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## Public Tender Offer

by

**GP Swiss Ltd., Zug, Switzerland**

**for all publicly held registered shares  
with a nominal value of CHF 10.00 each**

of

**Spice Private Equity Ltd, Zug, Switzerland**

(the "**Offer**")

**Offer Price:** GP Swiss Ltd. (the "**Offeror**" or "**GP**") offers USD 16.25 net in cash ("**Offer Price**") per registered share of Spice Private Equity Ltd ("**Spice**" or "**Company**") with a nominal value of CHF 10.00 each (each a "**Spice Share**", all together "**Spice Shares**").

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Spice Shares prior to the consummation of the Offer, as set forth in section B.3.2.

The implementation of the share capital reduction as resolved by the AGM on 25 May 2022 (as further described in section E.1 ("*Name, Registered Office, Share Capital, Main Business Activities and Annual Report*")) does not constitute an adjustment event and shall not have an impact on the Offer Price.

**Offer Period:** From 29 July 2022 to 26 August 2022, 4 p.m. Swiss time (subject to extension of the Offer Period).

**Offer Manager:** Helvetische Bank, 8008 Zurich, Switzerland

| Spice Private Equity Ltd | Swiss securities number | ISIN         | Ticker symbol |
|--------------------------|-------------------------|--------------|---------------|
| Spice Shares             | 915 331                 | CH0009153310 | SPCE          |

Offer Prospectus dated 14 July 2022 ("**Offer Prospectus**")

## Offer Restrictions

### 1. General

The Offer described in this Offer Prospectus will not be made, directly or indirectly, in any country or jurisdiction in which it would be illegal or otherwise violate any applicable laws or regulations, or which would require the Offeror to change or amend the terms or conditions of the Offer in any way, or to submit any additional filing to, or to perform any additional action in relation to, any governmental, regulatory or other authority. It is not intended to extend the Offer to any such country or jurisdiction. Any documents relating to the Offer must not be distributed in or sent to any such country or jurisdiction and must not be used for the purpose of soliciting the sale or purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction.

Shareholders of Spice should review the Offer Prospectus and all other Offer documents carefully. The Offer may not be accepted before the expiration of a cooling-off period of ten (10) trading days (if not extended by the swiss takeover board), which will run from 15 July 2022.

According to the laws of Switzerland, Spice Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for Spice Shares is launched.

### 2. United States of America

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Spice Shares may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) (each a "**U.S. person**"). Accordingly, copies of documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees, trustees, fiduciaries or intermediaries) in or into the United States and the Spice Shares cannot be tendered in the Offer by any such use, means, instrumentality or facility or from or within or by or to any persons located or resident in the United States or to U.S. persons. Any purported tender of Spice Shares in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Spice Shares made by a person located or resident in the United States or by a U.S. person, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal that is participating or giving instructions to participate in the Offer from within the United States or for a U.S. person will be invalid

and will not be accepted (and should not be accepted by any custodian, nominee, trustee, fiduciary or intermediary holding Spice Shares for any such person).

Each holder of Spice Shares participating in the Offer will, by participating in the Offer, represent that it is either (a) not a U.S. person and it is not located or resident in the United States and is not participating in the Offer from the United States, or (b) acting on a non-discretionary basis for a principal that is located outside the United States and is not a U.S. person and such principal is participating and giving instructions to participate in the Offer from outside the United States.

As used herein, the "**United States**" or the "**U.S.**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### **3. United Kingdom**

The communication about the Offer is not being made by, and has not been approved by, an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000, as amended. In the United Kingdom, this communication and any other offer documents relating to the Offer is/will be directed only at persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, "**Order**"), (ii) falling within article 49(2)(a) to (d) 10/11 ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Accordingly, this communication is not being distributed to, and must not be passed on to, the general public in the United Kingdom. No communication in respect of the Offer must be acted on or relied on in the United Kingdom by persons who are not relevant persons. The Offer, any investment or investment activity to which this communication relates is / will be available only in the United Kingdom to relevant persons and will be engaged in only with relevant persons.

### **4. Australia, Canada and Japan**

The Offer will not be addressed to shareholders of the Company whose place of residence, seat or habitual abode is in Australia, Canada, or Japan, and such shareholders may not accept the Offer.

### **5. Forward-Looking Statements**

This Offer Prospectus contains statements that are, or may be deemed to be, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "aims", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "should" or similar terminology. These forward-looking statements

include or describe matters that are not historical facts or which may not otherwise be provable by reference to past events. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and/or depend on circumstances that may or may not occur in the future.

## **A. Background of the Offer**

Spice is a Swiss stock corporation (*Aktiengesellschaft*) with its registered office in Zug, Switzerland, and whose shares are listed on the SIX Swiss Exchange ("**SIX**") (securities number: 915 331; ISIN: CH0009153310; ticker symbol: SPCE). The Spice Shares are traded in U.S. Dollars ("**USD**").

The Offeror is a Swiss stock corporation (*Aktiengesellschaft*) with its registered office in Zug, Switzerland, and is indirectly held by GP Investments Ltd., a Bermuda exempted company with registered office in Hamilton, Bermuda ("**GP Investments**"; and together with its subsidiaries, each a "**Subsidiary**"; excluding Spice and its direct and indirect Subsidiaries, "**GP Group**").

As of the date of this Offer Prospectus, the Offeror, together with any person acting in concert with GP Investments (as further described in section C.3 ("*Persons Acting in Concert with Offeror*"), namely GP Cash Management, Ltd., Bahamas, ("**GP Cash Management**") (however, excluding Spice and its direct and indirect Subsidiaries), owns a total of 3,521,360 Spice Shares, corresponding to 65.69% of Spice's voting rights and share capital. At the same time, the Company holds 536,061 Spice Shares (corresponding to 10.00% of its share capital) ("**Treasury Spice Shares**"). Following the implementation of the capital reduction as resolved by the annual general meeting of the Company on 25 May 2022 ("**AGM**") (as further described in section E.1 ("*Name, Registered Office, Share Capital, Main Business Activities and Annual Report*")), the shareholding of GP in the Company will increase to 72.99% of the Company's share capital and voting rights.

On 1 June 2022, the Offeror entered into a transaction agreement with the Company ("**Transaction Agreement**"). Under the terms of the Transaction Agreement, the Offeror agreed to launch the Offer. On the same day, the board of directors of the Company, acting through its independent members, unanimously resolved to recommend that shareholders of the Company accept the Offer.

Based on the high demand from shareholders with respect to past buybacks by the Company at a fixed price, despite the discount of the offer price to net asset value ("**NAV**"), and considering that every additional buyback would (i) allow for a smaller buyback volume due to regulatory restrictions, and (ii) further reduce the free float and hamper liquidity of remaining shareholders accordingly, while associated with substantial costs of being public, the Offeror (supported by the board of directors of the Company) aims at offering all remaining shareholders the possibility to generate liquidity and an exit for current shareholders above actual market price.

GP Investments offers all remaining minority shareholders the possibility to tender their shares at a premium to the volume weighted market price (as further described in section B.3.5 ("*Premium*")) and exit a more and more illiquid investment. The Offer allows the Spice shareholders to exit their investment in the Company at a price that is in the range assessed as fair by the independent fairness opinion provider mandated by Spice.

## **B. The Offer**

### **1. Pre-Announcement**

On 2 June 2022, GP published a pre-announcement ("**Pre-Announcement**") of the Offer in accordance with Art. 5 et seq. of the Ordinance of the Swiss Takeover Board on Public Takeover Offers (*Verordnung der Übernahmekommission über öffentliche Kaufangebote*; "**Takeover Ordinance**"). The Pre-Announcement was published in English, German and French on a designated offer website of the Offeror (<https://gp-investments-transactions.com/>) and on the website of the Swiss Takeover Board ("**TOB**"), and was otherwise distributed in accordance with the Takeover Ordinance.

### **2. Object of the Offer**

The Offer will extend to all publicly held Spice Shares except as set forth below and subject to the Offer Restrictions set forth above.

The Offer will not extend to Spice Shares held by any direct or indirect Subsidiary of GP Investments (including Treasury Spice Shares held by Spice or Spice Shares held by the Offeror and GP Cash Management).

Therefore, the Offer relates to a maximum of 1,303,196 Spice Shares as calculated as of the day prior to the publication of this Offer Prospectus as follows:

|  |                  |
|--|------------------|
| Issued Spice Shares as of 13 July 2022   | 5,360,617        |
| Spice Shares held by any Subsidiary of GP Investments (excluding the Treasury Spice Shares held by Spice) as of 13 July 2022 | 3,521,360        |
| Spice Shares held by Spice as of 13 July 2022 and to be canceled according to the resolution of the AGM on 25 May 2022       | 536,061          |
| <b>Number of Spice Shares to which the Offer relates</b>   | <b>1,303,196</b> |

### **3. Offer Price**

#### **3.1 Offer Price for each Spice Share**

The Offer Price for each Spice Share is USD 16.25 net in cash.

#### **3.2 Dilutive Effects**

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Spice Shares prior to Settlement ("**Settlement**"; the date on which the Settlement occurs, "**Settlement Date**"), including dividend payments, demergers, spin-offs, capital increases and the sale of the Treasury Spice Shares at an issuance or sales price per Spice Share below the Offer Price, the purchase of Spice Shares by Spice at a price above the Offer Price, the issuance of options or other rights for the acquisition of Spice Shares and repayment of capital in any form.

The implementation of the share capital reduction as resolved by the AGM on 25 May 2022 (as further described in section E.1 ("*Name, Registered Office, Share Capital, Main Business Activities and Annual Report*")) does not constitute an adjustment event and shall not have an impact on the Offer Price.

#### **3.3 No Application of Minimum Price Rules**

Pursuant to Art. 135 para. 2 lit. a of the Financial Market Infrastructure Act (*Bundesgesetz über die Finanzmarktinfrastrukturen und das Marktverhalten im Effekten- und Derivatehandel*; "**FMIA**") in connection with Art. 42 para. 2 of the FINMA Financial Market Infrastructure Ordinance ("**FMIO-FINMA**"), the price offered must be at least as high as the higher of the following two amounts: (i) the stock exchange price, and (ii) the highest price that the offeror has paid for equity securities of the target company in the preceding twelve (12) months. The stock exchange price pursuant to Art. 135 para. 2 FMIA corresponds to the volume-weighted average price of the on-order-book trades of the last sixty (60) trading days prior to the publication of the offer or to the pre-announcement. These minimum price rules under takeover law only apply in the case of a change of control offer (Art. 9 para. 6 Takeover Ordinance).

The minimum price rules according to Swiss takeover law do not apply to the Offer, as the Offer is not considered a change of control offer within the meaning of Art. 9 para. 6 Takeover Ordinance (and is neither considered a mandatory offer within the meaning of Art. 135 FMIA). Consequently, pursuant to Art. 9 para 5 Takeover Ordinance, the Offeror is allowed to determine the Offer Price without restrictions.

#### **3.4 No Valuation of Spice Shares**

The Spice Shares are deemed to be illiquid pursuant to the TOB Circular No. 2: Liquidity in the context of Takeover Law. Given that the minimum price rules according to Swiss takeover law do not apply to

the Offer (the Offer is not considered a mandatory offer within the meaning of Art. 135 FMIA nor a change of control offer within the meaning of Art. 9 para. 6 Takeover Ordinance) the Spice Shares do not have to be valued.

### 3.5 Premium

The volume-weighted average price of all on-exchange transactions in Spice Shares on the SIX during the last sixty (60) SIX trading days (each a "**Trading Day**") prior to the publication of the Pre-Announcement amounted to USD 15.1086 ("**VWAP Price**"). Therefore, the Offer Price implies a premium of 7.6% (rounded) to the VWAP Price.

### 3.6 Historical Price Trend

Historical price trend of Spice Shares since 2018:

|       | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022**</b> |
|-------|-------------|-------------|-------------|-------------|---------------|
| High* | 29.40       | 23.20       | 18.90       | 17.30       | 16.30         |
| Low*  | 21.80       | 19.10       | 8.40        | 8.40        | 13.40         |

\* Daily closing price in USD

\*\* From 1 January until 1 June 2022 (the last Trading Day prior to the Pre-Announcement)

Source: Bloomberg

### 3.7 NAV Discount

Spice's total NAV reached USD 155.9 million at year-end 2021, compared to USD 125.6 million at year-end 2020, mainly driven by realized changes in the fair market value of its portfolio. Spice's NAV per share reached USD 31.0 at the end of 2021, compared to USD 23.5 on 31 December 2020, also impacted by the share buyback performed during the fourth quarter. Spice's share price increased from USD 9.5 on 31 December 2020 to USD 15.7 at the end of December 2021.

In recent years the Spice Shares have traded with a discount to the NAV. At the end of 2021, the discount to the NAV was of 49%.

## 4. Cooling-off Period

A cooling-off period of ten (10) Trading Days will run after the publication of this Offer Prospectus ("**Cooling-off Period**"), if not extended by the TOB, i.e., from 15 July 2022 to 28 July 2022. The Offer may be accepted only after the expiration of the Cooling-off Period.

## 5. Offer Period

After expiration of the Cooling-off Period of ten (10) Trading Days, if not extended by the TOB, the Offer will remain open for a period of at least twenty (20) Trading Days ("**Offer Period**"). The Offer Period is expected to commence on 29 July 2022 and to end on 26 August 2022, 4:00 p.m. Swiss time.

The Offeror reserves the right to extend the Offer Period once or several times to a maximum of forty (40) Trading Days or, with the approval of the TOB, beyond forty (40) Trading Days. In case of an extension, the commencement of the additional acceptance period will be deferred accordingly.

## 6. Additional Acceptance Period

In case the Offer is declared successful (*zustande gekommen*), after expiration of the (possibly extended) Offer Period, the Offer will remain open for acceptance for an additional ten (10) Trading Days ("**Additional Acceptance Period**"). In the event the Cooling-off Period is not extended by the TOB and the Offer Period is not extended, the Additional Acceptance Period is expected to commence on 2 September 2022 and to end at 4:00 p.m Swiss time on 15 September 2022.

## 7. Offer Conditions, Waiver of Offer Conditions and Period for which the Offer Conditions are in Force and Effect

### 7.1 Offer Conditions

The Offer is expected to be subject to the following conditions ("**Offer Conditions**"):

- a) Minimum Acceptance Rate: By the end of the (possibly extended) Offer Period, the Offeror shall have received valid and irrevocable declarations of acceptance for such a number of Spice Shares which, when combined with the Spice Shares held by the Offeror and the persons acting in concert with the Offeror at the end of the (possibly extended) Offer Period, account for at least 90% of all Spice Shares issued at the end of the (possibly extended) Offer Period.
- b) No Injunction or Prohibition: No judgment, arbitration award, decision, order or authoritative measure shall have been issued by any competent court or governmental authority which temporarily or permanently, wholly or partially, prevents, prohibits or declares illegal the Offer, its acceptance, its Settlement or the acquisition of Spice Shares by the Offeror.

### 7.2 Waiver of Offer Conditions

Subject to applicable law, the Offeror reserves the right to waive the Offer Conditions set forth above in full or in part.

### **7.3 Period for which the Offer Conditions are in Force and Effect and Deferral**

The Offer Condition according to section B.7.1a) shall be in force and effect until the end of the (possibly extended) Offer Period. The Offer Condition according to section B.7.1b) shall be in force and effect until the Settlement.

In the event that the Offer Condition according to section B.7.1a) has not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offeror shall be entitled to declare the Offer as unsuccessful. In the event that the Offer Condition according to section B.7.1b) has not been satisfied or waived by the Settlement, the Offeror shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four (4) months after the expiration of the Additional Acceptance Period (any such postponement, "**Postponement**").

During the Postponement, the Offer shall continue to be subject to the Offer Condition according to section B.7.1b), as long as, and to the extent, such condition has not been satisfied or waived. Unless the Offeror applies for, and the TOB approves, an additional postponement of the Settlement, the Offeror will declare the Offer unsuccessful if such condition has not been satisfied or waived during the Postponement.

## **C. Information Regarding the Offeror and the GP Group**

### **1. Name, Registered Office, Capital, Main Business Activities and Annual Report**

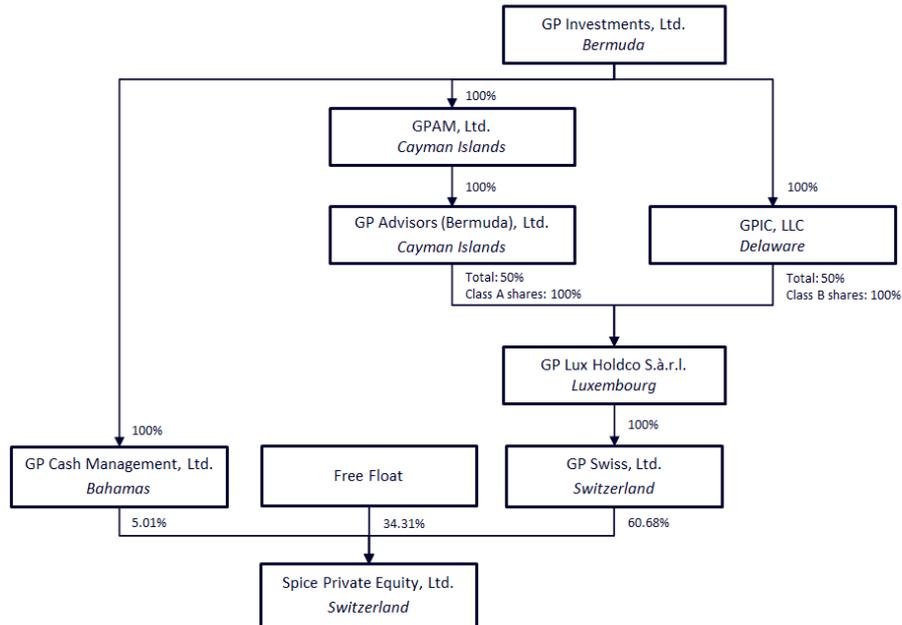
The Offeror is a Swiss stock corporation (*Aktiengesellschaft*) with its registered office in Zug, Switzerland. The share capital of the Offeror registered with the commercial register is CHF 3,200,000.00 divided into 320,000,000 transfer-restricted registered shares with a nominal value of CHF 0.01 each. The main business activity of the Offeror is to hold participations in other companies in Switzerland and abroad.

The Offeror is indirectly held by GP Investments, a Bermuda exempted company with registered office in Hamilton, Bermuda, and whose shares are listed on the Luxembourg Stock Exchange and whose Class A shares are traded on B3 S.A. - Brasil, Bolsa, Balcão ("**B3**") in the form of Brazilian Depositary Receipts ("**BDRs**"). GP Investments is focusing on direct investments and private equity fund management.

As a private company, the Offeror has never published its annual reports. However, the annual report of GP Investments, including the consolidated financial statements, for the business year ending on 31 December 2021 and the financial results for the business quarter ending on 31 March 2022, are available on the website of GP Investments in Portuguese and English language, respectively at <http://www.gp-investments.com/financial-reports/>.

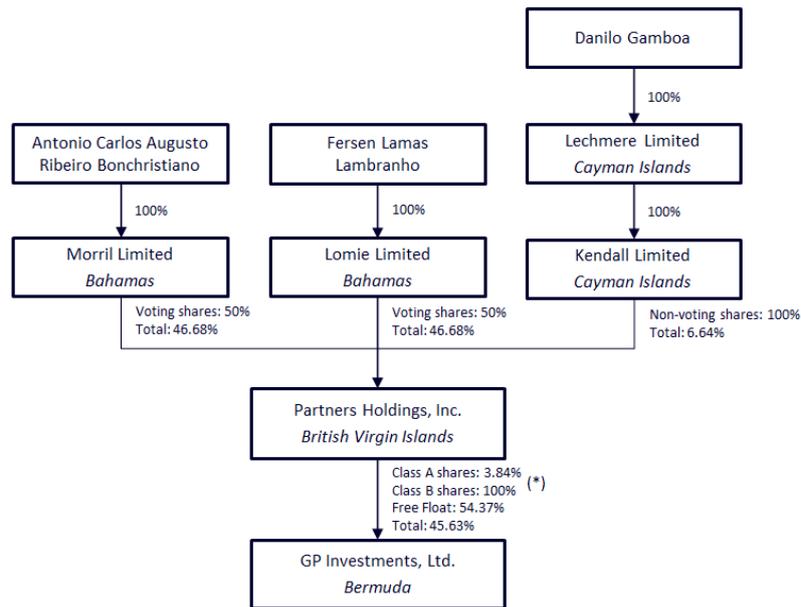
## 2. Significant Shareholders of the Offeror

As already mentioned the Offeror is indirectly held by GP Investments, through a chain of fully controlled companies (i.e. GP Cash Management Ltd.; GP Swiss Ltd.; GPIC, LLC; GP Advisors (Bermuda), Ltd.; and GPAM, Ltd.), such chain being illustrated in the below structure chart.



Note: Class A shares and Class B shares have the same voting rights, but different economic rights.

The largest shareholder of GP Investments is Partners Holdings, Inc. with 45.63% of the voting rights, the remainder of the shares being in free float. Partners Holdings, Inc. is indirectly held by Fersen Lamas Lambranh and Antonio Carlos Augusto Riberio Bonchristiano holding 50% of the voting rights and 46.68% of the capital each and minority shareholder Danilo Gamboa holding 100% of non-voting shares and 6.64% of the capital, as illustrated in the below structure chart.



(\*) Class A shares = restricted voting rights / Class B shares = voting rights

### 3. Persons Acting in Concert with Offeror

In the context of the Offer, GP Investments and all companies directly or indirectly controlled by GP Investments as well as the companies controlling GP Investments and their shareholders (i.e. Fersen Lamas Lambranh, Antonio Carlos Augusto Riberio Bonchristiano, Morril Limited, Lomie Limited and Partners Holdings, Inc., as well as any other companies controlled by Fersen Lamas Lambranh and Antonio Carlos Augusto Riberio Bonchristiano) are deemed to be acting in concert in the sense of Art. 11 para. 1 Takeover Ordinance with the Offeror. This includes in particular Spice and all companies directly or indirectly controlled by Spice.

### 4. Participation in Spice

As of the day prior to the publication of this Offer Prospectus, the Offeror, together with the persons acting in concert with the Offeror (but without Spice), holds a total of 3,521,360 Spice Shares, constituting 65.69% of the share capital and the voting rights of the Company.

Following the implementation of the capital reduction as resolved by the AGM (as further described in section E.1 ("Name, Registered Office, Share Capital, Main Business Activities and Annual Report")), the shareholding of the GP Group in the Company will increase to 72.99% of the Company's share capital and voting rights.

## **5. Purchases and Sales of Equity Securities in Spice**

During the 12-month period preceding the date of the Pre-Announcement, the Offeror and the persons acting in concert with it (excluding Spice and its direct and indirect Subsidiaries) purchased 116,467 Spice Shares with purchase prices between USD 14.95 and USD 16.00.

During the 12-month period preceding the date of the Pre-Announcement, Spice repurchased 511,654 Spice Shares. In a first buyback program running between 30 November 2021 and 13 December 2021 Spice repurchased 308,858 Spice Shares at a fixed purchase price of USD 17.00 per share. In a second buyback running between 10 February 2022 and 23 February 2022 Spice repurchased 202,796 Spice Shares at a fixed purchase price of USD 15.50 per share. Other than that, Spice and its direct and indirect Subsidiaries did not purchase any Spice Shares during the 12-month period preceding the date of the Pre-Announcement.

Following the date of the Pre-Announcement, the Offeror and the persons acting in concert with it (including Spice and its direct and indirect Subsidiaries) did not purchase or sell any Spice Shares or execute other transactions in financial instruments relating to Spice Shares.

### **D. Financing of the Offer**

The Offeror will finance the Offer with own available funds of the GP Group.

### **E. Information Regarding Spice (Company)**

#### **1. Name, Registered Office, Share Capital, Main Business Activities and Annual Report**

The Company is a Swiss stock corporation (*Aktiengesellschaft*) with registered office at c/o RA Peter Hodel, Industriestrasse 13C, 6302 Zug, Switzerland. The share capital registered with the commercial register as of the day prior to the publication of this Offer Prospectus amounts to CHF 53,606,170.00 and is divided into 5,360,617 registered shares with a nominal value of CHF 10.00 each that are listed on the SIX (ISIN CH0009153310).

Furthermore, the Company has a conditional share capital of CHF 26,803,080.00 divided into 2,680,308 registered shares with a par value of CHF 10.00 each (Art. 4c of the articles of association of the Company as of 25 May 2022), and an authorized share capital of CHF 24,122,780.00 divided into 2,412,278 registered shares with a par value of CHF 10.00 each (Art. 4b of the articles of association of the Company as of 25 May 2022).

On 25 May 2022 the AGM resolved on a share capital reduction from CHF 53,606,170.00 to CHF 48,245,560.00 by cancelling 536,061 Treasury Spice Shares (of which 511,654 repurchased in the above-mentioned buyback programs of 2021 and 2022). The share capital reduction is currently

being implemented and the conditional share capital will be reduced to CHF 24,122,780.00 to take into account the reduced share capital as of its implementation.

The Company's main corporate purpose is the acquisition, management and sale of participations in domestic and foreign companies in the private equity sector or in such companies which have specialized in investments in this sector as well as the associated management of liquid funds.

The annual report of the Company for the financial year ended 31 December 2021 as well as the interim report as of 31 March 2022 are available on the website of Spice at <http://www.spice-private-equity.com/investors/financial-reports/>.

## **2. Opting Out**

Spice has had, since the first listing of its shares at SIX, a valid opting-out provision in Art. 23 of its articles of association. Therefore, an offeror is not bound by the obligation to make an offer to acquire all listed equity securities of the company pursuant to Art. 135 and 163 FMIA.

## **3. Intentions of the Offeror with Respect to Spice**

The Offeror is, with this Offer, seeking full control (100% of the share capital and the voting rights) of Spice. The Offeror submits the Offer to the remaining shareholders with the intention to have the Company delisted following a successful Settlement of the Offer. The Offer allows the Spice shareholders to exit their investment.

If the Offeror and the parties acting in concert with the Offeror hold more than 98% of the voting rights in Spice after the Settlement, the Offeror intends to request the cancellation of the remaining publicly held Spice Shares in accordance with Art. 137 FMIA.

If the Offeror and the parties acting in concert with the Offeror hold between 90% and 98% of the voting rights in Spice after the Settlement, the Offeror intends to merge Spice with the Offeror or a Swiss company directly or indirectly controlled by the Offeror in accordance with Art. 8 para. 2 and Art. 18 para. 5 of the Swiss Merger Act, whereby the remaining public holders of Spice Shares would be compensated in cash or otherwise and not receive any shares in the surviving company. The Swiss tax consequences resulting from a squeeze-out merger with a cash-only consideration may be considerably worse for individuals who are resident in Switzerland for tax purposes and who hold the Spice Shares as their private assets (*Privatvermögen*) as well as for foreign investors, compared to the tax consequences of an acceptance of the Offer (see section J.5.4 ("*Swiss Tax Consequences for Holders who do Not Tender their Spice Shares in the Offer*").

After Settlement, as soon as possible, and in compliance with the legal requirements applying to Spice, the Offeror intends to have Spice submit an application to SIX Exchange Regulation for the delisting of

the Spice Shares in accordance with the listing rules of SIX and for an exemption from certain disclosure and publicity obligations under the listing rules of SIX until the date of delisting of the Spice Shares.

#### **4. Agreements between the Offeror and Spice, its Directors, Officers and Shareholders**

##### **4.1 Confidentiality Agreement**

In the course of their negotiations, the Offeror and Spice entered into a customary confidentiality agreement.

##### **4.2 Transaction Agreement**

On 1 June 2022, the Offeror and Spice (acting through its independent board members) entered into the Transaction Agreement, which had been unanimously approved by Spice's board of directors. The following is a summary of certain main terms of the Transaction Agreement (and as such is not intended to construe, modify or in any way limit the terms of the Transaction Agreement):

- The Offeror agreed to make this Offer, and Spice and its board of directors, represented by its independent members, respectively, agreed to unanimously support the Offer and to recommend to Spice's shareholders the acceptance of the Offer, among other things, by way of its recommendation contained in the board report included in section G ("*Report of the Board of Directors of Spice Pursuant to Article 132 FMIA*").
- Spice undertook not to support or recommend any proposal for a competing offer or withdraw its recommendation for this Offer, except under certain conditions with respect to unsolicited third party proposals or offers that Spice's board of directors has determined to be superior to this Offer. Spice also agreed to provide the Offeror with information with respect to unsolicited third party proposals or offers and granted the Offeror a matching right with regard to any superior third-party offer.
- Spice agreed to use its reasonable best efforts to procure that its shareholders, including all members of Spice's board of directors, will tender their Spice Shares into the Offer.
- Spice agreed to promptly register the Offeror and/or any of its affiliates in Spice's share register as shareholders with voting rights with respect to all Spice Shares that the Offeror or any of its affiliates have acquired or may acquire in the Offer or otherwise as of the Settlement.
- Spice agreed to and agreed to procure that no Treasury Spice Shares are tendered into the Offer and no Treasury Spice Shares are disposed of, whereas the implementation of the capital decrease approved by the AGM remains reserved.

- Spice agreed to continue to operate its business as a going concern, in the ordinary course of business consistent with past practice and current budget and business plans and in compliance with all applicable legal requirements relating to the Offer.
- Spice agreed to commission a fairness opinion confirming that the Offer is fair from a financial perspective, and to procure that such opinion be published as an integral part of and concurrently with the board report.
- Spice agreed to inform the Offeror if the Company becomes aware of a third party having the firm intention of preparing or pursuing a competing transaction.
- The parties have entered into customary undertakings to pursue the satisfaction of the Offer Conditions.
- Spice agreed, at all times from the date of execution of the Transaction Agreement until the earlier of (i) the day falling six (6) months after the end of the Additional Acceptance Period, and (ii) the termination of the Transaction Agreement, to comply, and to procure that all of its Subsidiaries comply, with the obligations set forth in Art. 12 para. 1 Takeover Ordinance, including without limitation to refrain, and to procure that all of its Subsidiaries refrain, from doing anything that would trigger the best price rule pursuant to Art. 12 para. 1 (b) and 10 Takeover Ordinance.
- The Offeror has confirmed that, at signing of the Transaction Agreement, it has no intention to make any changes to the composition of the board of directors of Spice after Settlement.
- The Offeror agreed that after the Settlement and subject to any wilful, fraudulent or grossly negligent acts or omissions or actions taken in contravention of, or that are otherwise inconsistent with the Transaction Agreement the Offeror shall grant discharge to each current member of the board of directors of Spice at the relevant next ordinary shareholders' meeting for their term of office until the Settlement.
- The Offeror further agreed to directly or indirectly refrain from making and enforcing any claim against, and to release and discharge from any claim each of the current members of the Company's board of directors for damages which the Company has or may have out of any matter, cause or event occurring on or before the Settlement, subject to any willful or grossly negligent acts or omissions of a member of the board of directors of Spice.
- Spice agreed to support the Offer and to cooperate with the Offeror in relation to the execution and completion of the Offer, including with respect to a potential squeeze-out of remaining public shareholders and the delisting of the Spice Shares from the SIX, provided that such delisting is permissible according to and implemented in compliance with any legal requirements.

- The Offeror and Spice agreed to consult each other sufficiently in advance of any communication and documentation, which each party propose to make or submit to any third party or to the media, to the TOB, SIX or any governmental entity in connection with, or as a result of, the Offer.
- The Transaction Agreement may essentially be terminated in specific circumstances, including (a) by mutual written consent of the Offeror and the Company; (b) by either party if the Offer is not successful or is withdrawn; (c) by either party, if the other party materially breaches its obligations under the Transaction Agreement; or (d) by the Offeror, if the board of directors of the Company (i) fails to recommend without any qualification the Offer to the shareholders of the Company; or (ii) withdraws, modifies or qualifies its recommendation of the Offer or, (e) by either party if the board of directors of the Company approves or recommends a competing transaction.

#### **4.3 Investment Management Agreement and Administrative Service Agreement**

Spice Private Equity (Bermuda), Ltd., Spice Private Equity (Delaware) LLC and GP Advisors (Bermuda), Ltd. entered into an Investment Management Agreement ("**Investment Management Agreement**"). The Investment Management Agreement has been concluded under the terms as disclosed on page 65 *et seq.* of the annual report 2021 of Spice and, *inter alia*, GP Advisors (Bermuda), Ltd., to take investment decisions on behalf of Spice Private Equity (Bermuda), Ltd.

Furthermore, Spice and GP Advisors, Ltd. entered into an agreement on administrative services to be provided to Spice under the terms as disclosed on page 65 of the annual report 2021 of Spice.

#### **4.4 No other Agreements**

Except for the agreements summarized above, no agreements in relation to the Offer have been concluded between the Offeror and the parties acting in concert with the Offeror on the one hand, and Spice, its Subsidiaries and their directors, officers and shareholders, on the other hand.

### **5. Confidential Information**

The Offeror confirms that at the time of the publication of this Offer Prospectus it has not received, directly or indirectly, from Spice or any of its direct or indirect Subsidiaries, any confidential information regarding Spice that could significantly influence the decision of the recipients of the Offer, except for the information that has been or is publicly disclosed in this Offer Prospectus, the report of the board of directors of Spice (see section G ("*Report of the Board of Directors of Spice Pursuant to Article 132 FMIA*") or otherwise.

## **F. Report of the Review Body Pursuant to Article 128 FMIA**

### **Report of the Review Body pursuant to article 128 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA)**

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of GP Swiss Ltd. (the "Offeror"). The report of the board of directors of the target company and the Fairness Opinion of Oaklins Binder AG were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law and there are no circumstances incompatible with our independence.

Our review was conducted in accordance with the Swiss Auditing Standard on the examination of Public Takeover Offers (AS 880), which requires that a review pursuant to article 128 FMIA be planned and performed to verify the formal completeness of the offer prospectus pursuant to the FMIA, its ordinances, and decision 816/01 of the Swiss Takeover Board of 22 mai 2022 (the "Decision 816/01"), and to obtain reasonable assurance about whether the offer prospectus is free from any material misstatements in consequence of violations or errors. It has to be noted that ciphers 3 to 6 below cannot be verified with the same assurance as ciphers 1 to 2. We have reviewed the information in the offer prospectus by means of analyses and ascertainments on a test basis. Furthermore, we have verified the compliance with the FMIA, its ordinances, and Decision 816/01. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

1. the Offeror has taken the necessary measures in order for the required funds to be available on the settlement date;
2. the Best Price Rule has been observed until the publication of the offer prospectus.

Moreover, we have not encountered any facts from which we had to infer that:

3. the recipients of the offer are not treated equally;
4. the offer prospectus is not complete and accurate;
5. the offer prospectus is not in accordance with the FMIA, its ordinances, and Decision 816/01;
6. the provisions regarding the effects of the pre-announcement have not been observed.

This report is neither a recommendation for the acceptance or rejection of the offer nor a confirmation (Fairness Opinion) regarding the financial appropriateness of the offer price.

Zurich, 12 July 2022

BDO Ltd

Edgar Wohlhauser  
Partner

Marcel Jans  
Partner

## **G. Report of the Board of Directors of Spice Pursuant to Article 132 FMIA**

### **Report of the Board of Directors of Spice Private Equity Ltd pursuant to Article 132 FMIA and Article 30 to 32 TOO**

Pursuant to art. 132 of the Financial Market Infrastructure Act (the "**FMIA**") and art. 30-32 of the Takeover Ordinance (the "**TOO**") the board of directors of Spice Private Equity Ltd (the "**Board**") with registered seat in Zug, Switzerland ("**Spice**" or the "**Company**") comments on the public takeover offer by GP Swiss Ltd., a Swiss stock company with registered seat in Zug, Switzerland ("**Offeror**") for all publicly held registered shares in Spice (the "**Offer**").

#### **1. Position of Board of Directors**

##### **1.1 Establishment of Committee of the Independent Board Members**

As of the Date of this board report the Board of Spice consists of five members: Mr David Justinus Emery (chairman of the Board), Mr Fersen Lamas Lambranhó (vice-chairman of the Board), Mr Christopher Wright, Mr Alvaro Lopes da Silva Neto and Mr Christopher Kelso Bedford Brotchie.

In view of the Offer, the Board has formed an independent committee consisting of Mr David Justinus Emery, Mr Alvaro Lopes da Silva Neto and Mr Christopher Kelso Bedford Brotchie for the deliberations and resolutions on the Offer (the "**Independent Board**"; see section 4.1 of this board report). The other members of the Board have a conflict of interest in relation to the Offer and have therefore recused themselves from the deliberations and resolutions of the Board on the Offer (see section 4.1 of this board report). Accordingly, this board report has been prepared by the members of the Independent Board and the members of the Board, who have a conflict of interest have not participated in preparing this board report.

The Independent Board has reviewed the Offer of the Offeror pursuant to the offer prospectus dated 14 July 2022 (the "**Offer Prospectus**"). As part of the review of the Offer, the Independent Board has engaged Oaklins Binder AG, Zurich ("**Oaklins**"), as an independent and specially qualified expert, to prepare a fairness opinion ("**Fairness Opinion**") on the financial fairness and adequacy of the Offer (see section 2.4 of this report).

## **1.2 Recommendation**

After a thorough review of the Offer and taking into account the Fairness Opinion of Oaklins, which forms an integral part of this report (see section 2.4 of this board report), the Board – with the two members of the Board Mr Fersen Lamas Lambranhó and Mr Christopher Wright abstaining from both the discussion and the passing of the resolution – has unanimously decided to recommend to the shareholders of Spice to accept the Offer of the Offeror.

## **2. Explanation**

### **2.1 Offer Price**

The price offered by Offeror in the Offer is USD 16.25 for each Spice share (the "**Offer Price**").

The Offer Price implies a premium of approximately 7.6% to the closing price of the Spice shares on 1 June 2022 and compared to the volume weighted average price during the last 60 trading days prior to the publication of the pre-announcement on 2 June 2022 of the offer ("**60-Day VWAP**") a premium of 7.6%.

### **2.2 Illiquidity of the Title**

Stock exchange trading in Spice shares is to be considered illiquid within the meaning of Swiss takeover law. Because the minimum price rules under Swiss takeover law do not apply to the Offer – it is not a change of control offer within the meaning of art. 9 para. 6 TOO – the illiquid Spice shares do not have to be valued by a reviewing entity.

### **2.3 Statements of the Board on the Offer Price**

The Board notes the following regarding the Offer Price:

As the Offeror and its affiliates already hold 65.69% of the share capital and the voting rights of Spice at the time of the pre-announcement (72.99% following the implementation of the capital reduction resolved at the last shareholders' meeting), the present Offer is not subject to the minimum price requirements applicable to mandatory offers, according to which the Offer Price would have to be at least equal to the Spice stock exchange price, determined 60-Day VWAP prior to the publication of the pre-announcement of the offer (art. 135 para. 2 FMIA and art. 42 para. 2 FINMA Financial Market Infrastructure Ordinance).

Accordingly, Spice is also not obliged, despite the illiquidity of the Spice shares within the meaning of Swiss takeover law (see section 2.2 above), to have a company valuation of Spice carried out by a reviewing entity for the purpose of verifying compliance with the minimum price requirements.

## 2.4 Fairness Opinion

In order to base its assessment of the Offer Price on an objective third-party valuation, the Independent Board commissioned Oaklins, as an expert independent of the Offeror and Spice, to prepare a fairness opinion on the financial fairness and adequacy of the Offer Price. Based on the assumptions mentioned therein, which the Independent Board critically reviewed, Oaklins determined in its Fairness Opinion with valuation date 31 May 2022, based on the adjusted net asset value (for each asset the valuation method most appropriate was applied) and the repurchase price of the recent buyback programs of Spice, a value range of USD 15.30 to USD 17.30 per Spice share and came to the conclusion that the Offer Price is fair and reasonable from a financial point of view.

The Fairness Opinion of Oaklins forms an integral part of this report. It can be ordered free of charge in English, German and French from Spice Private Equity Ltd, Industriestrasse 13c, CH-6302 Zug; e-mail: [info@spice-private-equity.com](mailto:info@spice-private-equity.com), and is also available at the following internet address: <http://www.spice-private-equity.com/investors/publications/>.

## 2.5 Effects of the Offer on Spice

### 2.5.1 The Offeror is already a Majority Shareholder of Spice

The Offeror and its affiliates are already the controlling majority shareholders of Spice prior to the launch of the Offer. The Offeror and its affiliates (excluding Spice) held 65.69% of the share capital and voting rights at the time of the pre-announcement and will hold 72.99% of the share capital and voting rights once the capital reduction resolved at the last shareholders' meeting of 25 May 2022 has been implemented in August 2022.

### 2.5.2 Squeeze-out and Delisting from SIX Swiss Exchange

From the point of view of the Board, the listing at SIX Swiss Exchange no longer brings any significant advantages, but ties up substantial resources. Due to the complexity and high costs associated with a listing at SIX Swiss Exchange, the Board will resolve on a delisting of the Spice shares at SIX Swiss Exchange after completion of the squeeze-out following the Offer to eliminate the financial, regulatory and administrative burden associated with the listing.

According to sections 3 and 6 of the Offer Prospectus, the Offeror intends to apply to the competent court for a declaration of invalidity of the residual Spice shares within the meaning of art. 137 FMIA in the event that the Offeror will hold more than 98% of the voting rights in Spice after completion of the Offer.

In the event that the Offeror will hold between 90% and 98% of the voting rights in Spice after completion, the Offeror intends, as also set out in sections E.3 and J.6 of the Offer Prospectus, to acquire the remaining minority shareholders of Spice by way of a compensation merger pursuant to

art. 8 para. 2 in connection with art. 18 para. 5 of the Swiss Federal Act on Merger, Demerger, Transformation and Transfer of Assets and Liabilities. The remaining shareholders can thus be excluded from Spice. In the case of a possible compensation merger, the remaining shareholders do not receive shares in the acquiring company, but a cash compensation. The amount of such cash compensation depends, among other things, on the time of the merger and may therefore differ from the Offer Price.

The tax consequences of a squeeze-out by means of a declaration on invalidity or a compensation merger are described in section J.5.3 of the Offer Prospectus.

### 2.5.3 Composition of the Board

The Offeror does not intend to make any changes to the composition of the Board after the settlement of the Offer. Following the settlement of the Offer, the Offeror, subject to any willful, fraudulent or grossly negligent acts or omissions or actions taken in contravention of, or that are otherwise inconsistent with the Transaction Agreement, will grant discharge to each current member of the Board at the next ordinary shareholders' meeting for the term of office until the settlement of the Offer.

## 2.6 Effects of the Offer on the Shareholders of Spice

Due to the illiquidity of the Spice shares, the Board has in the past launched several initiatives such as share repurchase programs to improve the share liquidity. The share buyback programs have been well received by the shareholders of Spice. Spice currently has limited options to mitigate the costs and complexities associated with being a listed company. After completion of the successful Offer, the Offeror intends to squeeze-out the remaining public shareholders of Spice (see sections E.3 and J.6 of the Offer Prospectus).

## 2.7 Recommendation

Based on the considerations outlined in section 2.1 et seqq. of this board report and in particular based on the Fairness Opinion of Oaklins, the Board acting through its Independent Board considers the Offer as a fair means for the shareholders to exit Spice and has concluded, that the Offer Price is fair and reasonable from a financial point of view for the shareholders. The Independent Board therefore recommends that the shareholders accept the Offer of the Offeror.

## 3. Contractual Obligations with the Offeror

The Offeror and Spice entered into a transaction agreement on 1 June 2022 (the "**Transaction Agreement**"). Such Transaction Agreement regulates, in addition to the Offer Price and the duty of the Board to support the Offer, the conditions of the Offer and the respective duties of the Independent Board with respect to the Offer. Furthermore, it contains the intentions of the Offeror with respect to

Spice. A confidentiality agreement dated 1 April 2022 has been entered into between GP Investments Ltd and Spice, which forms integral part of the Transaction Agreement.

The Board of Spice has outsourced executive tasks and has delegated the asset management to GP Advisors. In light of this, Spice Private Equity (Bermuda), Ltd., Spice Private Equity (Delaware) LLC and GP Advisors (Bermuda), Ltd. entered into an investment management agreement (the "**Investment Management Agreement**"). The Investment Management Agreement has been concluded under the terms as disclosed on page 65 et seq. of the annual report 2021 of Spice and, inter alia, GP Advisors (Bermuda), Ltd. to take investment decisions on behalf of Spice Private Equity (Bermuda), Ltd.

Furthermore, Spice and GP Advisors, Ltd. entered into an agreement on administrative services to be provided to Spice under the terms as disclosed on page 65 of the annual report 2021 of Spice.

Beyond that, there are no contractual agreements or other connections of Spice with the Offeror that are relevant in connection with the present Offer (regarding the agreements between the corporate bodies and the Offeror see section 4.1 of this board report regarding conflict of interest).

#### **4. Additional Information required by Swiss Takeover Law**

##### **4.1 Conflicts of Interest**

###### 4.1.1 Board of Directors

At the time of the board report, the Board of Spice consists of the following five members:

- Mr David Justinus Emery (Chairman of the Board);
- Mr Fersen Lamas Lambranhó (Vice-chairman of the Board);
- Mr Alvaro Lopes da Silva Neto;
- Mr Christopher Wright; and
- Mr Christopher Kelso Bedford Brotchie

Information on the resumé and activities performed by the aforementioned members of the Board of Spice can be found in the 2021 annual report of Spice under <http://www.spice-private-equity.com/investors/financial-reports/>.

Due to their membership in the board of directors of the parent company of the Offeror, GP Investments, Ltd., Spice Board members Mr Fersen Lamas Lambranhó and Mr Christopher Wright have a conflict of interest regarding the Offer made by the Offeror.

In the event of conflict of interest, the Board shall take appropriate measures to ensure that the conflicts of interest do not have a negative impact on the recipients of the Offer and that the objectivity of the decisions of the Board, including their preparation, is guaranteed.

To this end, the following measures have been taken on the part of the Board of Spice:

- Mr Fersen Lamas Lambranh and Mr Christopher Wright have abstained from the deliberations and resolutions of the Board of Spice regarding the Offer;
- Within the Board of Spice, an Independent Board consisting of the independent members of the Board, Mr David Justinus Emery, Mr Alvaro Lopes da Silva Neto and Mr Christopher Kelso Bedford Brotchie has been formed for the review of the Offer and the submission of the present board report;
- The members of the Board who have recused themselves have not and will not participate in the deliberations and resolutions of the Independent Board or have access to the minutes relating to the Offer until the completion of the Offer; and
- The Independent Board has had a Fairness Opinion prepared by the independent expert Oaklins.

Mr David Justinus Emery, Mr Alvaro Lopes da Silva Neto and Mr Christopher Kelso Bedford Brotchie were elected in the respective shareholders' meeting of Spice as members of the Board with the votes of the Offeror as majority shareholder. However, they do not carry out any executive tasks and are not in a conflict of interest with regard to the Offer made by the Offeror for the reasons stated below:

- The respective proposals for the respective shareholders' meeting for the election and annual re-election of the three independent members of the Board were in each case made by the entire Board (and not by the Offeror (or any of its affiliates) as majority shareholder);
- All independent members of the Board do not exercise their office as members of the Board in accordance with instructions from the Offeror, an affiliate of the Offeror or any other person acting in concert with the Offeror with regard to the Offer, either in general or in connection with the preparation of this report or the resolution on the recommendation to the shareholders to accept the Offer.
- Neither independent members of the Board have currently any board, employment or mandate relationship or any other function with the Offeror, any affiliate of the Offeror (excluding Spice) or any other person acting in concert with the Offeror with regard to the Offer, nor do they have any other contractual or legal relationships with them;
- Mr Alvaro Lopes da Silva was from 2012 to 2018 the CFO and from 2013 to 2018 a member of the board of directors of GP Investments Ltd. From 2012 to 2018 Mr Alvaro Lopes da Silva entered into several subscription option agreements with GP Investments Ltd and its affiliates, which included stock option plans and interest/performance fee allocations. The subscription option agreements have been partly terminated since his resignation in 2018. Mr Alvaro Lopes da Silva is however still entitled to receive a portion of any carried interest and performance fees allocated to certain investment funds managed by GP Investments Ltd (GP Capital

Partners IV, LP; GP Capital Partners V, LP and GP Real Properties (A, B and C)). The investment funds are in the process of liquidation and no performance fee/carried interest is paid to GP Investments Ltd anymore. Currently, no value was accrued during the investment funds lifetime or is expected to be accrued until final liquidation of the investment funds. Thus, it is not expected that any payment will be made to Mr Alvaro Lopes da Silva under the subscription option agreements today and in the future or has been made after 31 March 2019. Further, in 2015 Mr Alvaro Lopes da Silva purchased units from GP Investments Acquisitions Corp., these units were sold to GPIC Ltd, a wholly owned subsidiary of GP Investments, Ltd., in 2021. Mr Alvaro Lopes da Silva will neither directly nor indirectly benefit from the potential success of the public tender offer made by the Offeror.

- Mr Christopher Brotchie was a member of the board of directors from 2009 to 2014 and of the advisory board in 2016 of GP Investments Ltd. During 2009 to 2014 Mr Christopher Brotchie entered into stock option plan agreements with GP Investments Ltd, which have been terminated since his resignation in 2014. Mr Christopher Brotchie receives no financial benefits from the stock option plan agreements today or at any time in the future. Further, Mr Christopher Brotchie is a beneficiary and a protector of a Jersey, Channel Islands regulated discretionary trust (the "**Trust**"). The Trust invested certain amounts in four private equity funds managed by GP Investments Ltd (GP Capital Partners IV; GP Real Estate; Drill Fund II and Drill Fund III, whereas GP Capital Partners IV and GP Real Estate are private equity funds and Drill Fund II and Drill Fund III are co-investment funds for GP Capital Partners IV, formed for co-investing in one single company, San Antonio International), all of which are in liquidation as of the date of the pre-announcement of the Offer. Neither the Trust nor any beneficiaries of the Trust, including Mr Christopher Brotchie himself, will directly or indirectly benefit from the potential success of the public tender offer made by the Offeror.
- There are no contractual assurances by the Offeror regarding re-election or continuation of the Board functions of the members of the Independent Board after completion of the Offer. In the Transaction Agreement, the Offeror merely confirms that it does not intend to change the composition of the Board of Spice at the time of the conclusion of the Transaction Agreement; and
- furthermore, in order to support the evaluation of the Offer and its recommendation to the shareholders, in particular to ensure the financial fairness and reasonableness of the Offer Price from the perspective of the shareholders, the Independent Board has also appointed Oaklins as a specially qualified and independent expert to prepare the Fairness Opinion.

Against the background outlined above, each of Mr David Emery, Mr Alvaro Lopes da Silva and Mr Chris Brotchie confirmed that he is not in a conflict of interest with respect the Offer.

## 4.2 Possible Financial Consequences of the Offer for the Members of the Board of Directors

### 4.2.1 No transaction-related compensation or special benefits

The Offer or its execution has no impact on the amount of the remuneration of the members of the Board of Spice. They will not receive any additional compensation (in particular no bonus and no severance payment) or other special benefits in connection with the Offer and the Offeror has not entered into any financial obligations towards them in relation to the Offer. The mandate relationships with the members of the Board have not been changed as a result of or in view of the Offer and no such changes are planned. The compensation of the members of the Board is independent of the Offer and its success. Further information on the elements of the compensation of the members of the Board can be found in the 2021 annual report of Spice under <http://www.spice-private-equity.com/investors/financial-reports/>.

At the AGM 2022 on 25 May 2022, David Justinus Emery was elected as chairman of the Board for the term until the AGM 2023. The agreed compensation for the members of the Board for the term of the AGM 2022 until AGM 2023 is as follows:

| <b>Board of Directors</b>  | <b>Base Compensation</b> | <b>Variable Compensation</b> | <b>Other Benefits</b> | <b>Total</b> |
|----------------------------|--------------------------|------------------------------|-----------------------|--------------|
| David Justinus Emery       | CHF 110'000              | -                            | CHF 10'000            | CHF 120'000  |
| Fersen Lamas Lambranh      | CHF 50'000               | -                            | CHF 5'000             | CHF 55'000   |
| Alvaro Lopes da Silva Neto | CHF 50'000               | -                            | CHF 5'000             | CHF 55'000   |
| Christopher Wright         | CHF 50'000               | -                            | CHF 5'000             | CHF 55'000   |
| Christopher Brotchie       | CHF 50'000               | -                            | CHF 5'000             | CHF 55'000   |

### 4.2.2 Participation plans of members of the Board of Spice

By virtue of their membership of the Board of Spice, the members of the Board are not entitled to variable compensation and/or allocation of shares or options of Spice.

### 4.2.3 Spice Shares held by members of the Board

None of the members of the Board currently holds shares or stock options of Spice.

## **5. Intentions of Shareholders holding more than 3% of the Voting Rights**

To the knowledge of the Independent Board, at the time of submitting this board report no shareholder other than the Offeror holds more than 3% of the voting rights of Spice. Regarding the intentions of the Offeror, reference is made to sections E.3 and J.6 of the Offer Prospectus.

The annual shareholders' meeting of Spice of 25 May 2022 decided to cancel the treasury shares held by Spice by way of a decrease of the company capital. The treasury shares are not subject to the Offer and, accordingly, such shares will not be tendered.

## **6. Defense Measures**

The Board has not taken any defensive measures against the Offer and does not intend to take such defensive measures in the future or to propose such defensive measures to an extraordinary shareholders' meeting.

## **7. Information on Material Changes with respect to Assets, Financial and Earnings Situation as well as with respect to Business Prospects and Interim Financial Statements**

The audited financial statements as of 31 December 2021 are published on Spice's website: <http://www.spice-private-equity.com/investors/financial-reports/>.

The unaudited interim financial statements as of 31 March 2022 are published on Spice's website: <http://www.spice-private-equity.com/investors/financial-reports/>.

The Board is not aware of any material changes in the financial position, results of operation or business prospects of Spice since 31 March 2022 (date of the interim financial statements dated 31 March 2022), which could influence the decision of the shareholders of Spice regarding the Offer.

Zug, 13 July 2022

For the Board of Spice Private Equity Ltd:

The Chairman

David Justinus Emery

## **H. Rights of Shareholders of Spice**

On 2 June 2022, the first decision of the TOB in connection with the Offer was published (decision 816/01 dated 30 May 2022). On the same date, the shareholders of Spice were informed about their rights by way of the Pre-Announcement, which was published on GP's transaction website (<https://gp-investments-transactions.com/>) and disseminated in accordance with the Takeover Ordinance.

No shareholder of Spice has filed a request to be granted party status to the TOB within the deadline of five (5) Trading Days after the date of the publication of the first decision of the TOB or has within the same deadline filed an objection against the decision of the TOB. As a consequence, no shareholder of Spice may file an objection against the second decision of the TOB (decision 816/02) in connection with the Offer dated 13 July 2022.

## **I. Second Decision of the Swiss Takeover Board**

1. The public tender offer of GP Swiss Ltd. to the shareholders of Spice Private Equity AG complies with the statutory provisions on public tender offers.
2. This decision shall be published on the day of publication of the offer prospectus on the website of the TOB.
3. The fees payable by GP Swiss Ltd. amount to CHF 50,000.

## **J. Implementation of the Offer**

### **1. Information and Registration**

Spice shareholders holding their Spice Shares in a securities account with a bank will be informed of the procedure for accepting the Offer by their broker or custodian bank, and will have to act in accordance with such instructions.

### **2. Offer Manager**

The Offeror has mandated Helvetische Bank AG, Zurich, with the execution of the Offer.

### **3. Tendered Spice Shares**

Tendered Spice Shares will be blocked by the respective custodian bank and can no longer be traded.

#### **4. Payment of the Offer Price / Settlement Date**

The Offer Price for the Spice Shares, which will have been validly tendered during the Offer Period and the Additional Acceptance Period is expected to be paid on the Settlement Date, being 29 September 2022 according to the indicative timetable set forth in section L ("*Indicative Timetable*"). In the event of an extension of the Cooling-off Period by the TOB, an extension of the Offer Period pursuant to section B.5 ("*Offer Period*") or a Postponement of the Settlement in accordance with section B.7.3 ("*Period for which the Offer Conditions are in Force and Effect and Deferral*"), the Settlement will be deferred accordingly.

#### **5. Costs and Taxes, Possible Tax Consequences for Tendering and Non-Tendering Holders of Spice Shares**

##### **5.1 Costs and Taxes**

During the (possibly extended) Offer Period and the Additional Acceptance Period, Spice Shares deposited with banks in Switzerland may be tendered free of cost and Swiss fiscal charges. Any Swiss securities transfer tax (*Umsatzabgabe*), if applicable, imposed on the sale will be borne by the Offeror.

##### **5.2 General Remark on Possible Tax Consequences**

All holders of Spice Shares and beneficial owners of Spice Shares are expressly advised to consult their own tax advisors with respect to the Swiss and foreign tax consequences of the Offer and its acceptance or non-acceptance, respectively.

##### **5.3 Swiss Tax Consequences for Holders who Tender their Spice Shares in the Offer**

No Swiss withholding tax will be levied on the sale of Spice Shares pursuant to this Offer.

The following Swiss individual and corporate income tax consequences will likely result for holders of Spice Shares who are resident in Switzerland for tax purposes and who tender their Spice Shares in the Offer:

- Pursuant to general principles of Swiss income taxation, holders holding their Spice Shares as private assets (*Privatvermögen*) and who tender their Spice Shares in the Offer either realize a tax-free private capital gain or suffer a non-tax-deductible capital loss, unless the holder classifies as a professional securities dealer (*gewerbsmässiger Wertschriftenhändler*), and except in the event of a sale of a participation of at least 20% of the capital of Spice by one or several holders acting jointly (*indirekte Teilliquidation*). Holders of Spice Shares with a participation of less than 20% are generally not affected by this rule if they tender their Spice Shares in the Offer.

- Holders of Spice Shares holding their Spice Shares as business assets (*Geschäftsvermögen*) or classifying as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*) who tender their Spice Shares into the Offer either realize a taxable capital gain or suffer a tax-deductible capital loss depending on the relevant income tax value of their Spice Shares pursuant to general principles of Swiss corporate and individual income taxation.

Holders of Spice Shares who are not tax residents of Switzerland are not subject to Swiss individual and corporate income taxes, except if their Spice Shares are attributable to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland.

#### **5.4 Swiss Tax Consequences for Holders who do Not Tender their Spice Shares in the Offer**

- a. Scenario 1: GP Investments and its direct and indirect Subsidiaries (including the Offeror) hold more than 98% of the voting rights in Spice after the Settlement

If GP Investments and its direct and indirect Subsidiaries (including the Offeror) hold more than 98% of the voting rights in Spice after the Settlement, the Offeror intends to request the cancellation of the outstanding publicly held Spice Shares in accordance with Art. 137 FMIA. In such case, the Swiss tax consequences for the holders of Spice Shares will generally be the same as if they had tendered their Spice Shares in the Offer (see section J.5.3 above).

- b. Scenario 2: GP Investments and its direct and indirect Subsidiaries (including the Offeror) hold between 90% and 98% of the voting rights in Spice after the Settlement

If GP Investments and its direct and indirect Subsidiaries (including the Offeror) hold between 90% and 98% of the voting rights in Spice after the Settlement, the Offeror intends to merge Spice with a company directly or indirectly controlled by GP Investments ("**Surviving Entity**") in accordance with Art. 8 para. 2 and Art. 18 para. 5 of the Swiss Merger Act, whereby the remaining public holders of Spice Shares would be compensated in cash or otherwise and not receive any shares in the Surviving Entity.

- If the consideration is paid by the Offeror or GP Investments rather than by the Surviving Entity, the Swiss tax consequences for holders of Spice Shares who are resident in Switzerland for tax purposes may be the same as if they had tendered their Spice Shares in the Offer (see section J.5.3 above).
- If the consideration is paid by the Surviving Entity, it may (irrespective of the tax residence of the holders of Spice Shares) be subject to Swiss withholding tax of 35% on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Spice Shares concerned and of the proportionate part of Spice's reserves from capital contributions (*Reserven aus Kapitaleinlagen*) attributable to the respective Spice Shares. Upon request, the Swiss

withholding tax, if any, will generally be refunded to holders of Spice Shares who have their tax residence in Switzerland, provided that respective holders duly declare the consideration in the tax return or, in the case of legal entities, in the profit and loss statement. Holders of Spice Shares who are not tax residents of Switzerland may be entitled to a full or partial refund of the Swiss withholding tax if the country of residence for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the conditions of such treaty are satisfied. Furthermore, the following Swiss individual and corporate income tax consequences may result for holders of Spice Shares who are resident in Switzerland for tax purposes:

- Holders of Spice Shares holding their Spice Shares as private assets (*Privatvermögen*) realize a taxable income on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Spice Shares concerned and of the proportionate part of Spice's reserves from capital contributions (*Reserven aus Kapitaleinlagen*) attributable to the respective Spice Shares.
- Holders of Spice Shares holding their Spice Shares as business assets (*Geschäftsvermögen*) or classifying as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*) realize taxable dividend income or suffer a tax-deductible loss depending on the relevant income tax value of their Spice Shares pursuant to general principles of Swiss corporate and individual income taxation. A tax relief may be available if the requirements of the so-called participation exemption (*Beteiligungsabzug*) are satisfied.

Holders of Spice Shares who are not tax residents of Switzerland are not subject to Swiss individual or corporate income taxes, except if their Spice Shares are attributable to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland.

## **6. Cancellation, Squeeze-out Merger and Delisting**

After the Settlement, as set out in section E.3 ("*Intentions of the Offeror with Respect to Spice*"), the Offeror intends to request the cancellation of the outstanding publicly held Spice Shares, or to merge Spice with the Offeror or a Swiss company directly or indirectly controlled by the Offeror, whereby the remaining public shareholders of Spice will receive a compensation, but no shares of the surviving company, if permitted by law. Furthermore, after the Settlement the Offeror intends, in compliance with the legal requirements applying to Spice, to have Spice apply with SIX Exchange Regulation for the delisting of the Spice Shares in accordance with the Listing Rules and for an exemption from certain disclosure and publicity obligations under the Listing Rules until the date of delisting of the Spice Shares.

## K. Applicable Law and Jurisdiction

The Offer, and all rights and obligations arising under or in connection with the Offer, shall be governed by, and construed in accordance with, Swiss law. The exclusive place of jurisdiction for all disputes arising out of or in connection with the Offer shall be the city of Zurich (Zurich 1), Switzerland.

## L. Indicative Timetable

|  |   |
|--|---|
| 14 July 2022                             | Publication of this Offer Prospectus                                      |
| 15 July 2022 – 28 July 2022              | Cooling-off Period  |
| 29 July 2022                             | Start of Offer Period   |
| 26 August 2022,<br>4:00 pm Swiss time    | End of Offer Period*  |
| 29 August 2022                           | Publication of provisional notice of the interim results of the Offer*    |
| 1 September 2022                         | Publication of the definitive notice of the interim results of the Offer* |
| 2 September 2022                         | Start of the Additional Acceptance Period*                                |
| 15 September 2022,<br>4:00 pm Swiss time | End of Additional Acceptance Period*                                      |
| 16 September 2022                        | Publication of preliminary notice of the end results of the Offer*        |
| 21 September 2022                        | Publication of definitive notice of the end results of the Offer*         |
| 29 September 2022                        | Publication of half year report*  |
| 29 September 2022                        | Settlement*   |

\*The Offeror reserves the right to extend the Offer Period pursuant to section B.5 ("*Offer Period*"), once or several times, in which case the above dates will be deferred accordingly. In addition, the

Offeror reserves the right to postpone the Settlement pursuant to section B.7.3 ("*Period for which the Offer Conditions are in Force and Effect and Deferral*").

#### **M. Security Number**

| Spice Private<br>Equity Ltd | Swiss securities number | ISIN         | Ticker symbol |
|-----------------------------|-------------------------|--------------|---------------|
| Spice Shares                | 915 331                 | CH0009153310 | SPCE          |

#### **N. Offer Documentation**

This Offer Prospectus and any other publications of the Offeror concerning the Offer are available at the designated offer website of the Offeror (<https://gp-investments-transactions.com/>) and are submitted in electronic form to the major Swiss media, the major news agencies active in Switzerland, the major electronic media which distribute stock exchange information (financial information providers) and the TOB.

This Offer Prospectus may also be obtained free of charge in German, French and English from Helvetische Bank AG, Seefeldstrasse 215, 8008 Zurich (email: [prospectus@helvetischebank.ch](mailto:prospectus@helvetischebank.ch)).