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*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.*

For immediate release

21 January 2021

Pharos Energy plc

("Pharos", or the "Company")

### **Proposed Placing, Subscription and Retail Offer of Ordinary Shares**

Pharos Energy plc (LSE: PHAR.L), the Asia-MENA focussed independent oil and gas exploration and production company, today announces its intention to raise up to approximately US\$13.0 million (£9.6 million) by way of a Placing, Subscription and Retail Offer (in each case as defined below, and together the "**Fundraise**") of new ordinary shares of £0.05 each in the capital of the Company ("**Ordinary Shares**") at a price of 19.25 pence per Ordinary Share (the "**Placing Price**").

The Fundraise is being conducted on a non-pre-emptive basis. The Placing will comprise the issue of such number of new Ordinary Shares (the "**Placing Shares**") as, together with the Subscription Shares, represents 10 per cent. of the Company's existing issued share capital (the "**Placing**").

The Company intends to enter into subscription agreements with certain of its directors and existing shareholders who have indicated that they intend to subscribe for an aggregate amount of new Ordinary Shares (the "**Subscription Shares**") equivalent to up to US\$2.47 million (£1.81 million) at the Placing Price. The Subscription Shares represent up to approximately 2.4 per cent. of the Company's existing issued share capital (the "**Subscription**").

In addition to the Placing and Subscription, an offer will be made by the Company on the PrimaryBid platform of up to 9,937,892 new Ordinary Shares (the "**Retail Shares**"), representing up to 2.5 per cent. of the Company's existing issued share capital, at the Placing Price (the "**Retail Offer**"), to provide retail investors with an opportunity to participate in the equity fundraise. A separate announcement will be made shortly regarding the Retail Offer and its terms.

Together, the total number of Placing Shares, Subscription Shares and Retail Offer Shares will not exceed 49,689,460, representing approximately 12.5 per cent of the current issued share capital of the Company.

Peel Hunt LLP ("**Peel Hunt**") and Auctus Advisors LLP ("**Auctus**") (Peel Hunt, together with Auctus, being the "**Joint Bookrunners**") are acting as joint bookrunners in relation to the Placing.

The Placing, which is being conducted by way of an accelerated bookbuild (the "**Bookbuild**") and is available to qualifying new and existing investors, will be launched immediately following the release of this announcement. The timing of the closing of the Bookbuild and the allocations are at the absolute

discretion of the Joint Bookrunners and the Company. The results of the Placing will be announced as soon as practicable after the close of the Bookbuild.

The Placing is subject to the terms and conditions set out in the Appendix to this announcement (which forms part of this announcement, such announcement and the Appendix together being this "**Announcement**").

### Highlights of the Fundraise

The Company is seeking to raise gross proceeds of up to approximately US\$13.0 million (£9.6 million) through the issue of the Placing Shares, the Subscription Shares and the Retail Shares (together the "**New Ordinary Shares**")

- The net proceeds of the Fundraise will be deployed to support the Company's investment programme in Egypt in order to provide reservoir pressure support and stimulate production.
- This will include completion of two water injector wells that have already been drilled, well intervention of two wells and recompletions of 6 wells to add waterflooded zones to production.
- Investment of the net proceeds of the Placing and the Subscription will be made in advance of the conclusion of the farm out in Egypt (as announced on 13 January 2021), which is intended to close during H2 2021.
- The Placing is conditional, inter alia, upon the Subscription, but is not conditional upon the Retail Offer.

The Placing Price of 19.25 pence represents a discount of approximately 9.8 per cent. to the closing price on 21 January 2021, the last practicable day prior to the announcement of the Fundraise.

### Expected timetable and principal events

Announcement of the Fundraise	21 January 2021
Announcement of the results of the Placing and the Retail Offer	22 January 2021
Admission and commencement in dealings in the New Ordinary Shares expected to commence	27 January 2021
CREST stock accounts expected to be credited for New Ordinary Shares	27 January 2021

*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. All references to times in this document are to London times.*

### Details of the Placing

Peel Hunt and Auctus are acting as joint bookrunners in relation to the Placing. The Company, Peel Hunt and Auctus have entered into a placing agreement dated 21 January 2021 in connection with the Placing (the "**Placing Agreement**").

The Placing will be conducted through the Bookbuild which will be launched immediately following the release of this Announcement, in accordance with the terms and conditions of the Placing set out in the Appendix to this Announcement.

The final number of Placing Shares will be determined at the close of the Bookbuild, and the result will be announced as soon as practicable thereafter. The timing for the close of the Bookbuild, the allocation of the Placing Shares shall be determined together by, and at the absolute discretion of, the Joint Bookrunners and the Company. The Placing is not underwritten.

The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with each other and with the Subscription Shares, the Retail Shares and the existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

The Retail Shares will be subscribed for on the basis set out in a separate announcement regarding the Retail Offer to be released by the Company shortly, rather than pursuant to the terms and conditions of the Placing contained in the Appendix to this Announcement. The Subscription Shares will be subscribed for on the basis agreed pursuant to subscription agreements between the Company and the relevant subscribers, rather than pursuant to the terms and conditions of the Placing contained in the Appendix to this Announcement. The Retail Shares and the Subscription Shares will be subscribed for at the same price as the Placing Price.

Applications will be made (i) to the Financial Conduct Authority (the "FCA") for admission of the Placing Shares and the Subscription Shares to the premium listing segment of the Official List; and (ii) to London Stock Exchange plc for admission of the Placing Shares to trading on its main market for listed securities (together, "Admission"). Application will also be made for the Retail Shares to be so admitted.

It is expected that such admissions will become effective at or around 8.00 a.m. on 27 January 2021 and that dealings in the Placing Shares, Subscription Shares and Retail Shares will commence at that time. The Placing is conditional upon, amongst other things, the Subscription and Admission becoming effective and the Subscriptions. The Placing is not conditional upon the Retail Offer. The Placing is also conditional upon the Placing Agreement not being terminated in accordance with its terms. The Appendix to this Announcement sets out further information relating to the Bookbuild and the terms and conditions of the Placing.

## **Egypt Update**

On 13 January 2021 the Company announced that a farm-out process of its assets in Egypt had commenced. Significant interest from credible counterparties has been received to date and the Company expects bids will be received in early February. The Company expects definitive agreements will be signed during H1 2021, with completion expected in H2 2021.

The conclusion of the farm-out is expected to provide an opportunity to fast track material production growth by doubling Egypt production to over approximately 12,000 bopd within 24 months, through the implementation of a defined investment programme of 57 identified well targets (the "Investment Case").

The Investment Case targets recovery of 45 mmbbl, with a further 48 mmbbl potential beyond the Investment Case as contingent resources. Through the investment programme, the Company expects breakeven operating costs to improve from current life of field breakeven of US\$38-42/bbl to <US\$30/bbl once peak annual production reaches 12,000 bopd. It is expected that successful negotiations with EGPC regarding improvements to the El Fayum Concession terms could also improve El Fayum Brent NPV breakeven by up to ~\$6/bbl. The Investment Case has a short payback of approximately 15 months, with an IRR of >100% and a Capital Productivity Index of roughly 5.

The Company has today uploaded a revised corporate presentation to its website.

## **For further information, please contact:**

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**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.**

### **IMPORTANT NOTICES**

**THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "ANNOUNCEMENT") IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM ANY PART OF AN OFFER TO SELL OR ISSUE, OR A SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY SECURITIES IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "UNITED STATES")), AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN ANY SUCH JURISDICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS.**

This Announcement is not for public release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction in which such release, publication or distribution would be unlawful.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Placing Shares is being made in the United States.

No action has been taken by the Company, Peel Hunt or Auctus or any of their respective affiliates, or any of its or their respective directors, officers, partners, employees, advisers and/or agents (collectively, "**Representatives**") that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so.

This Announcement is directed at and is only being distributed to: (a) persons in member states of the European Economic Area who are "qualified investors", as defined in Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**") ("**Qualified Investors**"), (b) persons in the United Kingdom, who are qualified investors, being persons falling within the meaning of Article 2(e) of Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and who (i) have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or are high net worth companies, unincorporated associations or partnerships or trustees of high value trusts as described in Article 49(2)(a) to (d) of the Order and (ii) are Qualified Investors, or (c) otherwise, persons to whom it may otherwise lawfully be communicated (each such person in (a), (b) and (c), a "**Relevant Person**"). No other person should

act on or rely on this Announcement and persons distributing this Announcement must satisfy themselves that it is lawful to do so. By accepting the terms of this Announcement, you represent and agree that you are a Relevant Person. This Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement or the Placing relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

No offering document or prospectus will be made available in any jurisdiction in connection with the matters contained or referred to in this Announcement or the Placing and no such prospectus is required (in accordance with either the Prospectus Regulation or the UK Prospectus Regulation) to be published.

Certain statements in this Announcement are forward-looking statements with respect to the Company's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward - looking statements. Any statements contained in this Announcement that are not statements of historical fact are, or may be deemed to be, forward - looking statements. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect", "may", "plan", "project" or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by these forward - looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Announcement. Each of the Company, Peel Hunt and/or Auctus expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required to do so by applicable law or regulation.

Peel Hunt, which is authorised and regulated by the FCA, and Auctus, which is an appointed representative of Tamesis Partners LLP which is authorised and regulated by the FCA, are acting exclusively for the Company and for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Placing, the Fundraise or any other matter referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to the Placing or any other matter referred to in this Announcement.

This Announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by or on behalf of Peel Hunt and/or Auctus (apart from the responsibilities or liabilities that may be imposed by the Financial Services and Markets Act 2000, as amended ("**FSMA**") or the regulatory regime established thereunder) and/or by any of their respective affiliates and/or any of their respective Representatives as to, or in relation to, the accuracy, adequacy, fairness or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or their respective advisers or any other statement made or purported to be made by or on behalf of Peel Hunt, and/or Auctus and/or any of their respective affiliates and/or by any of their respective Representatives in connection with the Company, the Placing Shares or the Placing and any responsibility and liability whether arising in tort, contract or otherwise therefor is expressly disclaimed. No representation or warranty, express or implied, is made by Peel Hunt, and/or Auctus and/or any of their respective affiliates and/or any of their respective Representatives as to the

accuracy, fairness, verification, completeness or sufficiency of the information or opinions contained in this Announcement or any other written or oral information made available to or publicly available to any interested party or their respective advisers, and any liability therefor is expressly disclaimed.

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This Announcement does not constitute a recommendation concerning any investor's options with respect to the Placing. Recipients of this Announcement should conduct their own investigation, evaluation and analysis of the business, data and other information described in this Announcement. This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares. The price and value of securities can go down as well as up and investors may not get back the full amount invested upon the disposal of the shares. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his or her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

Any indication in this Announcement of the price at which the Company's shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this Announcement is intended to be a profit forecast or profit estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company for the current or future financial periods would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Regulation and the UK Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the main market for listed securities of the London Stock Exchange.

The Appendix to this Announcement sets out the terms and conditions of the Placing. By participating in the Placing, each Placee will be deemed to have read and understood this Announcement (including the Appendix) in its entirety, to be participating in the Placing and making an offer to acquire and acquiring Placing Shares on the terms and subject to the conditions set out in the Appendix to this Announcement and to be providing the representations, warranties, undertakings and acknowledgements contained in the Appendix to this Announcement.

Members of the public are not eligible to take part in the Placing and no public offering of Placing Shares is being or will be made.

Neither the content of the Company's website (or 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 Announcement.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance**

**Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of COBS; and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt and Auctus will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

## Appendix 1

### Terms and Conditions of the Placing for invited Placees only

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN (THE "**ANNOUNCEMENT**") IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**"), PERSONS WHO ARE QUALIFIED INVESTORS ("**EEA QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(E) OF PROSPECTUS REGULATION (EU) 2017/1129 (THE "**PROSPECTUS REGULATION**"); OR (B) IF IN THE UNITED KINGDOM, PERSONS WHO ARE QUALIFIED INVESTORS ("**UK QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(E) OF PROSPECTUS REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**"), AND WHO ARE (I) PERSONS FALLING WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"), OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER, OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS "**ELIGIBLE PARTICIPANTS**").

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT ELIGIBLE PARTICIPANTS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS, ACCOUNTING AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE SECURITIES LAWS OF, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF, ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN, INTO OR WITHIN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO PUBLIC OFFERING OF THE SHARES REFERRED TO IN THIS ANNOUNCEMENT IS BEING MADE IN THE UNITED KINGDOM, THE UNITED STATES OR ANY OTHER RESTRICTED TERRITORY OR ELSEWHERE.

Unless otherwise stated, capitalised terms in this Appendix have the meanings ascribed to them in Appendix 2.

This Announcement is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States, Australia, Canada, Japan, the Republic of South Africa (each a "**Restricted Territory**") or in any jurisdiction where such offer or solicitation is unlawful. No public offering of securities will be made in connection with the Placing in the United Kingdom, the United States, Canada, any other Restricted Territory or elsewhere.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in any Restricted Territory or in any jurisdiction in which such release, publication or distribution is unlawful. The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Auctus Advisors LLP ("**Auctus**") or Peel Hunt LLP ("**Peel Hunt**" and, together with Auctus or by the "**Joint Bookrunners**") or any of their respective Affiliates, or any of their or their respective Affiliates' directors, officers, members, employees, agents or advisers which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company, each of the Joint Bookrunners to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply.

The Placing has not been approved and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Territory or in any jurisdiction where such offer or sale is unlawful or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory or in any jurisdiction where such offer or sale is unlawful.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any Joint Bookrunner or any of their respective Affiliates, or any of their or their respective Affiliates' directors, officers, members, employees, agents or advisers as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.

The Joint Bookrunners are acting exclusively for the Company and no-one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Placing and/or any other matter referred to in this Announcement.

None of the Company, the Joint Bookrunners nor their respective Affiliates, nor any of their or their respective Affiliates' directors, officers, members, employees, agents or advisers, makes any representation or warranty, express or implied to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Placing Shares.

**By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be making such offer on the terms and conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, indemnities, acknowledgements and undertakings set out herein.**

In particular, each such Placee represents, warrants and acknowledges that:

- (a) it is an Eligible Participant and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) except as otherwise permitted by the Company and the Joint Bookrunners and subject to any available exemptions from applicable securities laws, it and any account with respect to which it exercises sole investment discretion, is outside the United States subscribing for the Placing Shares in an offshore transaction as defined in and in accordance with Regulation S under the Securities Act; and
- (c) if it is a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to EEA Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Joint Bookrunners has been given to each such proposed offer or resale.

## **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

Defined terms used in this Appendix are set out in Appendix 2.

### **Bookbuild**

Following the release of this Announcement, the Joint Bookrunners will commence a bookbuilding process in respect of the Placing (the "**Bookbuild**") to determine demand for participation in the Placing by Placees. The book will open with immediate effect following release of this Announcement. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their absolute discretion, determine.

### **Details of the Placing Agreement and of the Placing Shares**

The Joint Bookrunners are acting as placement agents in connection with the Placing. The Joint Bookrunners have entered into an agreement with the Company (the "**Placing Agreement**") under which, subject to the conditions set out therein, the Joint Bookrunners have agreed, as agents for the Company, severally to use reasonable endeavours to procure Placees for Placing Shares at a price of £0.1925 per Placing Share (the "**Placing Price**"). The number of Placing Shares in the Placing will be determined following completion of the Bookbuild and set out in a term sheet to be entered into between Joint Bookrunners and the Company (the "**Term Sheet**"). The final number of Placing Shares will be decided at the close of the Bookbuild. The timing of the closing of the book and allocations are at the discretion of the Company and the Joint Bookrunners. Details of the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

The Placing Shares have been or will be duly authorised and will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares (other than treasury shares which are non-voting and do not qualify for dividends), the Subscription Shares and the Retail Shares (each as defined below), including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after their date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests.

The Placing will be effected by way of a placing of new Ordinary Shares in the Company for non-cash consideration. Peel Hunt will subscribe for ordinary shares and redeemable preference shares in Pharos Energy (Jersey) Limited, a wholly owned subsidiary of the Company, for an amount

approximately equal to the net proceeds of the Placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to Placees in consideration for the transfer to the Company by Peel Hunt of the ordinary shares and redeemable preference shares in Pharos Energy (Jersey) Limited that will be issued to Peel Hunt. Following such transfer, the Company will own all of the issued ordinary and redeemable preference shares of Pharos Energy (Jersey) Limited, whose only asset will be its cash reserves, which will represent an amount approximately equal to the gross proceeds of the Placing received by Peel Hunt. In conjunction with the Placing, certain directors and current shareholders of the Company intend to subscribe (the "**Subscription**") for new Ordinary Shares (the "**Subscription Shares**") at the Placing Price. In addition to the Placing and Subscription, the Company intends to make an offer on the PrimaryBid platform of new Ordinary Shares (the "**Retail Shares**") at the Placing Price (the "**Retail Offer**"). Both the Subscription and the Retail Offer are conditional on the Placing. The Placing is conditional on the Subscription but is not conditional on the Retail Offer. The Joint Bookrunners are acting as placement agents only in connection with the Placing and are not acting for any person, including the Company, in respect of the Subscription or the Retail Offer.

### **Applications for admission to listing and trading**

The Company will apply to the Financial Conduct Authority (the "**FCA**") for admission of the Placing Shares, the Subscription Shares to the premium listing segment of the Official List of the FCA (the "**Official List**") and to London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the Placing Shares and the Subscription Shares on its Main Market for listed securities ("**Admission**"). It is expected that Admission will become effective at 8.00 a.m. (London time) on 27 January 2021 (or such later date as may be agreed between the Company and the Joint Bookrunners). The Company will also apply for the Retail Shares to be so admitted.

### **Participation in, and principal terms of, the Placing**

1. The Joint Bookrunners are arranging the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by either of the Joint Bookrunners. Each of the Joint Bookrunners and their respective Affiliates are entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish the number of Placing Shares which will be included in the Placing. The number of Placing Shares and the aggregate proceeds to be raised through the Placing will be agreed between the Joint Bookrunners and the Company following completion of the Bookbuild.
3. To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 6 below.
4. The Bookbuild is expected to close no later than 9 p.m. (London time) on 21 January 2021, being the date of this Announcement, but may be closed earlier or later, at the absolute discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
5. Each Placee's allocation will be confirmed to Placees either orally or by email by the relevant Joint Bookrunner following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. Subject to paragraph 7 below, the relevant Joint Bookrunner's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Joint Bookrunner and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the Placing Price on the terms and conditions set out in this Appendix.
6. Subject to paragraphs 2 and 3 above, the Joint Bookrunners will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares and may scale down any bids for this purpose on such basis as they may determine. The Joint

Bookrunners may also, notwithstanding paragraphs 2 and 3 above and subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Joint Bookrunners.

7. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with the relevant Joint Bookrunner's consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Such Placees' obligations will be owed to the relevant Joint Bookrunner.
8. Except as required by law or regulation, no press release or other announcement will be made by any of the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
9. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".
10. All obligations under the Bookbuild and the Placing will be subject to satisfaction, fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".
11. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.
12. To the fullest extent permissible by law, none of the Joint Bookrunners, the Company or any of their respective Affiliates shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners, nor the Company, nor any of their respective Affiliates shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners, their respective Affiliates and the Company may agree or determine.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Joint Bookrunners' obligations under the Placing Agreement are conditional on certain conditions, including (without limitation):

1. the Company complying with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to Admission save where, in the opinion of the relevant Joint Bookrunner, acting in good faith, such non-compliance is not material in the context of the Placing or Admission;
2. the representations and warranties of the Company contained in the Placing Agreement being true and accurate and not misleading on and as of the date of the Placing Agreement, the date of the Term Sheet and the date of Admission, as though they had been given and made on such dates by reference to the facts and circumstances then subsisting;

3. the Subscription Agreements each having been duly executed and delivered to the Company, not having lapsed or been varied or terminated or any provision varied or waived and having been completed, other than Admission, in accordance with their terms and the Company having provided evidence satisfactory to the Joint Bookrunners (acting reasonably), that it has received the subscription proceeds from the subscribers no later than 12.00 p.m. on the Business Day prior to Admission (or such other time and/or date as the Company and the Joint Bookrunners may agree); and
4. Admission taking place by not later than 8.00 a.m. on 27 January 2021 (or such later time and/or date as may be agreed between the Company and the Joint Bookrunners, being not later than 10 February 2021).

If: (i) any of the conditions contained in the Placing Agreement, including (without limitation) those described above, are not fulfilled or (where applicable) waived by the Joint Bookrunners by the relevant time or date specified (or such later time or date as the Company and the Joint Bookrunners may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Joint Bookrunners may, at their absolute discretion (acting jointly) waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement (to the extent that the Joint Bookrunners are capable of waiving such condition). Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither of the Joint Bookrunners nor any of their respective Affiliates, nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it or another person may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Termination of the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

### **Termination of the Placing Agreement**

Each Joint Bookrunner is entitled at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*, if:

1. if the Company has failed to comply with any of its obligations contained in the Placing Agreement such failure being, in the opinion of either of the Joint Bookrunners, acting in good faith, material in the context of the Placing or Admission; or
2. any of the representations or warranties of the Company contained in the Placing Agreement was, when given, untrue, inaccurate or misleading or is not, or has ceased to be, true, accurate or not misleading (or would not be true, accurate or not misleading if then repeated) by reference to the facts subsisting at the time; or
3. there has occurred, in the Joint Bookrunner's opinion, acting in good faith a Material Adverse Change (as defined in the Placing Agreement); or
4. the occurrence of a market disruption event, each, as specified in the Placing Agreement; or
5. the application for Admission is refused by the FCA and/or the London Stock Exchange and/or being withdrawn by the Company.

By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners or for agreement between the Company and the Joint Bookrunners (as the case may be) and that neither the Company nor the Joint Bookrunners need make any reference to, or undertake any consultation with, Placees and that neither they nor any of their respective Affiliates, agents, directors, officers or employees shall have any liability to Placees whatsoever in connection with any such exercise.

### **No prospectus**

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the contract note (referred to in paragraph 5 above under "Participation in, and principal terms of, the Placing") to be provided to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Joint Bookrunners and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or the Joint Bookrunners or their respective Affiliates or any other person and none of the Joint Bookrunners nor the Company, nor any of their respective Affiliates nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in making an offer to participate in the Placing.

### **Lock-up**

The Company has undertaken to the Joint Bookrunners that, between the date of the Placing Agreement and 120 calendar days after the Closing Date, it will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), enter into certain transactions involving or relating to the Ordinary Shares, subject to certain customary carve-outs agreed between the Joint Bookrunners and the Company.

By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any power to grant consent to waive the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and that they need not make any reference to, or consult with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00B572ZV91) following Admission will take place within the relevant system administered by Euroclear ("**CREST**"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Joint Bookrunners and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Joint Bookrunners and settlement

instructions. Placees should settle against CREST ID: 871. It is expected that such contract note will be despatched on or around 22 January 2021 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Joint Bookrunner.

The Company will deliver the Placing Shares to a CREST account operated by Peel Hunt as agent for the Company and Peel Hunt will enter its delivery (DEL) instruction into the CREST system. Peel Hunt will hold any Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 27 January 2021 on a T+3 basis in accordance with the instructions given to the Joint Bookrunners.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee agrees that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. If a Placee fails to make payment for Placing Shares allocated to that Placee, the Joint Bookrunners may assign their rights and powers under this Appendix against such defaulting Placee to a third party without notice to the relevant Placee. The foregoing is without prejudice to any cause of action the Joint Bookrunners may have against a defaulting Placee. If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject to as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither of the Joint Bookrunners nor the Company shall be responsible for the payment thereof.

### **Representations and warranties**

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with each of the Joint Bookrunners (in their capacity as placing agents in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for and purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;

2. that no offering document or prospectus or admission document has been or will be prepared in connection with the Placing or is required under the Prospectus Regulation or the UK Prospectus Regulation and it has not received and will not receive a prospectus, admission document or other offering document in connection with Admission, the Bookbuild, the Company, the Placing or the Placing Shares;
3. that the Ordinary Shares are admitted to the Premium Listing Segment of the Official List and admitted to trading on the London Stock Exchange's Main Market for listed securities and that the Company is therefore required to publish certain business and financial information in accordance with MAR, the DTRs and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the "**Exchange Information**"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that none of the Joint Bookrunners, nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Bookbuild, the Placing or the Company or any other person other than this Announcement, nor has it requested any of the Joint Bookrunners, the Company, or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
5. unless otherwise specifically agreed with the Joint Bookrunners, that it is not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Placing Shares, and further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified for offer and sale nor will an offering document, prospectus or admission document be cleared or approved in respect of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in, into or within those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;
6. that the content of this Announcement is exclusively the responsibility of the Company and that none of the Joint Bookrunners nor any of their respective Affiliates nor any person acting on their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any other Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Joint Bookrunners or the Company and none of the Joint Bookrunners or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation, examination and due diligence of the business, financial or other position of the Company in deciding to participate in the Placing and that none of the Joint Bookrunners or any of their respective Affiliates have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof;
7. that it has not relied on any information relating to the Company contained in any research reports prepared by the Joint Bookrunners, any of their respective Affiliates or any person acting

on the Joint Bookrunners' or any of their respective Affiliates' behalf and understands that (i) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this Announcement or otherwise; and that (iii) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;

8. that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares would give rise to such a liability and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
9. that it acknowledges that no action has been or will be taken by the Company, the Joint Bookrunners or any person acting on behalf of the Company, the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
10. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Joint Bookrunners, the Company or any of their respective Affiliates acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
11. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
12. that it has complied with its obligations under the Criminal Justice Act 1993, MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity, the Joint Bookrunners have not received such satisfactory evidence, the Joint Bookrunners may, in their absolute discretion, terminate the Placee's Placing participation in which event all funds delivered by the Placee to the Joint Bookrunners will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
13. that it is acting as principal only in respect of the Placing or, if it is acting for any other person:
  - (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and
  - (ii) it is and will remain liable to the Joint Bookrunners and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for

another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;

14. if in a member state of the EEA and except as disclosed in this Announcement under "Details of the Placing", that it is an EEA Qualified Investor;
15. if in the United Kingdom, that it is a Relevant Person and it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
16. that it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentation or other materials concerning the Placing, in or into the United States (including electronic copies thereof), directly or indirectly, whether in whole or in part, in or into any Restricted Territory or any other jurisdiction in which such distribution, forwarding, transfer or transmission would be unlawful;
17. where it is acquiring the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
18. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
19. if it is acting as a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation or the UK Prospectus Regulation, as the case may be, that the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than EEA Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Joint Bookrunners and the Company has been given to the proposed offer or resale;
20. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the EEA, except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public any member state in the EEA within the meaning of Article 2(d) of the Prospectus Regulation;
21. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of Article 2(d) of the UK Prospectus Regulation;
22. that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
23. that any offer of Placing Shares may only be directed at persons in the United Kingdom who are Relevant Persons and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to Relevant Persons or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of the UK Prospectus Regulation;

24. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
25. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA) with respect to anything done by it in relation to the Placing Shares in respect of anything done in, from or otherwise involving, the United Kingdom;
26. if it has received any inside information (as that terms is defined in MAR) about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by the MAR, prior to the information being made publicly available;
27. that (i) it (and any person acting on its behalf) has capacity and authority and is otherwise entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Joint Bookrunners, any of their respective Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the Placing; and (iv) that the subscription for and purchase of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
28. it (and any person acting on its behalf) has the funds available to pay for the Placing Shares it has agreed to acquire and acknowledges, agrees and undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as the Joint Bookrunners may in their absolute discretion determine and without liability to such Placee. It will, however, remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's Placing Shares on its behalf;
29. that it acknowledges and confirms that if it fails to make payment for Placing Shares allocated to it, the Joint Bookrunners may assign their rights and powers under this Appendix against such defaulting Placee to a third party without notice to the relevant Placee;
30. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to acquire, and that the Joint Bookrunners or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
31. that none of the Joint Bookrunners nor any of their respective Affiliates nor any person acting on their behalf, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of either of the Joint Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

32. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Joint Bookrunners nor the Company nor any of their respective Affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar duties or taxes (together with any interest or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify each of the Joint Bookrunners, the Company and any of their respective Affiliates in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of Peel Hunt who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
33. that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such agreements, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Joint Bookrunners or the Company in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
34. that each of the Joint Bookrunners, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to each of the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the Joint Bookrunners and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
35. that it will indemnify on an after-tax basis and hold each of the Joint Bookrunners, the Company and their respective Affiliates and any person acting on their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
36. acknowledges that it irrevocably appoints any director of the Joint Bookrunners as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
37. that it acknowledges that its commitment to acquire Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunners' conduct of the Placing;
38. that in making any decision to acquire the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares, (ii) it is experienced in investing in securities of this nature in the Company's sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Joint Bookrunners, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and

financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary for the purposes of its investigation, (v) it is aware and understands that an investment in the Placing Shares involves a considerable degree of risk; and (vi) it will not look to the Company, the Joint Bookrunners, any of their respective Affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;

39. that it acknowledges and agrees that none of the Joint Bookrunners nor the Company owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
40. understands and agrees that it may not rely on any investigation that the Joint Bookrunners or any person acting on its behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and the Joint Bookrunners have not made any representation or warranty to it, express or implied, with respect to the merits of the Placing, the subscription for or purchase of the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to acquire the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Joint Bookrunners for the purposes of this Placing;
41. that it acknowledges and agrees that it will not hold either of the Joint Bookrunners nor any of their respective Affiliates nor any person acting on their behalf responsible or liable for any misstatements in, or omissions from, any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group (the "**Information**") and that none of the Joint Bookrunners or any person acting on behalf of the Joint Bookrunners makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;
42. that in connection with the Placing, each of the Joint Bookrunners and any of their respective Affiliates may take up a portion of the shares in the Company and in that capacity may retain, purchase or sell for its or their own account such shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Joint Bookrunners and any of their respective Affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or any of their respective Affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Bookrunners or any of their respective Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. None of the Joint Bookrunners or any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
43. that it acknowledges that the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, nor approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. The Placing Shares have not been registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States or any other Restricted Territory, or in any country or jurisdiction where any action for that purpose is required;

44. it will not reoffer, sell, pledge or otherwise transfer the Placing Shares except: (i) in an offshore transaction in accordance with Regulation S under the Securities Act; (ii) in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in compliance with all applicable securities laws of the United States or any State or other jurisdiction of the United States or (iii) pursuant to an effective registration statement under the Securities Act and that, in each such case, such offer, sale, pledge or transfer will be made in accordance with any applicable securities laws of any state of the United States;
45. that the Placing Shares are being offered and sold by or on behalf of the Company in offshore transactions (as defined in Regulation S under the Securities Act). It and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are subscribed for will be outside the United States and subscribing for the Placing Shares in an offshore transaction as defined in, and in accordance with, Regulation S under the Securities Act;
46. that it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or any form of directed selling efforts (as defined in Regulation S); and
47. that each of the Joint Bookrunners and their respective Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its Affiliates for which they would have received customary fees and commissions and that each of the Joint Bookrunners and their respective Affiliates may provide such services to the Company and/or its Affiliates in the future.

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the Joint Bookrunners (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none of the Joint Bookrunners or the Company owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and UK stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents or nominees, direct from the Company for the Placing Shares in question. None of the Company or the Joint Bookrunners will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest and penalties relating thereto) arising in relation to the Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service. None of the Joint Bookrunners nor the Company are liable to bear any stamp duty or stamp duty reserve tax or any other similar duties or taxes ("**transfer taxes**") that arise (i) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of Placing Shares) or (ii) on a sale of Placing Shares, or (iii) for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such transfer taxes undertakes to pay such transfer taxes forthwith, and agrees to indemnify on an after-tax basis and hold the Joint Bookrunners, the Company and their respective Affiliates harmless from any such transfer taxes, and all interest, fines or penalties in relation to such transfer taxes. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that either of the Joint Bookrunners or any of their respective Affiliates may, at their absolute discretion, agree to

become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Joint Bookrunners are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with the Joint Bookrunners, any money held in an account with either of the Joint Bookrunners on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules, as a consequence, this money will not be segregated from the Joint Bookrunners' money in accordance with the client money rules and will be used by the Joint Bookrunners in the course of its own business, and the Placee will rank only as a general creditor of the Joint Bookrunners.

All times and dates in this Announcement may be subject to amendment. Either of the Joint Bookrunners shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Joint Bookrunners and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

If a Placee is a discretionary fund manager, the Placee may be asked to disclose in writing or orally to the Joint Bookrunners the jurisdiction in which the funds are managed or owned.

## Appendix 2

### Definitions

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

<b>Admission</b>	means the admission of the Placing Shares and the Subscription Shares to the premium listing segment of the Official List becoming effective in accordance with the Listing Rules and the admission of the Placing Shares and the Subscription Shares to trading on the London Stock Exchange's main market becoming effective in accordance with the Admission and Disclosure Standards;
<b>Admission and Disclosure Standards</b>	means the Admission and Disclosure Standards of the London Stock Exchange, as amended from time to time
<b>Affiliate</b>	has the meaning given in Rule 501(b) of Regulation D under the Securities Act or Rule 405 under the Securities Act, as applicable and, in the case of the Company, includes its subsidiary undertakings;
<b>Announcement</b>	means this announcement (including its Appendices);
<b>Auctus</b>	means Auctus Advisors LLP;
<b>Bookbuild</b>	means the bookbuilding process to be commenced by the Joint Bookrunners to use reasonable endeavours to procure placees for the Placing Shares, as described in this Announcement and subject to the terms and conditions set out in this Announcement and the Placing Agreement;
<b>Closing Date</b>	means the day on which the Placing will be settled;
<b>Company</b>	means Pharos Energy plc;
<b>CREST</b>	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;
<b>DTRs</b>	means the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part VI of FSMA;
<b>EEA</b>	means European Economic Area;
<b>EEA Qualified Investor</b>	means qualified investors as defined in Article 2(e) of the Prospectus Regulation;

<b>Euroclear</b>	means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;
<b>Exchange Information</b>	means the business and financial information the Company is required to publish in accordance with MAR, the DTRs and the rules and practices of the London Stock Exchange and/or the FCA;
<b>FCA or Financial Conduct Authority</b>	means the UK Financial Conduct Authority;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 (as amended, including any regulations made pursuant thereto);
<b>Group</b>	means the Company and its subsidiary undertakings;
<b>Joint Bookrunners</b>	means Auctus and Peel Hunt;
<b>Listing Rules</b>	means the rules and regulations made by the FCA under FSMA;
<b>London Stock Exchange</b>	means London Stock Exchange plc;
<b>MAR</b>	means the Market Abuse Regulation (EU) No.596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;
<b>Official List</b>	means the Official List maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
<b>Ordinary Shares</b>	means the ordinary shares of 5 pence each in the capital of the Company;
<b>Peel Hunt</b>	means Peel Hunt LLP;
<b>Placee</b>	means any person procured by either of the Joint Bookrunners (acting as agents for and on behalf of the Company), on the terms and subject to the conditions of the Placing Agreement, to subscribe for the Placing Shares pursuant to the Placing;
<b>Placing</b>	has the meaning given to it in the main body of this Announcement;
<b>Placing Agreement</b>	has the meaning given to it in Appendix I to this Announcement;
<b>Placing Documents</b>	means any press announcement, presentation materials and any other document published or issued by or on behalf of the Company for the purposes of the Placing or the applications for Admission (including any amendments and supplements to the foregoing);

<b>Placing Price</b>	means £0.1925;
<b>Placing Shares</b>	has the meaning given to it in the main body of this Announcement;
<b>PRA or Prudential Regulation Authority</b>	means the UK Prudential Regulation Authority;
<b>Prospectus Regulation</b>	means the Prospectus Regulation (EU) 2017/1129;
<b>Regulation S</b>	means Regulation S promulgated under the Securities Act;
<b>Regulatory Information Service</b>	means a primary information provider that has been approved by the FCA to disseminate regulated information;
<b>Relevant Persons</b>	means UK Qualified Investors who are (i) persons falling within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the " <b>Order</b> "), or (ii) persons who fall within Article 49(2)(a) to (d) (High Net Worth Companies, Unincorporated Associations, etc.) of the Order, or (c) persons to whom it may otherwise be lawfully communicated;
<b>Restricted Territory</b>	means the United States, Australia, Canada, the Republic of South Africa or Japan;
<b>Securities Act</b>	means the U.S. Securities Act of 1933, as amended;
<b>subsidiary</b>	has the meaning given to that term in the Companies Act 2006;
<b>subsidiary undertaking</b>	has the meaning given to that term in the Companies Act 2006;
<b>Term Sheet</b>	means the term sheet as may be executed by the Company and the Joint Bookrunners;
<b>Terms and Conditions</b>	means the terms and conditions of the Placing set out in Appendix I to this Announcement;
<b>transfer taxes</b>	means stamp duty or stamp duty reserve tax or any other similar duties or taxes;
<b>uncertificated or in uncertificated form</b>	means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

**UK Prospectus Regulation**

means Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;

**UK Qualified Investor**

means qualified investors as defined in Article 2(e) of the UK Prospectus Regulation; and

**United Kingdom or UK**

means the United Kingdom of Great Britain and Northern Ireland.

Unless otherwise indicated in this Announcement, all references to "£", "**GBP**", "**pounds**", "**pound sterling**", "**sterling**", "**p**", "**penny**" or "**pence**" are to the lawful currency of the UK. All references to "**U.S.\$**", "**\$**" or "**dollars**" are to the lawful currency of the United States of America. All references to "€" or "**Euro**" are to the lawful currency of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.