

News

BCLP ADVISING ON THE RECOMMENDED OFFER FOR HWSI REALISATION FUND BY CUBITT TRADE HOLDINGS LLC

22 July 2020

International law firm BCLP is advising HWSI Realisation Fund on the recommended cash offer by Cubitt Trade Holdings LLC, announced this morning (22 July 2020).

The transaction is intended to be implemented by way of a Guernsey scheme of arrangement and is expected to close in the third quarter of 2020.

The offer price is 55.5 pence per share representing a premium of approximately 91 per cent. to the HWSI share price prior to the announcement of the offer and a discount of approximately 11 per cent. to the most recent net asset value per share of HWSI. The offer values HWSI's issued share capital at approximately £79.6 million.

The bidder has secured irrevocable undertakings to vote in favour of the scheme from shareholders holding in aggregate approximately 75.5 per cent of HWSI's issued shares.

HWSI was originally established as a secured lender providing financing to UK SMEs and is premium listed and traded on the LSE's Main Market. In February 2020, shareholders resolved that HWSI would be placed into managed wind-down, with the objective of returning cash to HWSI shareholders in a timely and efficient manner. The recommended offer provides a cash exit for shareholders at a modest discount to net asset value in a significantly shorter timeframe than would have been possible under a managed wind-down and eliminates the risks associated with ongoing exposure to HWSI's portfolio and the wider economy.

Bidco is controlled by the PETRA Group. The strategy of the PETRA Group is to acquire, fund and manage non-bank financial firms with a particular focus on acquiring loan or credit portfolios. The proposed acquisition of HWSI will enable the PETRA Group to acquire, in a single transaction, a sizeable portfolio of credit assets fitting its investment strategy.

Lead Partner Richard Werner commented, *"This is a good outcome for HWSI shareholders as it provides a cash exit in a significantly shorter time period than would have been possible through the managed wind down. We are delighted to assist the HWSI board in delivering this important transaction."*

The BCLP team is led by relationship partner Richard Werner and also includes Nicholas Myatt, Olga Shiryayeva, Hannah Coker, Rohin Dastidar and Vivica Fu.

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