

Longships

Description of Business

Longships has been formed for the purpose of investing in strategic and special situations and providing the opportunity of acquiring an unquoted company/(ies) or business(es) seeking a public quotation.

The Directors have established the Company with a view to offering Shareholders the opportunity to benefit from a focused special situation approach. Longships will seek to invest in companies for one of the following two reasons: either the investment will hold strategic value, or it will represent a strong value opportunity given the various special situation characteristics.

The Directors plan to invest in specific companies rather than seeking to pursue a sector based investment strategy. However the Directors believe that certain sectors such as healthcare and technology are likely to prove attractive, whilst the natural resource sector may also provide selective opportunities. The Directors will maintain a flexible, unrestricted, approach towards future investments, series of investments or acquisitions within a specific business sector will also be considered.

The Directors are experienced in both the private equity investment markets and public stock markets. Each of the Directors serves or has served on the boards of a number of publicly quoted companies. In addition, the Board has considerable fund management and financial and taxation expertise. The Directors intend using these skills to assess the financial and business merits of a transaction, augmenting their research with the help of a network of contacts and advisers.

Geographically, the Directors expect that investee businesses will typically be located in the European Union, although they would not exclude investments in other geographic areas if such investments made sound investment or strategic sense or filled a gap in the Company's portfolio. The target candidates for investment using the strategic and special situation policy are likely to fall into the following categories: take-overs, mergers and acquisitions; turnaround and corporate recovery situations; candidates for reverse transactions into quoted 'shells'; management buy-outs or buy-ins; corporate divestments and spin offs; pre-IPO, seed and underwriting positions and acquisitions of unquoted business. The Directors intend to spread the risk associated with investments in smaller companies by not investing more than 20% of the Company's net assets, or £600,000, whichever is the greater, in any one investee company.

The Company intends to be an active investor, and will seek to realise its investments within a comparatively short timescale (currently anticipated to be between 24 and 36 months from admission.. The Company may exist for 18 months prior to making an investment. After that period the directors will convene a general meeting of the Company for the purpose of considering whether to be wound up or continue to pursue an agreed investing strategy.

Person(s) interested

Before Admission: LB (Swiss) Private Bank Limited 33.42%

Nidham Holdings Limited 33.92%

Kaylan Holdings Limited 13.12%

Arlington Special Situations Limited 5.45%

Needles Fairway SSAS 4.95%

Charles Cannon-Brookes 4.95%

After Admission: TBD