edmund Truell (Chief Executive Officer); non-executive directors: Wolf Becke (Chair/Independent Non-Executive Director), and Roger Le Tissier (Non-Executive Director); and special advisers: Dimitri Goulondris, Kari Stadigh and Luke Webster.

DCAC was launched by Disruptive Capital GP Limited, a Guernsey investment firm licensed by the Guernsey Financial Services Commission to carry on controlled investment business under the Protection of Investors (Bailiwick of Guernsey) Law, 2020. Disruptive Capital GP was founded by Edmund Truell and his late brother, Daniel Truell, former CIO of the Wellcome Trust charitable endowment. Following his death, the firm is now owned by the de Boucaud Truell Inter-Generational FLP and the Truell Conservation Foundation, a UK registered charity, set up to *'make money for charity by being good investors'*.

The initial public offering of DCAC took place on 6 October 2021. DCAC successfully completed the DCAC IPO, raising £125 million from new investors. Pursuant to reorganisation plans, some £120 million has and is being returned to shareholders, all at a price of £10.789 per DCAC Ordinary Share. The Company now holds some £7.2 million in cash, post settlement of the valid share repurchases and having met all its outstanding liabilities.

DCAC announced proposals to form a Business Combination with Advanced Cables on 20th February 2023. The proposals are being

finalised and will be circulated to shareholders in the near future.

The DCAC Ordinary Shares and DCAC Warrants are currently separately listed and traded on Euronext Amsterdam under the ISIN GG00BMB5XZ39 and symbol DCACS for the DCAC Ordinary Shares and ISIN GG00BMB5XY22 and symbol DCACW for the DCAC Warrants.

A copy of this release is available on the Company's website: www.disruptivecapitalac.com

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¹ Using a CHF/GBP exchange rate of 1.12, CHF370m equates to GBP 330m. The Transaction is denominated in Swiss Francs, therefore the precise terms cannot today be set out.

² Please note that this is a preliminary estimate and should not be relied upon. As reported, the purported Repurchase Tenders implied some 5% more Shares were in issue than was in fact the case

³ As of 10th March 2023, the super majority of GIG shareholders have accepted the proposals

⁵ Assuming the 66% exercise of DCAC Public Warrants, but not the Sponsor Warrants. Further assuming no new share issuance, other than to the designated new independent directors and advisers. Issuance of ILSLNs to Ineligible Tenders

⁶ Disruptive Capital GP, the Sponsor of DCAC, and investment vehicles it manages, namely Long Term Assets and its subsidiary funds

⁷ Includes the Truell Intergenerational Family LP, the de Boucaud Truell Intergenerational Family LP, Edmund Truell (a director of both DCAC and GIG), Matthew Truell (Chief Technical Officer of the two GIG subsidiaries), and other individual members of the Truell family.

⁸ An affiliate of the DCAC Sponsor