

Boussard & Gavaudan Holding Limited
a closed-ended investment company incorporated with limited liability
under the laws of Guernsey with registration number 45582
(the “Company”)

Legal Entity Identifier: 5493002XNM3W9D6DF327

Corporate Update

It is now approximately twelve months since the completion of the corporate action in late 2019. Since that date, the Board of the Company has sought to implement the measures set out in the Company's circular dated 8 October 2019 (the “**Circular**”) to seek to address the discount to net asset value at which the Company's shares trade. This includes a renewed buyback programme pursuant to which the Company has repurchased 1,629,532 ordinary shares representing circa 10.5% per cent. of the Company's issued share capital, alongside improving shareholder communications through an updated website and revised newsletters.

Performance during 2020, as measured by NAV appreciation, has been positive despite the challenging conditions associated with COVID. Year to date growth of over 10% in NAV terms is comfortably ahead of the 400bps – 600bps target over the risk-free rate. Despite such performance, and the buyback programme being in operation for nearly a year, the discount to net asset value at which the Company's shares trade remains wide at 23.5% per cent.

As stated in the half-year report to June 2020, the Board remains committed to the goal of giving shareholders the opportunity to participate more fully in the value that the Company generates. The Board has consulted with its shareholders over the last 12 months and it is clear to the Board that a substantial proportion of shareholders wish to see the Company offering liquidity opportunities at or around net asset value.

In this regard, the Board has given consideration to various options available to the Company to provide such liquidity. One of these options is a series of tender offers over a three-year period with the potential for a full capital return at the end of such a period (“**Tender Proposal**”). The Board considers that the Tender Proposal could be an attractive means of providing such liquidity and may also broaden the appeal of the Company.

The Board understands that the Investment Manager, together with such other persons considered to be acting in concert with the Investment Manager (“the **Concert Party**”) controls over 23% of the voting rights of the Company and is not favourable towards the Tender Proposal.

The Board has therefore sought to engage with the Concert Party to seek to agree an alternative proposal that it would support. The Company has made a commitment, in the Circular, to propose a Continuation Vote at the AGM in 2023 if the shares trade at an average discount in excess of 15 per cent, over the financial year to 31 December 2022. The Board has discussed with the Concert Party the possibility of proposing the Continuation Vote irrespective of whether the discount condition is satisfied. The Board has invited the Concert Party to consider whether it would: (i) commit to abstain from voting on such a Continuation Vote such that the independent shareholders would determine the future of the Company; and (ii) if the Continuation Vote did not pass to support the liquidation of the Company. However, the Concert Party has indicated that, whilst it is sympathetic to the Board's desire to offer a Continuation Vote, it will not make any voting commitments in advance. The Board anticipates that without the Concert Party's support, the Company would not have the shareholder support necessary to pass a special resolution required to liquidate the Company and return capital to shareholders.

Consequently, while the Board's intention remains to provide shareholders with liquidity opportunities, the size of the Concert Party's shareholding significantly hampers the Board's ability to deliver immediate liquidity opportunities. The Board is continuing to explore all possible options with its advisers and continues to engage with the Concert Party in order to agree a mutually acceptable way forward. The Board will provide a further update in due course.

10 December 2020

For further information, please contact:

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