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18 July 2024

ACG Acquisition Company Limited
("ACG" or the "Company")

- **Acquisition of the Gediktepe Mine ("Gediktepe") in Türkiye from Lidya Madencilik Sanayi ve Ticaret Anonim Şirketi ("Lidya"), a subsidiary of Istanbul-based conglomerate Çalık Holding, positioning the Company as a leading London-listed copper miner.**
- **Gediktepe is a polymetallic mining operation, currently producing gold and silver with robust cash flows from an existing oxide operation. Copper and zinc production to commence in 2026 following a fully funded \$145 million sulphide expansion project.**
- **The \$290 million transaction includes a \$100 million cash consideration and the issuance of approximately \$37 million equity in ACG to Lidya, representing 30% of the Company.**
- **The acquisition and capex are fully funded based on commitments and term sheets received by ACG as of today.**
- **The Company may consider raising additional equity from institutional investors, to broaden its shareholder base and optimise its capital structure.**
- **The sulphide expansion project will be fully permitted and financed upon transaction completion, ensuring a seamless transition from oxide to sulphide ore production. The expansion project targets annual production of up to 25 kt copper equivalent over an 11-year initial mine life with an all-in sustaining costs of \$2.49/lb copper equivalent.**
- **The acquisition marks the start of an ongoing strategic partnership with Çalık Holding. Çalık Holding's construction subsidiary, Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi ("GAP İNSAAT"), will undertake the construction works for the sulphide expansion project under a turn-key fixed-price engineering, procurement, and construction ("EPC") contract.**
- **This transaction establishes ACG as a leading copper miner on the London Stock Exchange at a time of rising demand for copper, a metal central to the long-term energy transition.**

- **The transaction marks the beginning of ACG’s global copper consolidation strategy. The Company is actively engaged in discussions with several further targets.**

ACG today announces that it has agreed to the \$290 million transaction (the “**Transaction**”) with Lidya, a subsidiary of Istanbul-based conglomerate Çalık Holding, for the acquisition (the “**Acquisition**”) of 100% of the shares in Polimetal Madencilik Sanayi ve Ticaret A.Ş. (the “**Target**”) and associated sulphide expansion project financing. Polimetal holds mining rights and operates the **Gediktepe** mine in Türkiye.

As of today, ACG has received commitments and term sheets providing 100% of the required funding for the upfront transaction consideration and sulphide expansion project capex. This includes, among other sources of financing, senior debt and equity of \$135 million from a leading global mining private equity fund, mezzanine debt and equity of up to \$25 million from Traxys Europe SA, and additional equity of \$60.0 million from a group of investors led by ACG’s co-sponsors and a leading European family office.

Lidya will also become ACG’s strategic industrial partner acquiring a 30% shareholding in ACG upon completion, along with the right to appoint a director to ACG’s Board.

The Gediktepe Mine is an operating open pit mine located in the Bigadiç district of the Balıkesir province of Western Türkiye. Currently producing gold and silver from oxide ore, Gediktepe is expected to transition to primary copper and zinc production from 2026 following the completion of a fully permitted sulphide expansion project. The expansion will target annual steady-state copper equivalent production of up to 25 kt of copper equivalent over an initial 11-year mine life (“LOM”).

On completion of the transaction, ACG will enter into a fixed price turn-key \$145 million EPC contract with Çalık Holding subsidiary GAP iNSAAT, who will be responsible for delivering the sulphide expansion project on time and will cover any capex overruns under the agreed terms. ACG is also forming a long-term strategic partnership with GAP iNSAAT, whereby it will have the opportunity to submit tenders for capital expenditure and operational contracts.

Upon completion of this transaction, the Company will be renamed **ACG Metals** and the Company and the Target will constitute a new group (the “**Enlarged Group**”). ACG Metals will offer investors exposure to the expected increased long-term demand for copper, supported by high-calibre management and governance, in a London-listed company with a vision for continued growth and consolidation of copper mines globally.

Artem Volynets, Chairman and CEO of ACG, stated:

We are very proud to announce the acquisition of the Gediktepe mine, an existing gold and silver success story with a bright future in copper. This transaction is a testament to ACG’s commitment to growth and our pursuit of operational excellence.

It is a privilege for us to establish a strategic partnership with Lidya, who share our vision for long-term development in the mining industry and understand the significance of copper in today’s world.

This transaction will inaugurate ACG Metals as a premier copper producer on the London Stock Exchange. The Gediktepe mine offers us an ideal foundation for further consolidation of copper assets globally as the metal enjoys a sustained increase in demand.

Transaction Highlights:

- Gediktepe is intended to be the first asset in a wider copper consolidation strategy which ACG will execute.

- The total transaction value of the Gediktepe acquisition and financing of the sulphide expansion project is approximately \$290 million.
- The \$290 million transaction value consists of:
 - A cash payment of \$100 million to Lidya at closing;
 - A 30% shareholding in ACG to Lidya upon completion of the transaction, valued at approximately \$37 million;
 - Funding of the \$145 million sulphide expansion project;
 - Transaction costs and working capital of approximately \$8 million.
- The \$290 million transaction value will be funded by:
 - The issuance of 30% of ACG shares to Lidya, valued at approximately \$37 million;
 - \$67.5 million in equity investments;
 - \$40 million in gold prepayments;
 - \$110 million of senior debt;
 - \$22.5 million of mezzanine debt;
 - \$13 million of cash flows from the existing oxide operation.
- 100% of the required transaction funding has already been agreed in principle and is subject to final documentation.
- The equity investors have agreed to subscribe for new ordinary shares at a price of US\$6.00 each in the capital of the Company, and will receive one new redeemable warrant for each new ordinary share purchased.
- ACG is in advanced discussions with a number of high-quality institutional investors and may consider implementing an additional equity placement before completion to broaden its shareholder base and optimise its capital structure. Stifel Nicolaus Europe Limited is advising on the potential equity placement.
- Transaction terms also include contingent payments starting from 12 months post-commercial production being achieved at the sulphide expansion project. The payments are contingent on significant increases in copper prices and copper reserve expansions, with an aggregate cap of \$100 million starting from 2027 should the relevant thresholds be met.
- The closing of the Transaction is subject to the satisfaction or waiver of customary closing conditions, including the approval of the Acquisition by a general meeting of ACG's shareholders, antitrust and mining permit clearances in Türkiye, and the re-admission of all the class A ordinary shares and the warrants of the Enlarged Group to listing, effective as of the closing date of the Transaction.
- The Board of Directors of ACG ("the Board") has unanimously approved the Transaction and the Board intends to recommend that ACG's existing public shareholders vote in favour of the Transaction.
- Having commenced production in 2021, the Gediktepe mine presents a compelling investment case, secured at a very competitive transaction price. Its financial appeal is bolstered by the after-tax NPV10% \$318 million of the sulphide expansion project (using analyst consensus commodity price forecasts).

- Over \$90 million has already been invested in the Gediktepe mine by Lidya to date.
- In 2023, the Gediktepe mine produced 34 koz of gold and 361 koz of silver from the existing oxide operation. The Gediktepe production is expected to grow substantially with the addition of copper and zinc production from the sulphide expansion project. Development plans, which have secured the critical permits and licences, target annual steady-state copper equivalent production of 20-25 kt over an initial 11-year mine life.
- While gold and silver production from the oxide operation is expected to conclude by 2026, ACG sees numerous opportunities to extend the oxide operation LOM as well. In addition, gold and silver will continue to be produced from the sulphide expansion.
- Healthy cash flows for the existing operation will serve to bolster cash reserves available for sulphide expansion, with ACG assuming that approximately \$13 million of cash flow from the oxide operation will be used to fund sulphide expansion costs. Current gold and silver prices suggest potential for cash generation of several times this amount, and the possibility of an earlier reduction of commitments.
- The Gediktepe mine already benefits from a high performing in-country operating team, with deep project management and engineering experience. The team is committed to the continuous ongoing management of Gediktepe under ACG ownership and is fully aligned with ACG's broader growth strategy.
- The Gediktepe mine possesses attractive near-mine exploration potential, in both the oxide (gold and silver) and sulphide (copper, zinc, gold and silver) portions of the deposit. It lies within the Tethyan Metallogenic Belt, which stretches across Eurasia, and which remains under-explored using modern geophysics and geochemistry, in particular for copper. The region offers several further exploration opportunities for ACG to consider, with Lidya as a partner.
- The Gediktepe mine enjoys access to well-established infrastructure and logistics, including highways, ports, and airports, simplifying the transportation of minerals to European and global refineries.
- Under Lidya's prudent management, the Gediktepe mine already has strong ESG credentials. Having provided substantial community investment, the operation has demonstrated its commitment to sustainable practices. ACG intends to further this legacy, reducing carbon emissions and aligning the business's ESG reporting to global standards.

Next Steps

Following approval by the Financial Conduct Authority ("**FCA**") of a prospectus containing further details regarding the Acquisition, ACG intends to convene a general meeting of its public shareholders for purposes of considering the Acquisition (the "**Acquisition EGM**").

When doing so, ACG will publish on its website the notice convening the Acquisition EGM, the shareholder circular and any other related documents.

The Acquisition will constitute a reverse takeover, as defined in the new UK Listing Rules ("**UKLR**") as published by the FCA on 11 July 2024 (due to come into force on 29 July 2024). The Company has adopted, and maintains as of the date hereof, a structure in compliance with Chapter 5.6.18AG of the current FCA Listing Rules, as set out in the prospectus published by ACG in connection with its IPO. Effective as of the closing of the Acquisition, the existing listing of ACG's class A ordinary shares and warrants is expected to be cancelled and ACG will apply for all of the class A ordinary shares of the Enlarged Group to be re-admitted to listing in the Equity Shares (transition) category of the Official List and for all of the warrants of the Enlarged

Group to be re-admitted to the Warrants, Options and Other Miscellaneous Securities category of the Official List, in each case as provided in the UKLR.

As announced on 28 June 2024, ACG has provided class A ordinary shareholders with the right to redeem all or a portion of their class A ordinary shares as described and on the terms set forth in such announcement. ACG notes that the corresponding redemption period is ongoing and expects to extend this redemption period such that class A ordinary shareholders have an opportunity to consider their decision to submit redemption elections in light of the Acquisition and will provide a further update in due course.

The acquisition has a long stop date of 31 August 2024 and the acquisition is expected to be completed before such date. If the Acquisition has not been completed by the long stop date, either party may terminate the Acquisition agreement.

All dates are indicative and subject to change.

ADDITIONAL INFORMATION

For further information on the Acquisition, please consult the acquisition presentation slide deck available at www.acgcorp.co in the section headed “*Acquisition Documents and Announcements*”.

The description of the transactions contained herein is only a high-level summary. Additional information about the transactions will be provided in the prospectus and the shareholder circular, which will be published in due course. The competent person’s report relating to the Gediktepe Mine will also be published at the same time as the prospectus and shareholder circular and will be made available on www.acgcorp.co in the section headed “*Acquisition Documents and Announcements*”.

The prospectus and the shareholder circular will include information required by applicable law, including information that has not been included in this announcement, in particular: further details on the terms and timing of the proposed transaction, including the expected dilution effect on public shareholders from securities held by ACG’s directors and co-sponsors, or from new securities issued or expected to be issued as part of the transaction, further information relating to how the Target have been valued by ACG and any other material details and information relating to the Acquisition.

All \$ amounts are US dollars.

About ACG

ACG is a special purpose acquisition company with a vision to consolidate the critical metals industry, starting with the copper sector. Through a series of roll-up acquisitions, ACG intends to become a premier supplier of copper and other critical metals to the western OEM supply chain, with best-in-class ESG and carbon footprint characteristics. On October 12, 2022, ACG successfully raised proceeds of approximately \$125 million in its initial public offering (“**IPO**”), and listed on the London Stock Exchange (symbols: ACG and ACGW). On 27 June 2024, ACG extended the deadline by which it is required to complete an acquisition from 30 June 2024 to 12 October 2024.

For further information please visit: www.acgcorp.co

About Çalık Holding:

Çalık Holding, a Turkish conglomerate with a history of over 40 years, operates across multiple sectors including energy, construction, mining, textiles, and finance. Çalık Holding employs around 15,000 people and has a presence in more than 30 countries. In the mining sector, Çalık Holding has been active for over 20 years, holding stakes in two operating mines and various development and exploration projects. GAP İNŞAAT, construction subsidiary of Çalık Holding

has also completed around 150 projects, representing \$8.5 billion in value. Lidya is a subsidiary of Çalık Holding and holds 100% of the shares in the Target which, in turn, holds a 100% interest in the Gediktepe Mine.

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Advisors

Stifel Nicolaus Europe Limited is acting as capital markets advisor to ACG. Maxit Capital LP is acting as financial advisor to ACG. Cleary Gottlieb Steen & Hamilton LLP and Paksoy Ortak Avukat Bürosu are acting as legal advisors to ACG. Hatch Ltd is acting as technical, environmental and social advisor to ACG. AMC Consultants is acting as competent person. Davis Polk & Wardwell London LLP is acting as legal advisor to Stifel Nicolaus Europe Limited.

Forward-looking statements

Some of the information in these materials may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company. You can identify forward looking statements by terms such as “expect”, “believe”, “anticipate”, “estimate”, “intend”, “will”, “could”, “may” or “might” the negative of such terms or other similar expressions. The Company wishes to caution you that these statements are only predictions and that actual events or results may and often do differ materially. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Any forward-looking statements reflect the Company’s current view with respect to future events and many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Company, including, among others, ACG’s ability to obtain adequate information to evaluate the target asset, ACG’s ability to successfully or timely complete the contemplated acquisition, ACG’s expectations around the performance of the target asset, ACG’s potential ability to obtain additional financing to complete the contemplated acquisition and the financial performance of the Enlarged Group that would result from the potential completion of the contemplated acquisition. Forward-looking statements speak only as of the date they are made.

Inside information

This announcement contains inside information for the purposes of the market abuse regulation (EU No. 596/2014), as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

Important notices

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