



CIP Merchant Capital Limited
Q1 2019 - Corporate Presentation

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Overview

Executive Summary

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- Admission to trading on AIM market of LSE on 22 December 2017 with gross proceeds of £55 million
- 4 investments in the first year

Business Services



Alkemy S.p.A.
("Alkemy")

Italian digital consulting firm

Oil & Gas



Coro Energy plc
("Coro")

UK exploration and production company

Healthcare



7Star S.r.l.
("Happy Friends")

Italian veterinary clinics chain

Healthcare



Orthofix Medical Inc.
("Orthofix")

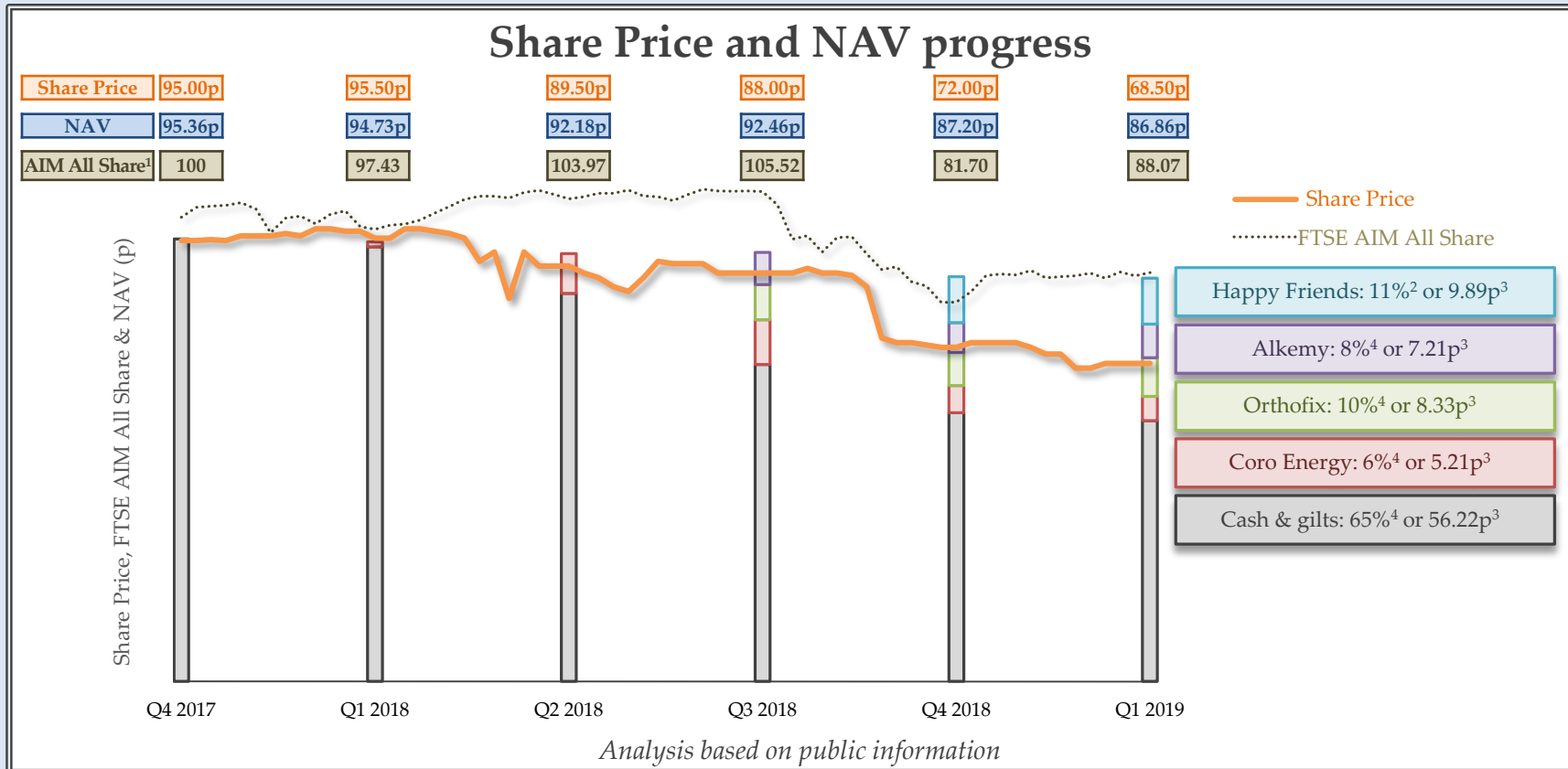
US medical devices producer

- Public markets performed poorly in 2018, first quarter of 2019 marked by uncertainty due to both global and local threats
- Private markets mixed in 2018, with US still growing while Europe slowing down

Performance Review

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- Cautious approach taken to deploy capital
- Tough market conditions
- Remain well placed to take advantage of investment opportunities



¹ FTSE AIM All Share, 27/12/2017 = 100

² Book Value of the investment divided by NAV

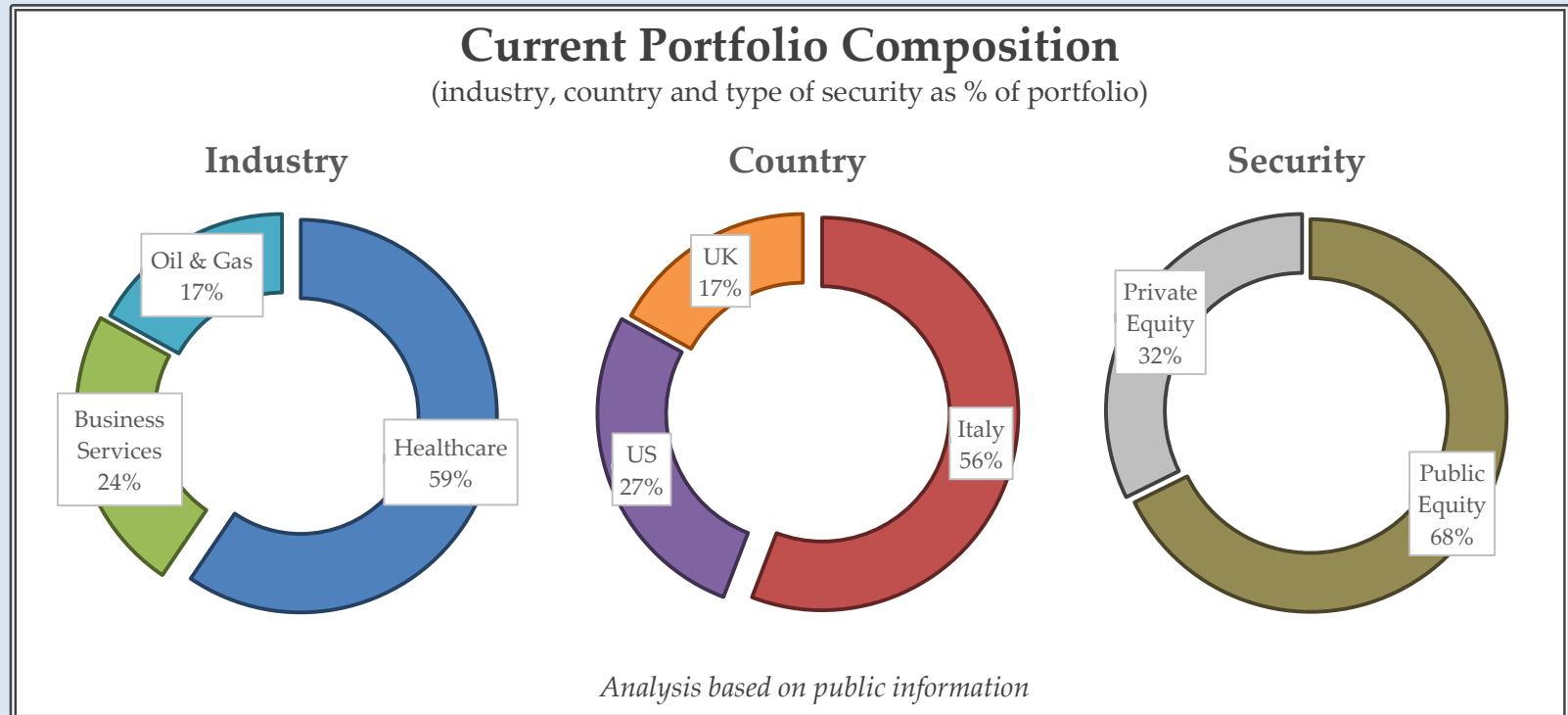
³ Value of the investment divided by number of CIP Merchant shares in issue. For private companies Value is Book Value, for listed businesses Value is Market Value

⁴ Market Value of the listed investment divided by NAV

Portfolio Review

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- Current¹ portfolio value: £16.9 million 29 March 2019
- Diversification among different industries, countries and type of securities
- 35% of capital raised invested



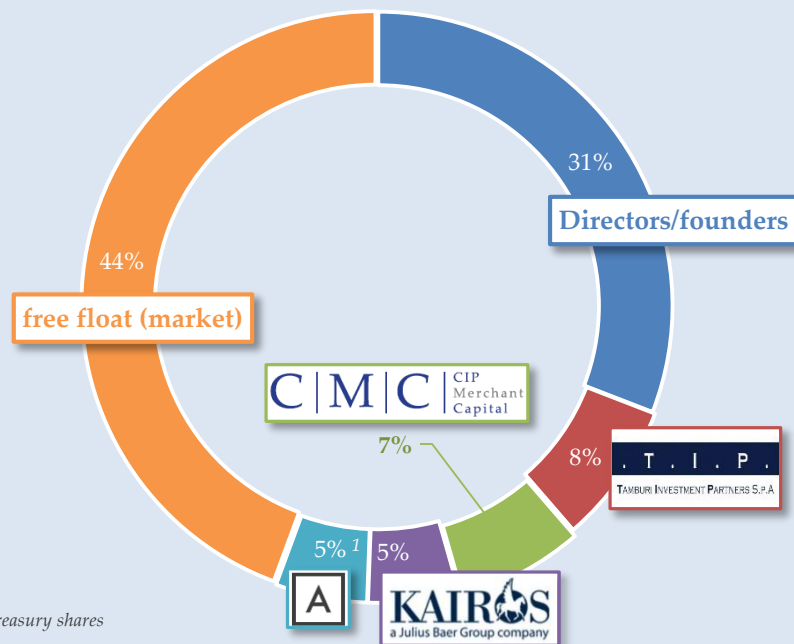
NOTE: the Company accounts and share price are denominated in sterling. All the investments in foreign currencies are not hedged at this time. The investors are encouraged to ponder thoroughly and carefully the impact of fluctuations in the exchange rates in relation to their unique needs, goals and risk considerations.

¹ Based on 29 March 2019 NAV as reported to shareholders on 2 April 2019.

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Market: AIM, Borsa Italiana
Ticker: ALK
Country: Italy
Industry: Business Services
First investment date: July 2018
Transaction: Purchase of shares via blocks
Strategy: Active approach

SIGNIFICANT SHAREHOLDERS



¹ treasury shares

Source: Alkemy's website

THE CASE

Alkemy is the result of the combination of the experiences of its founders in corporate consulting, communication and advisory services in technological innovation.

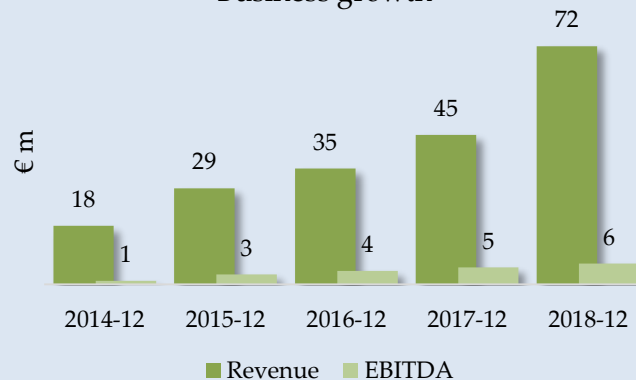
RATIONALE OF THE INVESTMENT

1. Double digit growth both through organic growth and aggressive M&A policy
2. High standing and cross-industry client base, with high loyalty and increasing share of wallet
3. Plan to move from AIM Italia to Star segment of the Italian main market of Borsa Italiana
4. Trading at a discount to peers and potential for a re-rating

RECENT DEVELOPMENTS

- Dec.18 Started the activities for the transition from AIM Italia to the Main Market, in the STAR Segment.
- Mar.19 Announced 2018 results with €71.6m sales (+67.7% growth year-on-year), €6.2m EBITDA (+58.5%) and €3.4m Net Income (+150%).

Business growth



Source: Alkemy's financial statements and market releases

Market: AIM, London Stock Exchange

Ticker: CORO

Country: UK

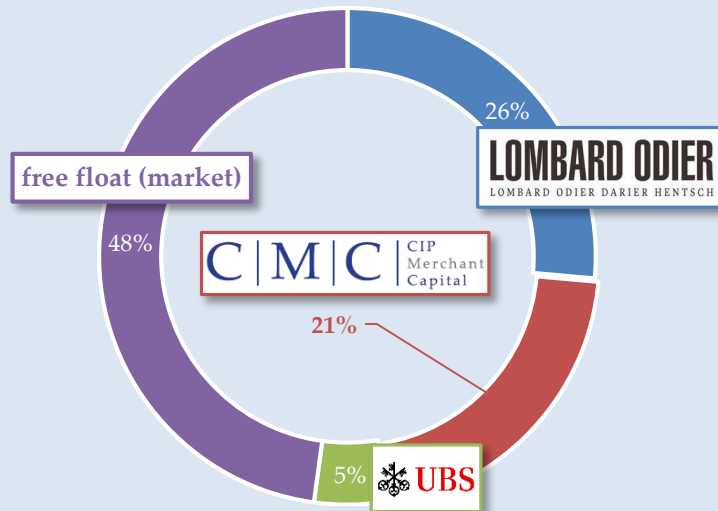
Industry: Oil & Gas

First investment date: January 2018

Transaction: Acquisition of c. 20% interest as part of strategic fundraise

Strategy: Active management with PE approach and seat on the Coro Board

SIGNIFICANT SHAREHOLDERS



Source: Coro's website

THE BUSINESS

Coro Energy plc is a pan Euro-Asian upstream oil and gas exploration and production company.

Full cycle E&P company, with 5 production licences in Italy & 6 exploration licences across Italy and Indonesia.

RATIONALE OF THE INVESTMENT

1. Operations in Italy constitute the foundation for an international expansion in South East Asia
2. Strategy of expansion in a geography with untapped resources
3. Target markets population growth trends will create shortages of gas production
4. CEO has track record of building and selling a portfolio of assets in South East Asia

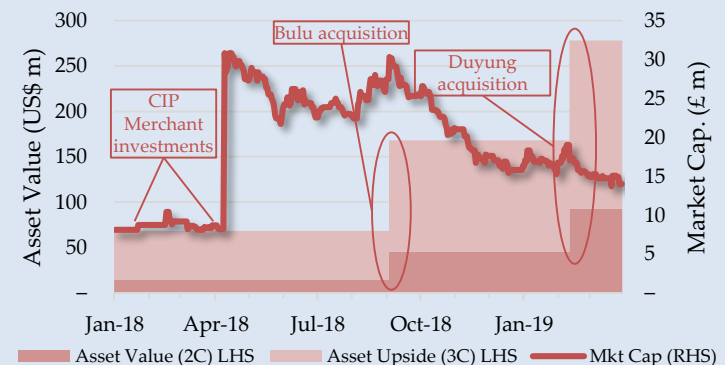
RECENT DEVELOPMENTS

Mar.18 Appointment of James Menzies as Chief Executive Officer.

Sept.18 Acquisition of 42,5% of Bulu PSC in Indonesia, with resources of 359Bcf (2C) + potential upside of 420 Bcf (3C) at low price (\$0,10/Mmbtu).

Feb.19 Acquisition of 15% of Duyung PSC in Indonesia, with resource of 276 Bcf (2C) + potential upside of 392 Bcf (3C)

Asset Value & Market Capitalisation growth

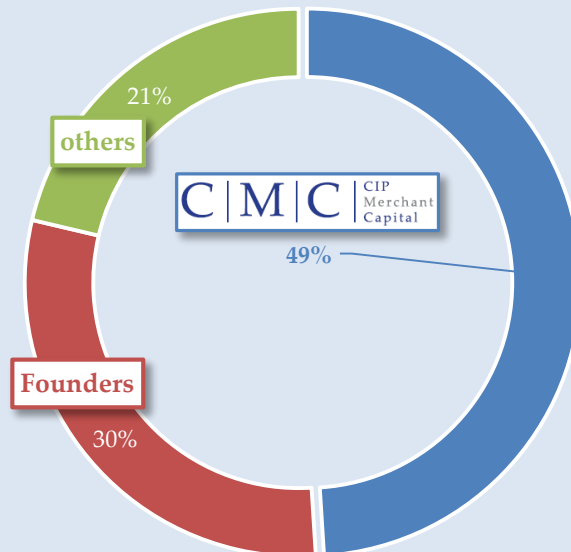


Source: Coro's website

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Market: private company
Ticker: (-)
Country: Italy
Industry: Healthcare
First investment date: December 2018
Transaction: Share capital increase + shareholder loan
Strategy: Active approach, Board seat

SIGNIFICANT SHAREHOLDERS



Source: company share register

THE CASE

Happy Friends seeks to disrupt the veterinary industry creating the first Italian chain of veterinary practices. Founded by two successful entrepreneurs with a significant track record in building and selling retail services, the last one being a dental practices chain sold to a leading European private equity fund in 2017.

RATIONALE OF THE INVESTMENT

1. Attractive market with structural growth due to increasingly smaller families and humanization of pets
2. Very fragmented market in Italy, while structurally concentrating industry in other European countries, including the UK
3. Strong Private Equity appetite within the sector

RECENT DEVELOPMENTS

- Dec.18 €6.1m investment by CIP Merchant completed.
- Mar.19 Business development on track, 2nd hospital work in progress and further locations under analysis.

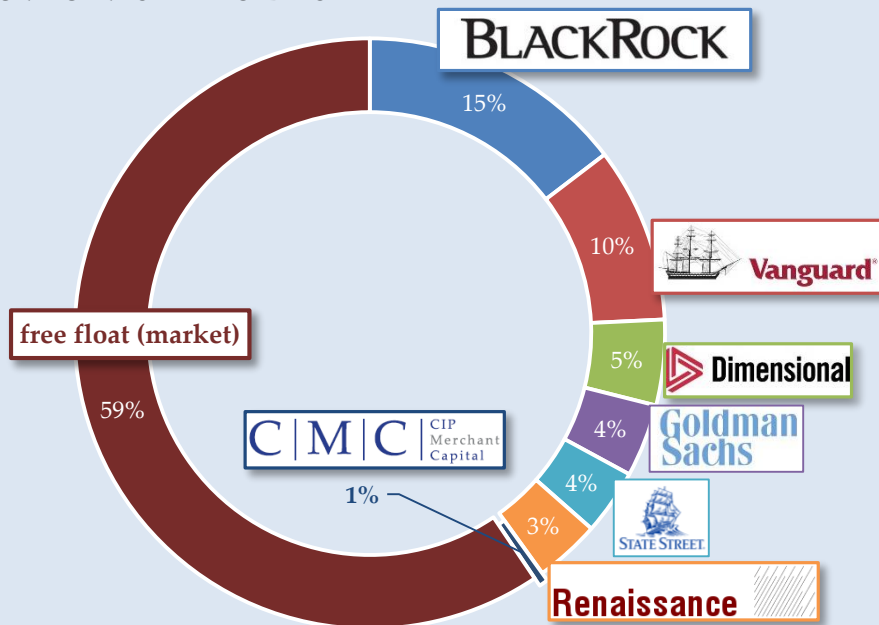


- Hospital – live
- Hospital – work in progress
- △ Clinics – work in progress
- Future geographic expansions

Source: Happy Friends

Market: NASDAQ
Ticker: OFIX
Country: United States of America
Industry: Healthcare
First investment date: July 2018
Transaction: Purchase of shares on the market
Strategy: Passive approach

SIGNIFICANT SHAREHOLDERS



Source: Bloomberg

THE CASE

Headquartered in Lewisville, Orthofix is a global medical device company focused on musculoskeletal healing products and value-added services.

KEY FINANCIAL METRICS

	USD M	2017A	2018A	2019 Guidance	
				Low	High
Revenue		433,8	453,0	472,0	477,0
Adjusted EBITDA		81,6	87,6	86,0	89,0
Net income cont. op.		6,2	13,8	18,9	21,7

Source: Orthofix's financial statements

RATIONALE OF THE INVESTMENT

1. Global company with growing sales and EBITDA
2. Market leading position in its niche
3. Healthy financial structure
4. Significant upside potential from
 - Accelerating top line
 - Margin expansion
 - Premium paid by larger players from the acquisition of the business units or in delisting process
 - Multiple alignment to industry

RECENT DEVELOPMENTS

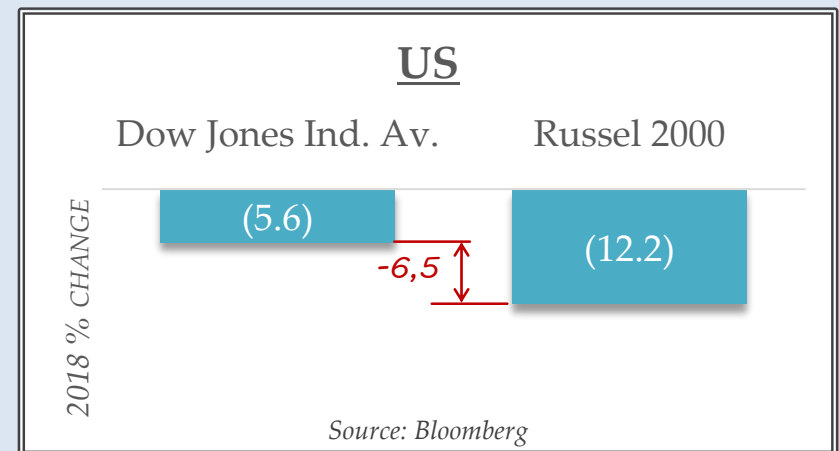
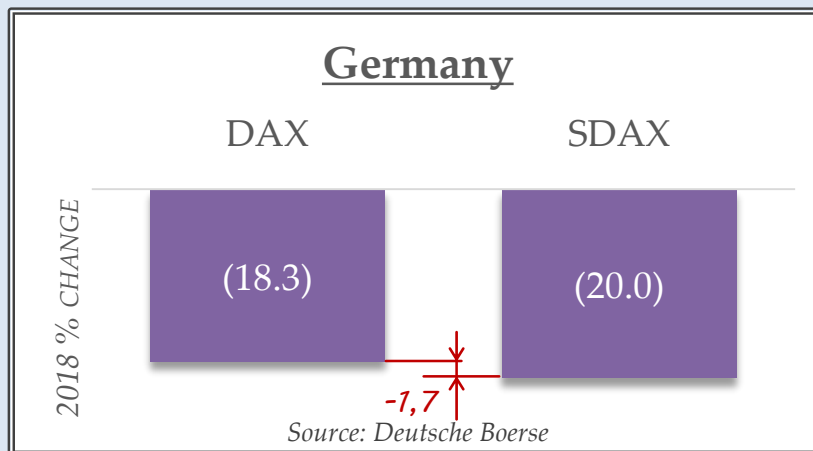
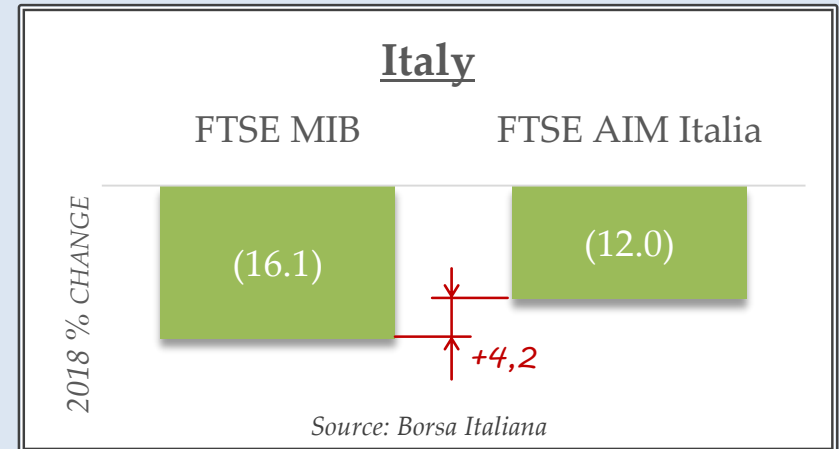
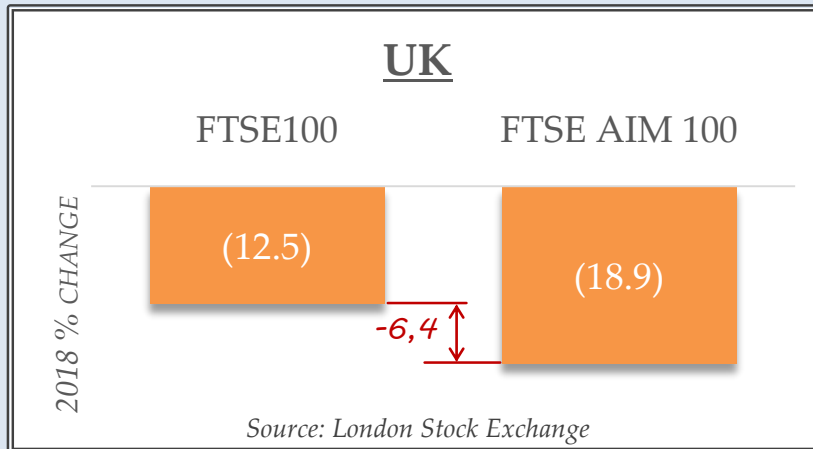
- Feb.19 Acquisition of Options Medical, a successful distributor for Orthofix Bone Growth Therapies devices for many years based in Florida.
- Feb.19 FDA Approval of the M6-C Artificial Cervical Disc to Treat Patients with Cervical Disc Degeneration.
- Feb.19 Announced fourth quarter 2018 results and guidance for 2019. **Expected double digit growth from 2020.**

Outlook

Public Markets

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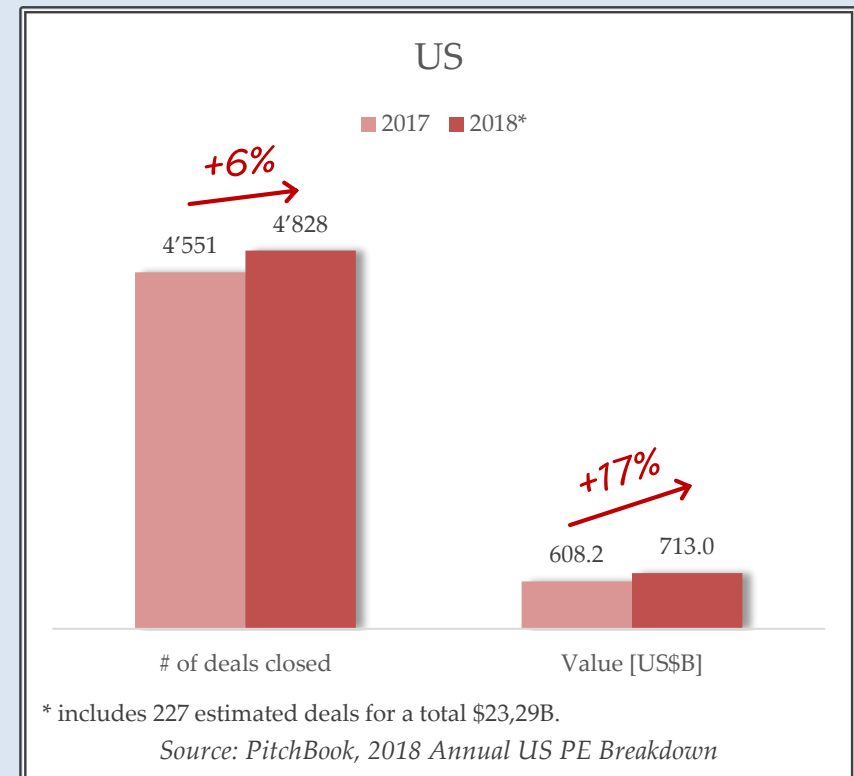
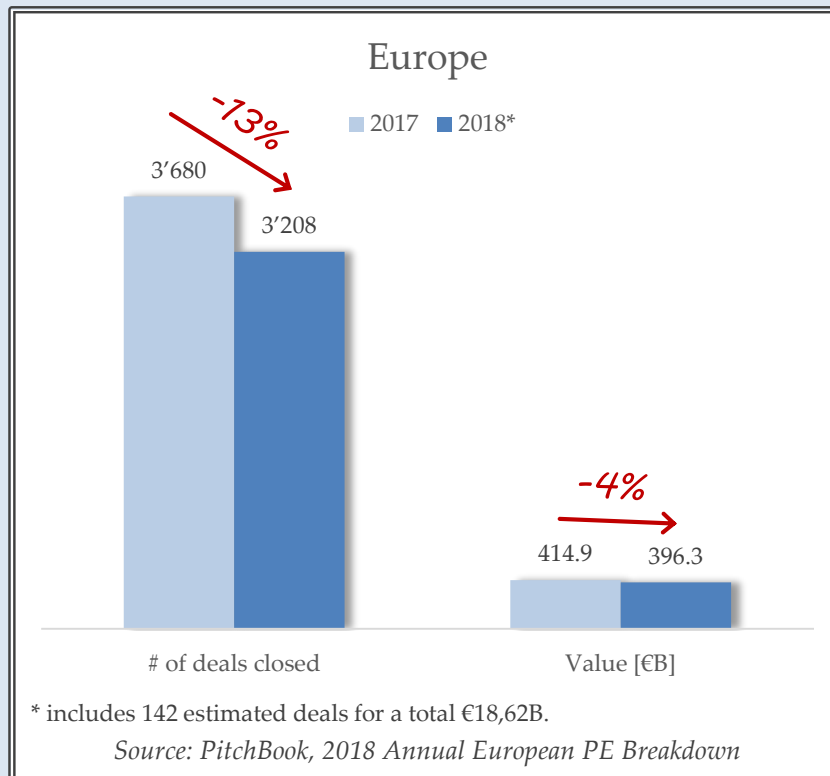
- In 2018, public markets have registered substantial losses across the countries on the two sides of the Pond.
- Hunting ground is at the smaller end of the market, which has mostly suffered wider losses than the blue-chip indexes.



Private Equity

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- As already signalled by the first half of the year 2018, European private market activity has slowed down in 2018 with the deal count reduced vis-à-vis 2017 by 13%. In terms of transaction value, the 2018 figure is down by 4% but still significant higher than 2016.
- The US private markets, coming from a strong 2016 and 2017, continue to show solid results in terms of both deal value and number of deal closed. 2018 closed with 4,828 transaction completed, up by 6% year over year and with the passing of the US\$700B threshold.



Appendix

1. Investment Objective and Policy
2. Investment Team
3. Notes to recipients

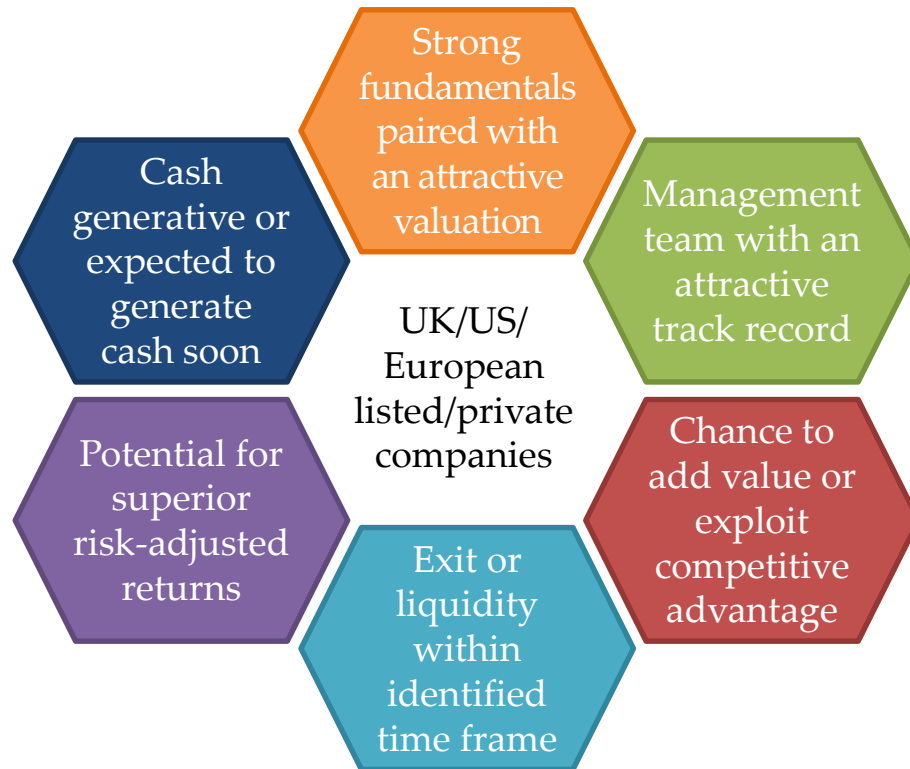
Investment Objective and Policy

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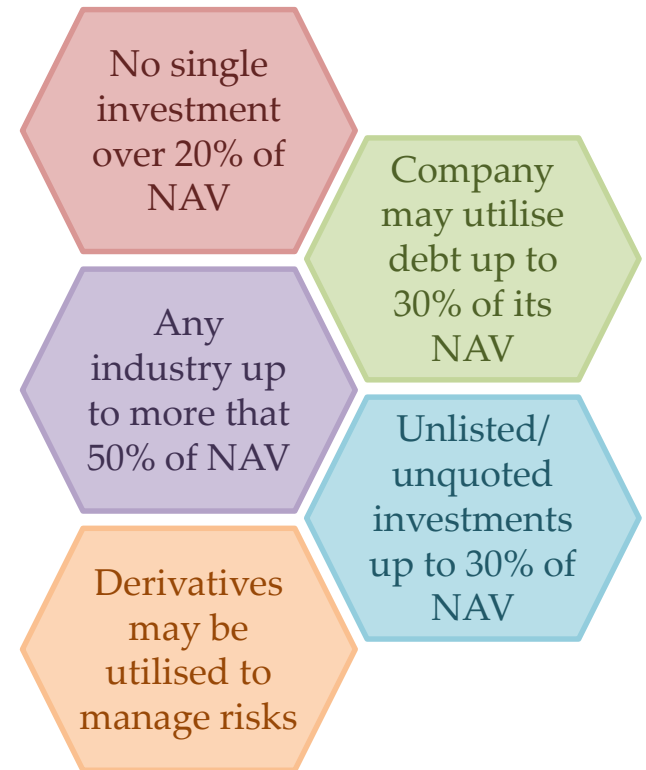
Investment Policy

Concentrated portfolio of 5 to 10 companies to be held between 12 and 60 months (investment to realisation).

The Company is seeking:



Investment Restrictions¹



¹ At the time of investment



CARLO SGARBI

Founding Partner of CIP

Non-Executive Director of CIP Merchant

Carlo has over 20 years' experience in investment banking with IMI Group, part of Intesa Sanpaolo, a leading Italian banking group, which included being appointed Global Head of Fixed Income and Derivatives, Co-Head of Global Markets Equities and Derivatives, where he was responsible for managing approximately 300 professionals specialised in different areas of market activities and risk. From 2007 to 2013, he was responsible for managing all investment activities within a Swiss family office. In 2013, he founded Continental Investment Partners ("CIP") and is a Managing Partner of CIP.



MARCELLO NESTA

Investment Manager of CIP

Board Member of Happy Friends

Marcello began his career at SAI Investimenti SGR, Real Estate investment manager of the Italian insurer UnipolSai. In 2011 he joined a financial advisory firm in Switzerland, where he advised small and middle enterprises in raising debt and equity capital as well as valued alternative investments. Marcello combines corporate finance skills with experience in alternative markets. Investment Manager at CIP since 2017, he focuses on CIP's Private Equity and Real Estate activities.



MARCO FUMAGALLI

Founding Partner of CIP

Non-Executive Director of CIP Merchant

Board Member of Coro Energy Plc

Marco has a significant transaction track-record as a Global Partner at the PE house 3i Group, with significant results in the management of investments in both private (eg, Giochi Preziosi, Coelsanus Preserves, Vis Pharmaceuticals, Newron) and listed companies (Biosearch Italy, Datamat Novuspharma). From 2010 to 2013 he was responsible for managing the private equity activities of a primary Swiss family office. Marco is a Founding Partner of CIP.



VALERIA GIRALDIN

Head of administration of CIP

Valeria has started her career in 90's in the accounting/administration departments of diverse multinational companies, in Italy and Switzerland. From 2003 to 2013 she was in charge of the administration activities for a major Swiss family office. Since October 2013, Valeria is in charge of CIP's accounting and administration activities.

Notes to recipients

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