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1 April 2021

GEIGER COUNTER LIMITED
(the "Company")

**Proposed Annual Subscription Right
Publication of a Circular and Prospectus**

The Board is pleased to announce details of proposals to introduce an annual Subscription Right for Shareholders. The Company will publish today a circular and prospectus (the "**Circular and Prospectus**") setting out details of the proposed Subscription Right. Details of the Subscription Right are summarised below.

Background

The annual Subscription Right for Shareholders will enable Shareholders to subscribe for one new Ordinary Share for every five Ordinary Shares held on 30 April in each year at a price equal to the undiluted NAV per Share on 1 May one year prior (or if such day is not a Business Day, the next following Business Day). The introduction of an annual Subscription Right will require the Company to amend the Existing Articles.

The Board has been keen to grow the Company and as the Ordinary Shares have typically traded at a small premium to the Company's NAV per share, new Ordinary Shares have been issued from time to time to meet such investor demand. For a small fund, the Ordinary Shares are relatively liquid but the Board remains keen to grow to reduce the total expense ratio.

Following the Subscription Shares that were issued in 2017 maturing at the end of 2020 out of the money and with very few being exercised, the Board has been examining alternative options to grow the Company in the most cost effective manner possible. Together with our advisers, we have explored a number of different routes and structures to meet the Board's objectives of growing the Company's asset base.

The conclusion of these deliberations is that the Board is proposing to give Shareholders a right to subscribe, on an annual basis, for additional Ordinary Shares at a predetermined price per Ordinary Share set 12 months prior to the Subscription Date.

Proposals

If Shareholders approve the Proposals, Shareholders will have the right, exercisable by notice to the Company, at any time during the period of 30 days ending on the Business Day prior to the relevant Subscription Date in each year, to subscribe, on the Subscription Date, for one new Ordinary Share for every five Ordinary Shares held on that date. The new Ordinary Shares subscribed for will be issued within 14 days after the relevant Subscription Date to those Shareholders in whose name the Ordinary Shares are registered on the Subscription Date.

The Subscription Price will be equal to the undiluted NAV per Share, as announced via a Regulatory Information Service, on 1 May the previous year (or if such day is not a Business Day, the next following Business Day). Thus, if the NAV per Share has risen over the course of the year, Shareholders will have the right to buy new Ordinary Shares at a discount to the then prevailing NAV per Share.

As an example, the estimated undiluted NAV per Share as at the Latest Practicable Date was 33.94p and the share price was 37.40p. If a Shareholder had been able to subscribe for an Ordinary Share at the NAV per Share 12 months prior (25 March 2020) being 9.85p, this would be equivalent to buying a new Ordinary Share at a discount of 71.0 per cent. to the prevailing NAV per Share, and a discount of 73.7 per cent. to the prevailing Ordinary Share price, as at the Latest Practicable Date.

The new Ordinary Shares issued as a result of the exercise of a Subscription Right will rank *pari passu* with the existing Ordinary Shares.

New Ordinary Shares issued as a result of the exercise of Subscription Rights will have Subscription Rights attached to be exercised on future Subscription Dates. Shareholders will have one opportunity in each year to exercise their Subscription Right. Any Subscription Rights not exercised will effectively lapse. Immediately after the annual opportunity for exercise, all Ordinary Shares outstanding (whether or not the Subscription Right has been exercised) will effectively be given a new Subscription Right that can be exercised on 30 April of the following year.

Subscription Rights that remain unexercised in any given year will expire worthless for that year unless a trustee, appointed by the Company, chooses to exercise on Shareholders' behalf, in accordance with the procedures set out in the Circular and Prospectus.

The Board will have the limited ability under the new Articles to scale back the number of Ordinary Shares that may be issued at the time of the exercise of any particular Subscription Right. This course of action will only be taken if the Board believes that the requirement to issue a prospectus in respect of an offer to the public in the UK, that complies with the then prevailing UK legal requirements, would prove to be unduly burdensome and/or expensive compared to the full issue of new Ordinary Shares pursuant to the exercise of the relevant Subscription Right. Currently, the Company can issue up to Euro 8 million (£6.9 million as at the latest practicable date) of new Ordinary Shares at any Subscription Date (less any shares that may have been offered to the public in the UK in the previous 12 month period) without issuing a UK compliant prospectus. If the Subscription Right became effective at the Company's NAV per share at the latest practicable date (33.94p per share), the value of new ordinary Shares that would be issued if the Subscription Rights were exercised in full would be £6.4 million. This is below the Euro 8 million threshold which means that it is unlikely that the Board would scale back any exercise of Subscription Right at the first exercise date in 2022.

Full details of the Subscription Rights are set out in Part 6 of the Circular and Prospectus.

The Board considers it desirable that Shareholders should have the opportunity to review the operation of the Subscription Right mechanism after an initial period of five years. Accordingly, at the annual general meeting of the Company in 2026 and at every fifth subsequent annual general meeting thereafter, the Directors intend to propose an ordinary resolution for the continuation of the Subscription Right mechanism. If such resolution is not passed, the Directors will formulate proposals to be put to Shareholders to amend the Articles in order to remove the Subscription Right.

The Board will review on an annual basis the effectiveness and appropriateness of the Subscription Right mechanism. If the Board considers that it would be in the best interests of the Company and its Shareholders to suspend or discontinue the programme, the review of the operation of the Subscription Right mechanism by Shareholders will be brought forward to the next following annual general meeting.

The creation of the Subscription Rights for Shareholders pursuant to the Proposals is conditional on the approval by Shareholders of the Resolution to be proposed at an Extraordinary General Meeting.

Directors holding Ordinary Shares amounting in aggregate to 389,900 Ordinary Shares, representing approximately 0.4 per cent. of the issued Ordinary Share capital of the Company as at the date of the Circular and Prospectus, have informed the Company that they intend to vote in favour of the Resolution.

Benefits and impact of the Proposals

Your Board believes the Proposals have the following principal benefits:

- * Shareholders will gain an embedded Subscription Right that will allow them to subscribe for new Ordinary Shares in the future at a predetermined price;
- * If the NAV per Share increases following the date by reference to which the Subscription Price is calculated, the Subscription Right will allow Shareholders to subscribe for new Ordinary Shares on the Subscription Date at a discount to the prevailing NAV per Share;
- * If the Subscription Rights were to be fully exercised for each of the next five years, and absent any other changes to the Company's capital structure, the number of Ordinary Shares in issue would more than double. This potential increase in the Company's Ordinary Share capital should have a significant impact on the liquidity of the Ordinary Shares in the market;
- * An increase in the Company's issued Ordinary Share capital and total assets through the exercise of Subscription Rights should reduce the Company's expense ratio as the fixed operating costs of running the Company would be spread over a greater asset base;
- * As a result of the intrinsic option value of the Subscription Right, the value of an Ordinary Share should increase. If this increase in the intrinsic value of an Ordinary Share is reflected in the share price then it should help to narrow any discount to NAV per Share at which the Ordinary Shares may trade;
- * Any exercise of the Subscription Rights of the Company should increase the market capitalisation and total assets of the Company. As these grow, the Company may widen its appeal to new investors thus increasing demand for the Company's Ordinary Shares which could have a positive effect on the Company's share price which should support the premium to NAV per share at which the Company's shares typically trade and should limit those shares trading at a discount to NAV per Share in the future;
- * The Subscription Right gives Shareholders a choice: they have the ability to maintain their *pro rata* percentage shareholding in the Company but does not oblige them to do so;
- * To protect the interests of Shareholders who are unable or fail to exercise their Subscription Rights and subject to the Board's overall discretion that exercise of the Subscription Rights will be in the best interests of the Company, following a Subscription Date the Board shall appoint a trustee. The trustee, provided that in such trustee's opinion, on the basis of considerations including the then market demand for the Ordinary Shares, the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Rights, shall exercise all or part of the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the relevant Subscription Date and sell in the market the Ordinary Shares resulting from such exercise;
- * The Subscription Price is reset every year, meaning that if a Subscription Right is 'out of the money' for the purposes of a Subscription Date, the Ordinary Shares will nevertheless offer a future opportunity to subscribe for new Ordinary Shares at the rebased Subscription Price set on the following Business Day (the undiluted NAV per Share) for the Subscription Date in the following year; and

Extraordinary General Meeting

The Proposals require the approval of Shareholders. A notice convening an extraordinary general meeting (the "EGM") to be held at the offices of R&H Fund Services (Jersey) Limited at Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW, on 26 April 2021 at 12 noon is set out in the Circular and Prospectus.

Given the unprecedented circumstances, the Board has decided to put in place contingency arrangements that mean the EGM will not follow the usual format for general meetings. Only the statutory, formal business (consisting of voting on the Resolution proposed in the Notice of EGM only) to meet the minimum legal requirements will be conducted and the EGM will proceed, in accordance with the Existing Articles.

Detailed procedures in respect of the EGM are included in the Circular and Prospectus.

The Circular and Prospectus will shortly be available to view on the section of the Investment Manager's website dedicated to the Company (<http://ncim.co.uk/geiger-counter-ltd/>). Capitalised terms used in this announcement shall have the same meaning ascribed to them in the Circular and Prospectus.

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