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If you have sold or otherwise transferred all of your Shares in GLI Finance Limited (the "**Company**"), you should pass this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

GLI FINANCE LIMITED

(a closed-ended company incorporated in Guernsey with registered number 43260)

Proposed Placing of 9 million Shares at 51 pence per Share

and

Notice of Extraordinary General Meeting

This document should be read in its entirety. Your attention is drawn to the Letter from the Chairman of GLI Finance Limited which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of the Company to be held at the Company's registered office, Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 4NA at 11:00 a.m. on 21 October 2013 or any adjournment thereof is set out at the end of this document. Shareholders are requested to complete and return the enclosed Form of Proxy. To be valid, the enclosed Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's registrar, Equiniti Limited, FREEPOST SEA 10850, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZR, UK, no later than 11:00 a.m. on 19 October 2013. The completion and return of the Form of Proxy will not prevent a Shareholder attending and voting at the Extraordinary General Meeting if he or she is entitled to do so.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

Panmure Gordon (UK) Limited, which is authorised and regulated by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the matters set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Panmure Gordon (UK) Limited or for affording advice in relation to the contents of this document or any matters referred to herein.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any relevant jurisdiction.

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EXPECTED TIMETABLE

2013

Publication of this document	3 October
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 19 October
Extraordinary General Meeting	11:00 a.m. on 21 October
Admission	8.00 a.m. on 25 October
Expected date for CREST accounts to be credited with the Placing Shares	25 October
Expected date for despatch of share certificates for the Placing Shares	1 November

References to times in this document are to times in London, England unless otherwise stated.

The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a regulatory information service.

PLACING STATISTICS

Placing Price	51 pence
Number of Shares in issue at the date of this document	131,217,417
Number of Shares proposed to be issued pursuant to the Placing	9,000,000
Enlarged issued Share capital	140,217,417
Gross proceeds of the Placing	£4,590,000

PART 1
LETTER FROM THE CHAIRMAN
GLI FINANCE LIMITED

(incorporated in Guernsey with registered number 43260)

Directors:

Patrick Firth (*Non-Executive Chairman*)
Geoffrey Miller (*Executive Director*)
Frederick Forni (*Non-Executive Director*)
James Carthew (*Non-Executive Director*)

Registered Office:

Sarnia House
Le Truchot
St. Peter Port
Guernsey
GY1 4NA
Channel Islands

3 October 2013

Dear Shareholder

1. Introduction

As announced on 30 September 2013, the Company is proposing to raise approximately £4.6 million (before expenses) by means of a Placing. The Company has conditionally placed 9 million Shares representing 6.9 per cent. of the Company's existing issued share capital at a price of 51 pence per new Share (the "**Placing Price**") to raise gross proceeds of £4,590,000. Completion of the Placing is conditional, *inter alia*, upon Shareholder approval of a special resolution ("**Resolution 1**") to disapply pre-emption rights in respect of the Placing Shares and approval of an ordinary resolution ("**Resolution 2**") to approve the Placing Price.

This letter explains why the Board believes that the Placing is in the best interests of the Company and Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting to be held at 11:00 a.m. on 21 October 2013 as the Directors intend to do in respect of their own holdings of Shares. The Notice convening this meeting is set out in Part 3 of this document.

2. Background to the Placing

In November 2012, the Company acquired certain of the assets of BMS Specialist Debt Fund Limited, including BMS Finance, a provider of senior lending to SMEs that have been unable to access funding from banks. This acquisition was financed with a loan note of £11.6 million and £1.0 million of equity, two-thirds of which was funded by the Company and one third by BMS Finance's management team. This acquisition has proved very successful and, as announced in the Company's interim results published on 30 September 2013, by the end of the period to 30 June 2013, the value of the equity had more than doubled.

The Company has also recently invested in further alternative funding platforms. In July 2013, the Company invested £1.5 million in FundingKnight, a web platform for crowd lending which matches investors wishing to earn a better return on their savings with small British businesses seeking to widen their access to funding. The investment was in the form of equity and preference shares in FundingKnight, which entitles the Company to retain at least a 20 per cent. voting and economic stake in that company.

In August 2013, the Company also completed an investment of £2.0 million in the crowd-funding platform, Platform Black, which enables SMEs to gain access to the money tied up in their invoices by auctioning them online to investors seeking attractive short-term returns. This investment was again in the form of equity and preference shares, which entitles the Company to retain at least a 20 per cent. voting and economic stake in the business.

All three platforms set out to provide an offering that is complementary to, rather than seeking to directly compete with, the mainstream banking sector. The Board believes that this will ensure a sustainable competitive advantage across the cycle, rather than just a cyclical play due to the weakness of many banks after the financial crisis.

If the Placing becomes unconditional, the net proceeds will be used to fund an expansion of the loan book held by BMS Finance, as well as to invest across the alternative lending platforms, FundingKnight and Platform Black. The Company intends to continue its focus on providing finance to SMEs, and will look to exploit synergies between the complementary offerings of the platforms into which it has invested, whilst maintaining its focus on ROE-driven targets.

3. The Placing

On 30 September 2013, Panmure Gordon undertook an accelerated bookbuild process in respect of the Placing and conditionally placed 9 million Shares (which represents 6.9 per cent. of the Company's issued share capital at the date of this document) at the Placing Price with institutional investors, to raise gross proceeds of approximately £4.6 million.

The Placing Price represents a discount of approximately 2.6 per cent. to the price of 52.4 pence per Share (being the closing price of the Company's Shares on 2 October 2013). The Placing Price also represents a discount of 4.0 per cent. to the Net Asset Value per Share of 53.1 pence as at 30 June 2013 (being the latest published NAV per Share).

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Shares of the Company, save that they will not rank for any dividend in respect of the quarter ended 30 September 2013.

Application will be made to the London Stock Exchange for Admission of the Placing Shares to trading on AIM and to the CISX for Admission of the Placing Shares to the Official List of the CISX. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 25 October 2013.

The Placing is conditional, *inter alia*, on: (i) Shareholder approval of Resolution 1 and Resolution 2; (ii) Admission; and (iii) the placing agreement entered into on 30

September 2013 between the Company and Panmure Gordon for the purposes of implementing the Placing not having been terminated prior to Admission.

4. Extraordinary General Meeting

Resolutions

At the annual general meeting held in April 2013, Shareholders approved the adoption of the New Articles, which prohibit the issue of Shares without first offering those Shares to existing Shareholders unless such issue has been approved by Shareholders in general meeting. Accordingly, Resolution 1 will be proposed as a special resolution to disapply these pre-emption rights in respect of the 9 million Shares proposed to be issued pursuant to the Placing. Resolution 1 requires members present (whether in person or by proxy) and voting to vote in favour of it to hold at least 75 per cent. of the Shares voted, in order for it to be passed.

Pursuant to Rule 7.3.17 of the CISX Listing Rules, the Company is not permitted to issue Shares at less than the Net Asset Value per Share without the approval of Shareholders. Accordingly, Resolution 2 will be proposed as an ordinary resolution to approve the issue of the Shares pursuant to the Placing at a discount to the Net Asset Value per Share at the time of issue (expected to be 25 October 2013). Resolution 2 requires members present (whether in person or by proxy) and voting to vote in favour of it to hold a majority of the Shares voted, in order for it to be passed.

Action to be taken

A notice convening an Extraordinary General Meeting of the Company, which is to be held at 11:00 a.m. on 21 October 2013, is set out at the end of this document. Whether or not you intend to be present at the Extraordinary General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon, so as to be received as soon as possible and, in any event, no later than 11 a.m. on 19 October 2013. The completion and return of the Form of Proxy will not preclude you from attending the meeting and voting in person should you so wish.

5. Recommendation

The Board believes that the Placing is in the best interests of the Company and Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

The Directors intend to vote in favour, or procure the vote in favour, of the Resolutions at the Extraordinary General Meeting in respect of their beneficial holdings of Shares which, in aggregate, amount to 1,840,620 Shares, representing approximately 1.4 per cent. of the Company's issued ordinary share capital as at the date of this document.

Yours faithfully

Patrick Firth
Chairman

PART 2
DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Admission"	the admission of the Shares to be issued pursuant to the Placing: (i) to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules; and (ii) to the Official List of the CISX becoming effective in accordance with the Listing Rules
"AIM"	the AIM Market, operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies, published by the London Stock Exchange
"BMS Finance"	BMS Finance AB Limited
"Board" or "Directors"	the board of directors of the Company
"CISX"	the Channel Islands Stock Exchange, LBG
"CISX Listing Rules"	the Listing Rules of the CISX
"Company"	GLI Finance Limited
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at 11:00 a.m. on 21 October 2013, or any adjournment thereof
"Form of Proxy"	the form of proxy to be used by Shareholders in connection with the EGM which accompanies this document
"FundingKnight"	Funding Knight Holdings Limited
"London Stock Exchange"	London Stock Exchange plc
"Net Asset Value" and "Net Asset Value per Share"	respectively the net asset value of the Company and the net asset value of a Share as calculated in accordance with the Company's normal accounting policies
"New Articles"	the articles of incorporation of the Company, adopted at the annual general meeting of the Company held on 30 April 2013
"Notice"	the notice of the Extraordinary General Meeting set out at the end of this document
"Panmure Gordon"	Panmure Gordon (UK) Limited
"Placing"	the conditional placing of 9 million Shares to institutional investors at the Placing Price as

	described in this document
"Placing Price"	the price at which Shares will be issued pursuant to the Placing, being 51 pence per Share
"Placing Shares"	the Shares proposed to be issued pursuant to the Placing
"Platform Black"	Platform Black Limited
"Resolution 1"	the special resolution to be proposed at the EGM as set out in the Notice
"Resolution 2"	the ordinary resolution to be proposed at the EGM as set out in the Notice
"Resolutions"	Resolution 1 and Resolution 2
"ROE"	return on equity
"Shareholders"	holders of Shares
"Shares"	ordinary shares of no par value in the capital of the Company
"SME"	small to medium-sized enterprise

PART 3

NOTICE OF EXTRAORDINARY GENERAL MEETING

GLI FINANCE LIMITED

(incorporated in Guernsey with registered number 43260)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of GLI Finance Limited (the "**Company**") will be held at the Company's registered office, Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 4NA at 11:00 a.m. on 21 October 2013 for the purpose of considering and, if thought fit, passing the following resolutions.

Special Resolution

1. **THAT** the directors be and they are hereby empowered to allot Shares for cash as if article 7.2 of the Company's articles of incorporation did not apply to such allotment provided that the power conferred by this resolution shall be limited to the allotment of 9 million new ordinary shares of no par value in the capital of the Company ("**Shares**") in connection with the placing of those shares by Panmure Gordon (UK) Limited to institutional investors as announced by the Company on 1 October 2013 and unless previously renewed, revoked, varied or extended this power shall expire on the conclusion of the next annual general meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require Shares to be allotted after such expiry and the directors may allot Shares in pursuance of such offer or agreement as if this power had not expired.

Ordinary Resolution

2. **THAT** the Company be and is hereby authorised to issue 9 million Shares at a discount to the prevailing Net Asset Value per Share for the purposes of the placing of those shares by Panmure Gordon (UK) Limited to institutional investors as announced by the Company on 1 October 2013.

By order of the Board
3 October 2013

Registered Office
Sarnia House
Le Truchot
St. Peter Port
Guernsey
GY1 4NA

Notes:

1. Any Shareholder entitled to attend, speak and vote at the EGM is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him. A proxy need not be a Shareholder. A Shareholder may appoint more than one proxy in relation to the EGM provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by the Shareholder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A proxy may be an individual or a body corporate who need not be a Shareholder.
2. In the case of a Shareholder which is a company, the Form of Proxy must be executed under the Shareholder's common seal (or in any other manner permitted by law and having the same effect as if executed under seal) or under the hand of a duly authorised officer, attorney or other person.
3. The Form of Proxy, together with, if appropriate, any power of attorney or other authority or a notarially certified copy of any power of attorney or other authority (if any) under which it is signed,

must be deposited at the Company's registrars, Equiniti Limited, FREEPOST SEA 10850, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZR, UK not later than 48 hours before the time appointed for holding the EGM.

4. To appoint more than one proxy to vote in relation to different Shares within your holding you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
5. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint holding.
6. Any corporation which is a Shareholder may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of Shareholders and the person so authorised shall be entitled to exercise the same power on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder.
7. To change your proxy instructions, simply submit a new Form of Proxy using the method set out above. If you submit more than one valid Form of Proxy, the appointment received last before the latest time for the receipt of Forms of Proxy will take precedence. Please note that the cut-off time for receipt of Forms of Proxy also applies in relation to amended instructions; any amended Form of Proxy received after the relevant cut-off time will be disregarded.
8. Return of a completed Form of Proxy will not preclude a Shareholder from attending and voting personally at the EGM. If you have appointed a proxy and attend the EGM in person, your proxy appointment will automatically be terminated.
9. Only Shareholders registered in the register of shareholders of the Company 48 hours before the time fixed for the EGM or any adjourned meeting shall be entitled to attend, speak and vote at the EGM in respect of the number of Shares registered in their name at that time. Changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the EGM.
10. The quorum for a meeting of Shareholders is two or more Shareholders (provided that they are entitled to vote on the business to be transacted at the meeting) present in person or by proxy and holding 5 per cent. or more of the voting rights available at such meeting.
11. If, within half an hour from the appointed time for the EGM, a quorum is not present, the meeting shall stand adjourned to such time and place as the Board may determine. The quorum for such adjourned meeting shall be such Shareholder or Shareholders who shall attend in person or by proxy.
12. The passing of the special resolution requires Shareholders present (whether in person or by proxy) and holding at least 75 per cent. of the Shares voted to vote in favour of the special resolution. The passing of the ordinary resolution requires Shareholders present (whether in person or by proxy) and holding a majority of the Shares voted to vote in favour of the ordinary resolution.
13. If the Resolutions are duly passed at the EGM (or any adjourned meeting thereof), and other necessary formalities are completed, this will result in all of the proposed Resolutions becoming binding on each Shareholder whether or not he or she voted in favour of either of the Resolutions, or voted at all.
14. To allow effective constitution of the EGM, if it is apparent to the chairman that no Shareholders will be present in person or by proxy, other than by proxy in the chairman's favour, then the chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the chairman.
15. Terms defined in the document to Shareholders dated 3 October 2013 shall, unless the context otherwise requires, bear the same meaning when used in this Notice.