

To: Jeffrey Epstein[jeevacation@gmail.com]; karen
From: Julien Boillot
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Subject: Spacs

I had a close look at the various data on SPACs and I am not entirely certain it will work for us at least at the holding level. I am certainly not ruling out the concept (which is very clever) and I outline below the issues that I have (based on my understanding) for discussions purposes.

SPACs are by definition a pot of cash raised via an IPO in order to make the acquisition of an existing business and fund, when necessary, its development. This raises two questions: (i) can we use a SPAC to make acquisition of several companies in various sectors and (ii) can we use a SPAC to start a business from scratch.

From the information I gathered, SPACs are flexible structures and could therefore be setup to answer the above questions but I have the feeling that by doing so, we may go away from the main objective of SPACs: a visible quoted vehicle attracting liquidity and fair valuation. In our case, our investment company intends to make acquisitions and invest in greenfield projects in various sectors in Africa, two reasons to apply a discount to the holding company. I do not know whether my reasoning is correct and this is certainly a good topic for discussions.

Going forward, I believe that we could create a type of company that answers almost all our requirements:

- Ensuring a traded value for the investments made seems to be difficult at least in the first 2 years. For business acquired, we could introduced SPACs as "affiliates" of the Investment company. Investco would try to retain control of the business.
- Exit flexibility. This is a difficult one in both a limited company and limited liability partnership (maybe more difficult in this latter case). I am not sure how this can be covered other than on abest effort basis.
- Interest of management aligned on that of investors. This can be done by

either giving shares to the management in a limited company or by granting the management a share of profits in a limited liability partnership.

- Avoid unexpected dilutions of initial investors. A similar concept of warrants can be put in place in the case of a limited company. This is more difficult in a partnership as it will require a heavier legal documentation. In this case, one has to think from the outset what terms and conditions will be offered to initial investors in the event of a second (or more) rounds of contribution.

- Other requirements ...

At this stage, I think we may have to stick to the original concept of an investment company be it a Limited Liability Company or a Limited Liability Partnership. We are assessing the pros and cons of both options and will revert soon.

Best regards,

J