

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Castelnau Group Limited (the "**Company**") in connection with the issue of Shares, prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("**FCA**") made pursuant to section 73A of FSMA. This Supplementary Prospectus has been approved by the FCA as the competent authority under the UK version of Regulation (EU) 2017/1129 (the "**UK Prospectus Regulation**") which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.

The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the securities that are the subject of the Prospectus and this Supplementary Prospectus. Investors should make their own assessment as to the suitability of investing in securities.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Company's prospectus dated 1 February 2023 (the "**Prospectus**"). Any statement contained in the Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in this document modifies or supersedes such statement. Except as expressly stated herein, or unless the context requires otherwise, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

**Potential investors should read the Prospectus and this Supplementary Prospectus in their entirety and, in particular, should consider the risk factors relating to the Company on pages 12 to 24 of the Prospectus when considering an investment in the Company.**

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## **CASTELNAU GROUP LIMITED**

*(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 67529)*

### **SUPPLEMENTARY PROSPECTUS**

**Proposed issue of up to 133,052,656 new Ordinary Shares to be issued by the Company in connection with the acquisition of Dignity Plc (the "Takeover Offer")**

**Proposed issue of 32,442,740 Ordinary Shares to be issued by the Company pursuant to the Consortium Rollover**

**Placing of Ordinary Shares at 75.02p per Ordinary Share**

**Placing Programme for up to 300 million Ordinary Shares and/or C Shares**

**Admission to trading on the Specialist Fund Segment of the Main Market**

**Investment Manager**

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**Financial Adviser and Sole Bookrunner to the Company in relation to the Placing and the Placing Programme**

**LIBERUM CAPITAL LIMITED**

**Financial Adviser to the Consortium in relation to the Takeover Offer**

**MORGAN STANLEY**

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Specialist Fund Segment securities are not admitted to the Official List of the FCA. Therefore, the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not subject to the FCA's Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

The Company and each of the Directors, whose names appear on page 35 of the Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and bookrunner to the Company and for no one else in relation to the Admission of any Shares, the Placing, the Placing Programme and the other arrangements referred to in the Prospectus and this Supplementary Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Admission of any Shares, the Placing, the Placing Programme and the other the contents of the Prospectus or this Supplementary Prospectus or any transaction or arrangement referred to in the Prospectus or this Supplementary Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or this Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Admission of any Shares, the Placing or the Placing Programme or the arrangements referred to in the Prospectus and this Supplementary Prospectus. Liberum (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the Prospectus or this Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Admission of any Shares, the Placing or the Placing Programme or the arrangements referred to in the Prospectus or this Supplementary Prospectus.

Morgan Stanley & Co. International Plc ("**Morgan Stanley**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively as financial adviser for the Consortium and for no one else in relation to the Takeover Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Takeover Offer.

Apart from the responsibilities and liabilities, if any, which may be imposed on Morgan Stanley by FSMA or the regulatory regime established thereunder, Morgan Stanley does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or this Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Takeover Shares, the Admission of the Takeover Shares or the Takeover Offer. Morgan Stanley (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the Prospectus or this Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Takeover Shares, the Admission of the Takeover Shares or the Takeover Offer.

#### **Notice to U.S. and other overseas investors**

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Takeover Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an election for either of the Alternative Offers by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a

Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

The availability of the Takeover Offer to Dignity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Dignity Shareholders in overseas jurisdictions are also contained in the Offer Document.

The Takeover Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

The Prospectus and this Supplementary Prospectus do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been, and will not be, listed on any stock exchange other than London Stock Exchange and have not been, and will not be, registered under the US Securities Act or under any laws of any state, district or other jurisdiction, of the United States, nor have clearances been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed, or registration made, under any securities law of any province or territory of Canada nor has a prospectus in relation to the Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the Shares to be offered in compliance with applicable securities laws of Japan or the Republic of South Africa and no regulatory clearances in respect of the Shares have been, or will be, applied for in any other jurisdiction.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

The Company is a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended, and the Registered Collective Investment Schemes Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission (the "**GFSC**"). The GFSC, in granting registration, has not reviewed this document but has relied upon specific declarations provided by the Administrator. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

This document has not been reviewed by the GFSC and, in granting registration, the GFSC has relied upon specific warranties provided by the Administrator.

**Without limitation, save for the Annual Report (as defined below) neither the contents of the Company's website ([www.castelnaugroup.com](http://www.castelnaugroup.com)) nor any other website nor the content of any website accessible from hyperlinks on the Company's website, or any other website, is incorporated into, or forms part of this Supplementary Prospectus or the Prospectus, or has**

**been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this Supplementary Prospectus and the Prospectus alone.**

This Supplementary Prospectus is dated 4 April 2023.

## INTRODUCTION

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules 3.4.1 and 3.4.2 and section 87G of FSMA and is being published to note a significant new factor relating to the information included in the Prospectus.

On 4 April 2023, the Company published the consolidated audited financial results of the Group for the financial year ended 31 December 2022 (the "**Annual Report**") which constitutes a significant new factor relating to financial information contained in the Prospectus.

A copy of the Annual Report has been filed with the Financial Conduct Authority.

This Supplementary Prospectus is also being published to update the Prospectus summary to include key historic financial information contained within the Annual Report.

This document contains further details of this significant new factor and is supplemental to, and should be read in conjunction with, the Prospectus.

## WITHDRAWAL RIGHTS

In accordance with Prospectus Regulation Rule 3.4.1 and Article 23(2) of the UK Prospectus Regulation, if any Eligible Dignity Shareholders have agreed, before the publication of this Supplementary Prospectus, to elect to receive Takeover Shares pursuant to the Takeover Offer, such investors have the right, exercisable within two working days after publication of this Supplementary Prospectus, to withdraw such election (the "**Deadline**"). If you have elected to receive Takeover Shares and wish to withdraw such election in accordance with Article 23(2) of the UK Prospectus Regulation, please contact Link in writing by the Deadline. Placees in the Placing are not entitled to exercise withdrawal rights pursuant to Prospectus Regulation Rule 3.4.1 and Article 23(2) of the UK Prospectus Regulation.

## SUPPLEMENT TO THE SUMMARY

As a result of the publication of the Company's Annual Report, the summary in the Prospectus is hereby supplemented as follows:

1. The text in the section entitled "What is the key financial information regarding the issuer?" shall be deleted and replaced with the following:

**"Selected historical key financial information**

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited financial statements of the Company for the financial year ended 31 December 2022:

*Table 1: Additional information relevant to closed end funds*

Share Class	Total NAV*	No. of Shares <sup>‡</sup>	NAV per Share*	Historical performance of the fund
Ordinary	£138.0 million	183,996,058 Ordinary Shares and the B Share held by the Investment Manager	75.02 pence	The Company's audited Net Asset Value as at 31 December 2022 was £138.0 million, reflecting 75.02 pence NAV per Ordinary Share. This reflects a NAV total return since its initial public offering in October 2021 of (23) per cent.

\* As at 31 December 2022.

<sup>‡</sup> As at 3 April 2023, the latest practicable date prior to the publication of this Supplementary Prospectus.

*Table 2: Income Statement for closed end funds*

	Financial year ended 31 December 2022 (audited)	Financial year ended 31 December 2021 (audited)	From 13 March 2020 to 31 December 2020 (unaudited)
<b>Statement of Comprehensive Income</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Income	548,767	-	-
Net losses on financial assets at fair value through profit or loss	(30,405,675)	(10,021,645)	-
Expenses	(1,234,288)	(1,968,331)	-
<b>Loss before taxation</b>	<b>(34,091,196)</b>	<b>(11,989,976)</b>	-
Taxation	(2,889)	-	-
<b>Total comprehensive loss for the year/period</b>	<b>(34,094,085)</b>	<b>(11,989,976)</b>	-
	Pence	Pence	
<b>Loss per share – basic and diluted</b>	<b>(18.53)</b>	<b>(6.57)</b>	-

*Table 3: Balance sheet for closed end funds*

	31 December 2022 (audited)	31 December 2021 (audited)	31 December 2020 (unaudited)
<b>Statement of Financial Position</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
<b>Non-current assets</b>			
Investments - equity	122,684,739	126,617,646	-
Investments - loans	9,960,632	3,361,795	-
<b>Current assets</b>			
Trade and other receivables	357,102	39,033	1
Cash and cash equivalents	7,652,732	44,497,139	-
<b>Total assets</b>	<b>140,655,205</b>	<b>174,515,613</b>	<b>1</b>
<b>Non-current liabilities</b>			
Earn out liability	2,346,648	1,283,333	-
<b>Current liabilities</b>			
Earn out liability	-	916,667	-
Other payables	275,857	188,828	-
<b>Total liabilities</b>	<b>2,622,505</b>	<b>2,388,828</b>	-
<b>Net assets</b>	<b>138,032,700</b>	<b>172,126,785</b>	<b>1</b>
<b>Equity</b>			
Share capital	184,116,761	184,116,761	
Retained deficit	(46,084,061)	(11,989,976)	

<b>Total equity</b>	<b>138,032,700</b>	<b>172,126,785</b>	
Number of Ordinary Shares in issue	183,996,059	183,996,059	
Net asset value per Ordinary Share (pence)	75.02	93.55	-

The auditor's reports on the Company's financial statements for the financial year ended 31 December 2022 and the financial year ended 31 December 2021 were unqualified. The Company's financial information for the period from 13 March 2020 to 31 December 2020 was not required to be audited, however, the Company's auditors, Grant Thornton Limited, provided an opinion dated 23 September 2021 that the financial information for this period gives a true and fair view of the state of affairs for the Company as at 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.

## FINANCIAL INFORMATION

### ***Audited financial statements for the financial year ended 31 December 2022***

The Annual Report was prepared in accordance with IFRS (as adopted in the UK), the Companies Law and Article 4 of the IAS Regulation.

The financial statements in the Annual Report were audited by Grant Thornton Limited (the "Auditor"), whose report was unqualified and did not include any references to any matters to which the Auditors drew attention by way of emphasis without qualifying their report.

Selected financial information set out in paragraph (b) below from the Annual Report is incorporated by reference into, and forms part of, this Supplementary Prospectus and the Prospectus. Information in the Annual Report that is not incorporated by reference is either not relevant to investors or covered elsewhere in this Supplementary Prospectus.

#### **(a) Selected financial information**

The key audited figures that summarise the Group's financial condition in respect of the financial year ended 31 December 2022, which have been extracted directly on a straightforward basis without material adjustment from the Annual Report, are set out in the following table:

	<b>Audited financial statements of the Group for the financial year ended 31 December 2022</b>
Total Assets (£)	140,655,205
Net Assets (£)	138,032,700
NAV per Ordinary Share (pence)	75.02

#### **(b) Information incorporated by reference**

The information set out below and relating to the Company is incorporated by reference and is available on the Company's website ([www.castelnaugroup.com/investor-relations/reports-factsheets](http://www.castelnaugroup.com/investor-relations/reports-factsheets)) or, free of charge, during normal business hours at the Company's registered office (PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands GY1 3QL).

	<i>Annual Report</i>
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## **ADDITIONAL INFORMATION**

### **1. Documents available for inspection**

Copies of the Prospectus and this Supplementary Prospectus are available for inspection on the Company's website at [www.castelnaugroup.com/investor-relations#regulatory-documents](http://www.castelnaugroup.com/investor-relations#regulatory-documents).

Copies of the Annual Report are available for inspection on the Company's website at [www.castelnaugroup.com/investor-relations/reports-factsheets](http://www.castelnaugroup.com/investor-relations/reports-factsheets).

Investors should note, however, that, save for the Annual Report, the contents of the Company's website and the contents of any websites which can be accessed through links on the Company's website, do not form part of either the Prospectus or this Supplementary Prospectus.

### **2. General**

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

### **3. No significant new factor, material mistake or material inaccuracy**

Save as disclosed in this document, no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Shares has arisen or been noted since the publication of the Prospectus.