THIS DOCUMENT AND THE ACCOMPANYING APPLICATION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in the Company, please immediately forward this document, together with the accompanying Application Form (having completed Box 10 on the Application Form) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations including, but not limited to the Excluded Jurisdictions. If you have sold only part of your holding of Existing Ordinary Shares, you should contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document is not, and is not required to be, a prospectus for the purposes of the Prospectus Regulation Rules in accordance with sections 85 and 86 of FSMA and has not been prepared in accordance with the Prospectus Regulation Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. It is expected that First Admission and dealings in the Placing Shares will become effective and dealings in the Placing Shares will commence on AIM at 8.00 a.m. on 12 July 2023. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission and dealings in the Open Offer Shares will become effective and dealings in the Open Offer Shares will commence on AIM at 8.00 a.m. on 26 July 2023. No application is being made or has been made for the Existing Ordinary Shares or the New Ordinary Shares to be admitted to listing or dealt with on any other recognised investment exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Quadrise plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 05267512)

Placing of 88,000,000 New Ordinary Shares and Open Offer of 175,863,121 New Ordinary Shares at a price of 1.25 pence per New Ordinary Share

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Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document. Your attention is also drawn to the Risk Factors contained in Part III of this document.

The Open Offer closes at 11.00 a.m. on 25 July 2023. If you are a Qualifying Shareholder and want to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part II of this document and, where relevant, complete and return the Application Form enclosed with this document.

Cenkos Securities plc ("Cenkos"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser exclusively for the Company and no one else in connection with the Placing and Open Offer and will not regard any other person (whether or not a recipient of this document (the "Circular")) as a client in relation to the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice, in relation to the Placing and Open Offer, the contents of this Circular or any other matter referred to in this Circular. Cenkos' responsibilities as the Company's nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and the Company and not to any other person.

Shore Capital Stockbrokers Limited ("Shore Capital") and VSA Capital Limited ("VSA Capital") (together the "Joint Brokers"), who are authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company as joint bookrunners and joint brokers and no one else in connection with the Placing and Open Offer and will not regard any other person (whether or not a recipient of this Circular) as their client in relation to the Placing and Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice, in relation to the Placing and Open Offer, the contents of this Circular or any other matter referred to in this Circular. The responsibilities of Shore Capital and VSA Capital as the Company's joint brokers are owed to the London Stock Exchange and not to any other person.

No representation, responsibility or warranty, expressed or implied, is made by Cenkos, Shore Capital or VSA Capital or any of their respective directors, officers, employees or agents as to any of the contents of this Circular in connection with the Open Offer or any other matter referred to in the Circular. Neither Cenkos, Shore Capital nor VSA Capital will be offering advice or will otherwise be responsible for providing customer protections to recipients of this Circular or for advising them on the contents of this Circular or any other matter.

The New Ordinary Shares will, on the relevant Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on Ordinary Shares following the relevant Admission.

If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to receive another Application Form, they should contact Share Registrars Limited on +44 (0)1252 821390, where relevant, quoting the serial number of their Application Form. Calls to the Share Registrars' 01252 821390 number are charged at your service provider's network standard rate. Calls to the Share Registrars' +44 1252 821390 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Share Registrars Limited cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Share Registrars Limited will not give Qualifying Shareholders any other advice in connection with the Open Offer. Qualifying Shareholders are strongly recommended to seek their own personal financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if they are resident in the UK or, if not, from another appropriately authorised independent financial adviser.

IMPORTANT INFORMATION

Notice to overseas persons

Subject to certain exceptions, none of this Circular, the Open Offer Entitlements or the Application Form constitute an offer to sell or the solicitation of an offer to buy Open Offer Shares or any entitlements under the Open Offer in the United States (as defined in Regulation S of the Securities Act). Furthermore, the Placing Shares do not constitute an offer to sell or the solicitation of any offer to acquire any Placing Shares in the United States (as defined in Regulation S of the Securities Act).

None of the Open Offer Shares, the Placing Shares, the Open Offer Entitlements nor the Application Form, have been or will be, registered under the relevant laws of any state, province or territory of any of the Excluded Jurisdictions. Subject to certain limited exceptions: (i) none of the Open Offer Entitlements, the Application Form nor the Open Offer Shares may be taken up or delivered in, into or within any of the Excluded Jurisdictions, and (ii) the Application Form is not being posted to any person in any of the Excluded Jurisdictions.

It is the responsibility of any person receiving a copy of this Circular, the Open Offer Entitlements and/or the Application Form outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this Circular, the Open Offer Entitlements and/or the Application Form should not, in connection with the Open Offer, distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

Cautionary note regarding forward-looking statements

This Circular includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "milestones", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts.

Forward-looking statements appear in a number of places throughout this Circular and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Any forward-looking statements contained in this Circular based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, none of the Company, Cenkos, Shore Capital nor VSA Capital undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this Circular. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Information to Distributors

Solely for the purposes of paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the Product Governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK 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 Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary

Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; 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 Open Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Open Offer Shares and determining appropriate distribution channels.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

Presentation of market, economic and industry data

Where information contained in this document originates from a third-party source, it is identified where it appears in this document together with the name of its source. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "**Definitions and Glossary**".

All times referred to in this document and the Application Form are unless otherwise stated, references to London time.

All references to legislation in this document and the Application Form are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Andy Morrison, *Non-Executive Chairman* Jason Miles, *Chief Executive Officer* Laurie Mutch, *Non-Executive Director* Philip Snaith, *Non-Executive Director* Dilip Shah, *Non-Executive Director* *all of whose business address is at the Company's registered office below*
Registered Office	Eastcastle House 27-28 Eastcastle Street London W1W 8DH
Company Secretary	MSP Corporate Services Limited 27-28 Eastcastle Street London W1W 8DH
Quadrise website	www.quadrise.com
Nominated Adviser	**Cenkos Securities plc** 6.7.8 Tokenhouse Yard London EC2R 7AS
Joint Broker	**Shore Capital Stockbrokers Limited** Cassini House 57 St James's Street London SW1A 1LD
Joint Broker	**VSA Capital Limited** Park House 16-18 Finsbury Circus London EC2M 7EB
Legal Adviser to the Company as to English Law	**Shoosmiths LLP** 1 Bow Churchyard London EC4M 9DQ
Legal Adviser to Cenkos, Shore Capital and VSA Capital	**Fieldfisher LLP** Riverbank House 2 Swan Lane London EC4R 3TT
Registrar and Receiving Agent	**Share Registrars Limited** 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	7 July 2023
Record Date for the Open Offer	6.00 p.m. on 6 July 2023
Announcement of results of the Placing and launch of the Open Offer	7 July 2023
Publication and posting of this Circular and the Application Form	10 July 2023
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 10 July 2023
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	as soon as practicable after 8.00 a.m. on 11 July 2023
First Admission effective and dealing in the Placing Shares commence on AIM	8.00 a.m. on 12 July 2023
CREST accounts credited in respect of Placing Shares	12 July 2023
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 19 July 2023
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 20 July 2023
Latest time for splitting Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 21 July 2023
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	**11.00 a.m. on 25 July 2023**
Expected date of announcement of the results of the Open Offer	25 July 2023
Second Admission effective and dealings in the Open Offer Shares commence on AIM	8.00 a.m. on 26 July 2023
CREST accounts credited in respect of Open Offer Shares	26 July 2023
Share certificates dispatched for the Open Offer Shares to be held in certificated form by	9 August 2023

Notes:

(1) References to times in this Circular are to UK time (unless otherwise stated).

(2) The dates and timing of the events in the above timetable and in the rest of this Circular are indicative only and may be subject to change at the absolute discretion of the Company. If any of the above times or dates should change, the details of the revised times and/or dates will be notified to AIM and, where appropriate, to Shareholders.

(3) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Circular and, where relevant, complete the accompanying Application Form. If you have any questions relating to this Circular, and the completion and return of the Application Form, please telephone Share Registrars Limited between 9.00 a.m. and 5.30 p.m. (UK time) Monday to Friday on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK.

PLACING AND OPEN OFFER STATISTICS

Issue Price	1.25p
Number of Existing Ordinary Shares in issue as at the date of this Circular[1]	1,406,904,968
Basis of the Open Offer	1 Open Offer Share for every 8 Existing Ordinary Shares held as at the Record Date
Number of Placing Shares	88,000,000
Number of Ordinary Shares in issue following on First Admission	1,494,904,968
Number of Ordinary Shares available under the Open Offer[2]	175,863,121
Number of Ordinary Shares in issue following Second Admission[3]	1,670,768,089
Approximate percentage of the Enlarged Share Capital represented by the Open Offer Shares[3]	10.5%
Estimated gross cash proceeds of the Placing	£1.1 million
Estimated gross cash proceeds of the Open Offer[3]	£2.2 million
TIDM for the Ordinary Shares	QED
ISIN for the Ordinary Shares	GB00B11DDB67
ISIN for Open Offer Entitlements	GB00BRZT2Q06
ISIN for Excess Open Offer Entitlements	GB00BRZSYV62

Notes:

(1) As at the close of business on 7 July 2023, being the last practicable Business Day prior to the publication of this Circular.

(2) The actual number of Open Offer Shares to be issued under the Open Offer will be subject to rounding down to eliminate fractional entitlements.

(3) Assuming the maximum number of Open Offer Shares are allotted pursuant to the Open Offer and the issue of Placing Shares.

PART I

LETTER FROM THE CHAIRMAN

Quadrise plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 05267512)

Directors:

Andy Morrison (*Non-Executive Chairman*)
Jason Miles (*Chief Executive Officer*)
Laurie Mutch (*Non-executive Director*)
Philip Snaith (*Non-executive Director*)
Dilip Shah (*Non-executive Director*)

Registered Office:

Eastcastle House
27-28 Eastgate Street
London
W1W 8DH

10 July 2023

Dear Shareholder,

Placing of 88,000,000 New Ordinary Shares and Open Offer of 175,863,121 New Ordinary Shares each at an Issue Price of 1.25 pence per New Ordinary Share

1. Introduction

On 7 July 2023 the Company was pleased to announce that it had conditionally raised gross proceeds of £1.1 million through the Placing of 88,000,000 New Ordinary Shares with institutional and other investors at the Issue Price of 1.25 pence per Placing Share.

On the announcement of the conditional Placing, the Company also reiterated its commitment that existing Shareholders would be given the opportunity to participate in the further issue of New Ordinary Shares in the Company, via an Open Offer at the same Issue Price as the Placing.

Therefore, the Company is now making the Open Offer to Qualifying Shareholders of 175,863,121 New Ordinary Shares to raise up to, approximately, a further £2.2 million at the Issue Price of 1.25 pence per Open Offer Share on the basis of 1 Open Offer Share for every 8 Existing Ordinary Shares held on the Record Date.

The Placing and Open Offer are expected to raise total gross proceeds of approximately £3.3 million, should the Open Offer be fully subscribed. The Issue Price represents a discount of approximately 34.2 per cent. to the closing mid-market price of 1.90 pence per Existing Ordinary Share on 6 July 2023, being the latest practicable date prior to the announcement of the proposed Placing and the Open Offer.

The terms of the Placing and the Open Offer are described in this document and, as explained below, the Board believes that the net proceeds of the Placing will secure the financial position of the Group in providing Quadrise with the necessary working capital resources to cover the period up to 28 February 2024, before which time Quadrise expects to be generating early-stage revenues from its projects in Morocco and Utah. The Placing proceeds will also support the Company's business development activities, enabling progress with bioMSAR Zero development and in other key markets such as the Americas.

In addition, and should the Open Offer be fully subscribed, the net proceeds of the Open Offer will provide the Company with additional resources such that Quadrise will be capable of continuing to advance its active projects beyond 28 February 2024 and, should active project milestones be delivered on currently anticipated timelines, to the stage at which the Group is generating profit and positive cashflows.

The Placing is conditional on, *inter alia*, the Placing and Open Offer Agreement becoming unconditional in all respects in relation to the Placing and not having been terminated in accordance with its terms and First Admission becoming effective. The Open Offer is conditional upon, *inter alia*, the Placing and Open Offer Agreement being unconditional in all respects in relation to the Open Offer and not having been terminated in accordance with its terms and Second Admission becoming effective.

The purpose of this letter is to provide you with background information and the rationale for the Placing and Open Offer and to explain why the Board considers these to be in the best interests of the Company and its Shareholders as a whole.

Neither the Placing nor the Open Offer are conditional upon Shareholder approval. The Placing Shares and the Open Offer Shares will be issued pursuant to the Shareholder authorities granted at the Company's 2022 annual general meeting.

2. Background to and Rationale for the Placing and Open Offer

The cost of energy and the transition to secure sustainable fuels continue to be top priorities for governments, businesses and society as a whole. During the 2022-23 financial year, Quadrise has continued to position itself as a provider of decarbonisation solutions, further highlighted by our recently announced name change and TIDM 'ticker' update to QED to represent the Quadrise focus on energy decarbonisation and to highlight the simplicity of our solutions. The Board remains confident in both the quality of our solutions and the commercial opportunities that they provide.

Quadrise's near-term strategy remains to focus on our key projects in Morocco, Utah and with MSC, which represent the most efficient use of our financial resources and provide the fastest and most material pathways to commercialisation. Important milestones have been reached in each of these key projects, with the Company now expecting commercial revenues in Q3 2023 from Valkor following the expected approval of its drilling permits and financing. This is a critical milestone in attracting new customers, investors and strategic partners.

The net proceeds of the recently announced conditional Placing, together with the Group's existing cash resources, are expected to provide the Company with the funds required to progress the Company's operations and active projects to 28 February 2024.

The Open Offer to Qualifying Shareholders of 175,863,121 Open Offer Shares at the Issue Price of 1.25 pence per Open Offer Share will raise additional funds of up to approximately £2.2 million (before expenses), assuming the Open Offer is fully subscribed, which is expected to be sufficient to take the Company, should active project milestones be delivered on currently anticipated timelines, through to the generation of profit and positive cashflows.

3. Views of the Board

The Board believes that the net proceeds of the Placing and Open Offer will strengthen the Company's balance sheet and secure the Company's financial position in the immediate future and, should the Open Offer be fully subscribed, will provide the Company with sufficient resources with which to advance the Company's operations and active projects to the point at which the Company is generating profit and positive cash flows from operations.

The Board therefore considers the Placing and the Open Offer to be in the best interests of the Company and its Shareholders as a whole.

Certain Directors and PDMRS of the Company have participated in the Placing or intend to subscribe under the Open Offer. The Directors who intend to subscribe under the Open Offer have undertaken to subscribe for the Open Offer Shares set out against their names in paragraph 4.1 of Part IV of this document which contains more information about their participation in the Open Offer.

If you are in any doubt about the contents of this document and as to the action you should take, you are recommended to seek your own independent advice. In particular, we refer you to the Risk Factors relating to the Group in Part III of this Circular.

4. Information on the Company

Quadrise is an energy technology provider enabling production of lower cost, cleaner, simpler and safer alternatives to fuel oil and biofuels through its MSAR® and lower carbon bioMSAR™ fuels.

MSAR®

MSAR® is a lower cost, synthetic heavy fuel oil ("HFO") designed to help address the global issues of HFO oversupply, uneconomic HFO production and the poor environmental impact associated with HFO consumption. MSAR® offers a patented solution to these issues by reducing oversupply, providing a cheaper manufacturing route and producing a fuel with enhanced combustion and environmental characteristics.

MSAR® is produced using Quadrise's proprietary technologies and services. MSAR® is an oil-in-water emulsion, made by blending oil refinery residue streams (or heavy bitumen or crude oils) with water and specialised chemicals in a proprietary production process. Today these heavy, viscous streams are diluted with high value distillate products to meet market requirements which is more expensive. MSAR® offers both producers and consumers significant economic and environmental advantages (which are outlined in more detail below).

MSAR® has superior characteristics to HFO:

- Producing MSAR® allows the refiner to sell more of its distillate products at a higher value, as they no longer need to be used to dilute the residue to create HFO, generating significant increases in refinery economic yields.
- MSAR® can be provided at a lower price on an energy equivalent basis than HFO, thereby delivering cheaper energy to consumers. In larger diesel engines used in marine and power generation sectors, MSAR® is also more efficient, reducing fuel consumption and costs.
- MSAR® is easier to handle and can be stored and used at lower temperatures than HFO, reducing overall energy consumption.
- The small particle size (5-10 microns) of the residue in MSAR® results in improved combustion properties and engine efficiency, as well as significant reductions in carbon particulates in the exhaust gas that contribute to soot (also called "Black Carbon") emissions that, in turn, contribute to global warming and air pollution.
- The presence of water in MSAR® reduces the combustion temperatures – leading to significant reductions in emissions of nitrogen oxides (NOx) by up to 45 per cent.
- As an emulsion fuel, MSAR® has the characteristic of readily dispersing in water in the unlikely event of a spill, unlike conventional HFO.
- MSAR® uses existing HFO infrastructure and systems, avoiding the need for expensive equipment upgrades.

bioMSAR™

bioMSAR™ utilises MSAR® technology to combine renewable glycerine with water, refinery residues and additives to produce an oil-in-water emulsified synthetic biofuel. The benefits that bioMSAR™ provides to producers and consumers include:

- bioMSAR™ has lower emissions than HFO, including 20-30 per cent. less carbon dioxide (CO2), lower NOx and lower particulates.
- Glycerine is a benign chemical, it is colourless, odourless, water soluble, non-volatile and bio-degradable. It has excellent lubricity, burns almost pollutant-free and is virtually carbon neutral.
- bioMSAR™ offers similar CO2 emissions reductions as using LNG in place of HFO. LNG however requires expensive cryogenic storage and liquefaction systems, with the potential risk of methane slip during use that materially impacts potential greenhouse gas reductions. bioMSAR™ does not contain methane.
- Production of bioMSAR™ utilises the same proven MSAR® technology that produces oil-in-water emulsion fuel oil to reduce energy costs for consumers and improve refinery profitability and yields.
- bioMSAR™ is fully compatible and interchangeable with conventional MSAR® fuel.
- As with MSAR®, bioMSAR™ readily disperses in water in the unlikely event of a spill and uses existing HFO infrastructure and systems.

A new patent for bioMSAR™ has been filed in the UK jointly with Quadrise's intellectual property partner, Nouryon Chemicals International BV.

We believe that bioMSAR™ provides the opportunity to fundamentally increase the market opportunity in all applications, and the speed and scale of market penetration for Quadrise.

bioMSAR™ Zero

Quadrise aims to develop a commercially competitive net-zero fuel, 'bioMSAR™ Zero', to be ready for launch by 2030. This will involve the replacement of the hydrocarbon element of our fuels with a zero-carbon or a carbon-negative substitute.

Market Background

Quadrise acts as the technology and service partner to both the producer and the consumer and aims to generate revenues through technology licencing and the sale of the chemicals and MSAR® and bioMSAR™ manufacturing systems. It has also successfully operated as a toll processor and as a principal and will use the most appropriate business model for each particular project opportunity. Our current planning is based on progressing the current active projects from trials/tests to commercial operations as technology licensor. The core technology was developed jointly with the Speciality Chemicals business of AkzoNobel – one of the world's leading surface chemistry suppliers, which was acquired by the Carlyle Group in October 2018 and renamed Nouryon.

The two largest markets for the use of MSAR® and bioMSAR™ as a low cost, efficient and environmentally friendly synthetic HFO and biofuel respectively are power generation and marine bunker fuel. In both cases, it is necessary to engage with both the producers (refiners) and consumers (power utilities and shipping companies) to develop the very large market opportunities. Significant work has been carried out to demonstrate the proof of concept and operational deployment in both end-user markets with major clients.

The business development and project opportunities discussed below have been undertaken during a period of significant change and volatility in the global liquid fuels markets following the shifts in oil demand due to the International Maritime Organization ("IMO") 2020 sulphur regulations, the COVID-19 pandemic and Russian invasion of Ukraine.

Quadrise: Energy Decarbonisation

The global energy market is under ever increasing pressure to decarbonise whilst also offering consumers practical and cost-effective energy solutions. Over the last year, energy prices have been a key driver of global inflationary pressures, exacerbated by the ongoing Ukraine conflict, whilst greenhouse gas ('GHG') emissions must be halved by 2050 if the worst effects of climate change are to be avoided according to the IPCC. The patented Quadrise technology allows operators in the marine, industrial and power sectors to decarbonise whilst also reducing their energy costs.

MSAR® lowers fuel consumption in diesel engines by up to 10 per cent. and reduces GHG emissions by the same amount. GHG emissions can be reduced by over 20 per cent. by incorporating renewable glycerine to produce low cost bioMSAR™.

The shipping industry produces around 2.5 per cent. of the world's total GHG emissions. Increasing pressure on the industry, led by European regulators, is incentivising marine operators to develop and trial lower-carbon and eventually net-zero solutions. These include some more challenging long-term options such as green hydrogen, ammonia and methanol, each of which requires significant investment and presents considerable logistical and safety challenges. The Quadrise solutions are available immediately as they use existing infrastructure and can achieve both cost and GHG savings. bioMSAR™ offers lower CO2 emissions than both LNG and FAME marine fuel blends at a lower cost per unit of energy, whilst also being dispersible in water, non-flammable and biodegradable.

Since the initial development of bioMSAR™ in 2021, the results of a testing programme designed to mirror real-world applications have continually surpassed expectations and the fuel is now ready for commercial deployment. This testing has shown that when compared to marine diesel fuel, use of bioMSAR™ results in:

- Improvements in diesel engine efficiency of over 3 per cent., increasing to 13 per cent. by advancing injection timing with no increase in NOx emissions over original generator settings for diesel fuel;
- A 26 per cent. average reduction in equivalent CO2 emissions over diesel fuel; and

- NOx reductions of over 20 per cent., an important regulatory feature in the marine sector.

In December 2022, optical combustion and engine wear tests on bioMSAR™ were carried out by Wärtsilä Services of Switzerland, following which Wärtsilä recommended that a hazard identification and operability study (which assesses feasibility and safe operability) be carried out as a final stage before the fuel is cleared for commercial vessel testing. This exercise is expected to be completed in early Q3 2023.

In December 2022, Quadrise received and successfully commissioned our prototype 5 tonne per hour emulsion system that will be used for the production of MSAR® and bioMSAR™ fuels for site trials and potential 'blend-on-board' testing on marine vessels. Blend-on-board involves installation of a MSAR® Manufacturing Unit ("MMU") and associated equipment on board a marine vessel, with MSAR® and bioMSAR™ produced on board. This allows vessels additional routing flexibility as well as simplifying the MSAR® and bioMSAR™ supply chain. Quadrise has received enquiries from a number of marine operators regarding blend-on-board which are in the scoping phase of project development and blend-on-board is also under investigation as part of the MSC framework agreement.

Despite the immediate and cost-effective carbon reductions that bioMSAR™ can offer, Quadrise recognises that the requirement for net-zero carbon fuel solutions is becoming increasingly urgent. Our RDI strategy is now focused on the delivery of a commercially viable net-zero 'bioMSAR Zero' solution by 2030. As part of this exercise, we are working with strategic partners to investigate lower cost, renewable and abundant biofuel feedstocks for bioMSAR™. These include Vertoro, with a bioMSAR™ blend incorporating their crude sugar oils ("CSO"™) being successfully produced and tested at QRF, and on which diesel engine testing at Aquafuel is expected to complete in early Q3 2023. QIL has also recently signed a JDA with BTG Bioliquids to investigate use of their 'FPBO' biofuel, a derivative of agricultural and sawmill waste, with a research programme of FPBO expected to commence at QRF in Q3 2023.

Key project delivery

Each of the key projects in the marine, upstream and industrial sectors is now nearing a major milestone, and our focus is on the completion of the trials and agreements that will demonstrate MSAR® and bioMSAR™ technology at commercial scale.

MSC

The preparatory work to enable the Letter Of No Objection ("LONO") fuel trials of both bioMSAR™ and MSAR® on board the MSC Leandra continues to progress.

Following the testing of bioMSAR™ at Wärtsilä in December 2022, Quadrise and MSC are now scheduling the bioMSAR™ hazard identification and operability study as recommended by Wärtsilä, which assesses feasibility and safe operability prior to use on the vessel's 2-stroke main engine. This exercise is expected to be completed in early Q3 2023.

The MSC Leandra has recently left dry-dock, during which time it was inspected and installed with equipment designed to reduce emissions and improve vessel efficiency. The vessel, formerly the Seago Istanbul, was previously used to conduct an MSAR® trial in 2016 which, despite positive results, was halted by Maersk prior to its conclusion (due to reasons unrelated to the fuel). The emulsion fuel booster unit already on board has been inspected and will be upgraded and tested in readiness for use, so the vessel preparation required for the trial is minimal.

Quadrise is progressing discussions with potential feedstock suppliers for the trial, with the intention to conclude Tripartite Agreements with a fuel supplier and MSC as soon as possible. Following the installation and commissioning of Quadrise equipment at the supplier site, the intention is then to commence commercial-scale Proof-of-Concept and LONO trials on bioMSAR™ in H1 2024.

Once the initial MSAR® or bioMSAR™ fuel has been loaded and the on-board systems commissioned, the vessel will be bunkering bioMSAR™ throughout the Proof-of-Concept testing phase and then the LONO trial, which is currently expected to be of 4,000-hour duration.

In addition to seeking to progress this opportunity with MSC as currently envisaged, the Company continues to assess strategic means and/or partnerships which might have the possibility of accelerating the commercialisation of both bioMSAR™ and MSAR® for marine applications.

Utah

In June 2023, QIL signed a Site License and Supply Agreement with Valkor Technologies LLC ("Valkor"), under which QIL has granted Valkor the exclusive right and licence to use its technology at the Primary Project Site ("PPS") at Asphalt Ridge in Utah, USA and to market the fuel on a non-exclusive basis from Utah.

In exchange, Valkor will pay QIL US$1.0 million conditional on receipt of drilling and underground injection permits for the PPS from the Utah Department of Oil, Gas and Mining and the receipt by Valkor of project financing in an amount of at least US$15 million for the PPS. Valkor will pay QIL a further US$0.5 million upon delivery of a MMU to the PPS.

Following Valkor's receipt of the MMU, QIL will provide engineering and other support services for a minimum of two years, and for which Valkor will pay QIL a quarterly retainer of US$75,000. Valkor may then purchase QIL's technology and MMU for US$1.0 million.

A non-binding Heads of Agreement has also been entered into between the parties which sets out the basis on which QIL and Valkor will seek to agree a conditionally exclusive Sub-License Agreement to be granted to Valkor covering the state of Utah, as well as the terms on which the resulting net profit generated will be shared between QIL and Valkor.

Valkor is leading activities for the award of drilling permits at Asphalt Ridge, following successful exploration drilling in 2022. The oil sands reserves at Asphalt Ridge comprise billions of barrels, with Valkor having interests in multiple projects at this location. Oil samples supplied by Valkor were successfully converted to both MSAR® and bioMSAR™ by our RDI team at QRF in 2022.

Valkor expects the necessary drilling and underground injection permits to be awarded for the PPS in August 2023, with drilling to commence soon thereafter, with produced heavy oil available for conversion to bioMSAR™ and MSAR® for trials later in 2023.

These trials would then be expected to lead to commercial supply, subject to discussions with stakeholders to finalise agreements. Through the application of CO2 sequestration and proprietary new enhanced oil recovery technology in Utah, the extracted heavy oil is anticipated to have a lower carbon intensity than conventional oils. In addition, the very low sulphur content and properties of this heavy oil allow it to comply with the International Maritime Organisation's regulations on marine fuel once converted to MSAR® or bioMSAR™, without the need for carbon-intensive oil refining. This heavy oil would therefore be a low carbon, low sulphur MSAR® or bioMSAR™ option for potential use in the industrial, power and marine sectors.

Morocco

In June 2022, QIL signed a new Material Transfer & Cooperation Agreement with its client in Morocco, a major chemicals company, under which QIL will manufacture trial quantities of MSAR® and bioMSAR™ for the purpose of an industrial demonstration test at the client's 'Site-B' facility. QIL will then provide the client with a written report on the efficacy of using MSAR® and bioMSAR™. Provided the client-specified deliverables regarding performance and product quality are met, the parties will enter into discussions for a potential commercial supply of MSAR® and/or bioMSAR™.

In parallel with preparations for the site demonstration tests, Quadrise has since completed a technical and economic feasibility study for a potential additional industrial demonstration test at a second site of the client. This additional industrial demonstration test will be subject to future agreement, once confirmed.

Following signature of the new Agreement, volumes of MSAR® and bioMSAR™ were produced by Quadrise at a site in Europe and shipped to Morocco. Due to the process of clearing a new fuel through Moroccan customs, the commencement of the MSAR® demonstration test was subject to delays, with 60mt of MSAR® and 10mt of bioMSAR™ arriving at Site B in late February 2023. Following the completion of the site engineering set up, and finalisation of the client's production schedule, the trial commenced in May 2023.

Cold start-up of the client's combustion unit was carried out and the initial unit warm-up sequence was tested using MSAR® fuel. Whilst running at 100 per cent. a mechanical component in the pumping and heating unit failed progressively, reducing the available unit load achievable from the burner, and it became

impossible to complete the testing during May as originally planned. The parties agreed to pause the trial so that the client could complete their scheduled production run, and the respective part could be replaced.

The replacement mechanical parts are now on site at the client's premises, enabling Quadrise to finalise optimisation of combustion at full load when the trial resumes.

Quadrise personnel are regularly visiting the client's site preparing for resumption of the trial in July 2023, with results expected shortly after completion of testing and joint review with the client.

Upon success, the parties will enter discussions for potential commercial supply, with a view to signing a fuel supply agreement in Q3 2023, in addition to concluding agreements for testing at other client sites as required.

Americas

QIL has recently signed a Letter of Intent with a central American power provider outlining our mutual intent for a commercial test of MSAR® and bioMSAR™ at the provider's power plant, with conclusion of a Test Agreement and site trial being the precursors for entry into a Fuel Supply Agreement. Discussions are ongoing and we expect agreements to be finalised during Q3 2023. Together with our local agents, we continue to explore other opportunities in the region. Discussions with a large refinery in the Caribbean continue to progress subject to them obtaining an operating license. Efforts continue to progress activities in Mexico with the state oil company (Pemex) and utility operators.

Outlook: 2023 and beyond

In March 2023, the Company changed its name to Quadrise Plc and its TIDM to 'QED'. The renaming of the Company is part of the Board's initiative to emphasise Quadrise's position in the energy decarbonisation space amongst customers and investors and to acknowledge the material contribution that the Company's technology solutions can make to reducing carbon intensity in marine, power and industrial applications. The move sets the tone for the future direction of the Company as it continues to implement its strategy towards net-zero carbon energy solutions and carbon mitigations.

The Company's inaugural Sustainability Report was launched in November 2022. This report is designed to place the Company in the broader environmental context and serve as an accessible reference point for decision-makers in the marine, energy and industrial sectors looking to decarbonise their businesses rapidly, practically and economically, as well as providing important information on the Company's positioning for investors. The report includes an overview of the environmental and economic benefits of the Company's technology as well as its scope 1 and 2 carbon emissions, alignment to the UN Sustainability Goals and ambitions to create a net-zero fuel by 2030.

Environmental considerations and emissions regulations are becoming ever more prominent in driving the business case for MSAR® and bioMSAR™ technology. In the United States, the Inflation Reduction Act has created a favourable environment for energy decarbonisation technologies which we look forward to capitalising upon with our partners at Valkor.

The introduction and implementation of environmental regulations, particularly in Europe, is expected to increase biofuel use in our target sectors. Shipping is now included in the EU ETS and Fit-for-55 regulations, that are expected to increase the use of marine biofuels from 2024 for most vessels operating within or near EU waters. Revenues raised via the ETS are to be reinvested into an Innovation Fund reserved for sustainable shipping, the protection of maritime habitats and for funding programmes to decarbonise the maritime sector. Additionally, subsidies are still available for renewable waste-based biofuel feedstocks such as glycerine that should enhance the attractiveness of bioMSAR™ against competing biofuels in certain bunker locations. Market conditions and trends therefore provide a favourable environment for Quadrise to progress its contract discussions and business development activities on all fronts.

During 2022-23, we have seen energy security, climate change and fuel costs rise to the top of the policy agenda for governments and businesses alike, and the need for solutions such as ours has never been more vital. The positioning of Quadrise as an energy decarbonisation enabler is an important statement of intent to progress licence agreements and commercial-scale trials which are expected to lead to supply contracts and commercial revenues from MSAR® and bioMSAR™. Looking ahead, our continued

development of bioMSAR™ and net-zero solutions opens up exciting opportunities to deploy our unique proven emulsion technology platform in new applications, helping to secure a cleaner future for our clients.

Quadrise has a small, highly motivated and capable team and our continued progress is only possible through the significant contribution of everyone working within the business. I would like to thank them all for their continued dedication and professionalism. Finally, I would like to thank, once again, our shareholders for their support which as always will remain fundamental to the long-term success of Quadrise.

5. Financial information

Audited accounts for the Group for each of the three financial years ended 30 June 2022, 30 June 2021 and 30 June 2020, together with unaudited interim results for the six months ended 31 December 2022, are available on the Company's website, www.quadrise.com.

The Group recorded a loss of £1.7 million for the six months to 31 December 2022 (H1 2021: £1.5 million). This included production and development costs of £1.0 million (H1 2021: £0.7 million) and administration expenses of £0.6 million (H1 2021: £0.7 million). The Group held cash and cash equivalents of approximately £2.6 million as at 31 December 2022 (31 December 2021: £5.6 million).

As announced by the Company on 7 July 2023, the Company conditionally raised gross proceeds of £1.1 million pursuant to the Placing.

6. Principal terms of the Placing and Open Offer

Placing

On 7 July 2023, the Company announced that pursuant to the Placing and Open Offer Agreement, 88,000,000 Placing Shares had successfully been conditionally placed with institutional and other investors at the Issue Price, thereby raising gross proceeds of approximately £1.1 million. The Placing is conditional on, *inter alia*, the Placing and Open Offer Agreement becoming unconditional in all respects in relation to the Placing and not having been terminated in accordance with its terms and First Admission becoming effective. Further details of the Placing and Open Offer Agreement are set out in paragraph 5 of Part IV of this document.

The Placing Shares are not subject to clawback and do not form part of the Open Offer.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of First Admission.

Open Offer

Qualifying Shareholders are invited to apply for Open Offer Shares under the Open Offer at the Issue Price of 1.25 pence per Open Offer Share, payable in full on application and free of all expenses, pro rata to their existing shareholdings on the basis of:

1 Open Offer Share for every 8 Existing Ordinary Shares

held at the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held. Open Offer Entitlements will be rounded down to the nearest whole number of Open Offer Shares. The Issue Price represents a discount of: 34.2 per cent. to the closing mid-market price of 1.90 pence per Existing Ordinary Share on 6 July 2023 as derived from the AIM Appendix to the Official List of the London Stock Exchange on 6 July 2023, being the last practicable date prior to the announcement of the Open Offer.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility. Once subscriptions under the Open Offer Entitlements have been satisfied in full, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

To the extent that Open Offer Shares are not subscribed by Qualifying Shareholders, Open Offer Entitlements will lapse. Qualifying Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer.

If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and the Joint Brokers may agree (without any obligation to do so) that the Joint Brokers should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that the Joint Brokers would be successful in so procuring any subscribers for such Open Offer Shares.

The Open Offer is subject to the satisfaction, *inter alia*, of the following conditions on or before 26 July 2023, or such later date as the Company and the Joint Brokers may agree:

(i) the Placing and Open Offer Agreement becoming unconditional in all respects in relation to the Open Offer and not having been terminated in accordance with its terms; and

(ii) Second Admission becoming effective.

Accordingly, in the event that these conditions are not satisfied, or, if applicable, waived, by 26 July 2023 (or such later time as the Joint Brokers may in their absolute discretion determine, but only after prior consultation with Cenkos, provided that such time does not extend beyond 5.00 p.m. on 9 August 2023) the Open Offer will not proceed. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. Any fractional entitlement to Open Offer Shares will be disregarded in calculating Open Offer Entitlements.

Whilst Qualifying Shareholders with a shareholding of less than 8 Existing Ordinary Shares on the Record Date will not receive an Open Offer Entitlement; such Qualifying Shareholders will be able to apply for Open Offer Shares under the Excess Application Facility.

The participation of a Qualifying Shareholder in their Open Offer Entitlement and their acquisition of any Excess Shares under the Excess Application Facility does not guarantee that their percentage shareholding will not be diluted from the position prior to the Placing and Open Offer as a result of the issue of the Placing Shares and Open Offer Shares.

The Open Offer Shares have not been and are not intended to be registered, offered or qualified for sale in any Excluded Jurisdiction. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Qualifying Shareholders with registered addresses in any Excluded Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. Unless otherwise determined by the Company applications from any person in an Excluded Jurisdiction will be deemed to be invalid.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Second Admission.

Part II of this Circular, together with the accompanying Application Form, contains further terms and conditions of the Open Offer and details of the procedures for application and payment.

7. Use of proceeds

During the 2022-23 financial year, the Company has built considerable momentum in implementing its strategy of reaching cash breakeven by focusing on a limited number of active projects and developing net zero carbon Heavy Fuel Oil liquid drop-in alternatives for its customers, principally in the intercontinental shipping and power generation sectors. Once cash breakeven is achieved, further scaling of the business to achieve its vast potential is expected to be conducted with industry partners. The Company's active projects are intended to act as "use cases" to demonstrate traction and to help drive partnership programmes.

The net proceeds of the Placing are expected to enable Quadrise to operate until 28 February 2024, before which time Quadrise expects to be generating early-stage revenues from its projects in Morocco and Utah and for the LONO trials with MSC to be well underway.

The Placing proceeds will also support the Company's business development activities, enabling progress with bioMSAR Zero development and in other key markets such as the Americas.

Should additional funds of £0.62 million be raised pursuant to the Open Offer, the Company will be funded through to 30 June 2024.

Should the Open Offer be fully subscribed, the additional proceeds will further strengthen the Company's balance sheet, and in doing so provide resources to continue its operations and advance its active projects, should active project milestones be delivered on currently anticipated timelines, to the point of positive cashflow generation and profitability.

8. Action to be taken

In respect of the Open Offer

If a Qualifying Shareholder does not wish to apply for Open Offer Shares, they should not complete or return the Application Form nor should they send a USE message through CREST.

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Shares representing your Open Offer Entitlement and Excess Open Offer Entitlement credited to your CREST stock account in respect of such entitlement, in outline:

(i) *Qualifying Non-CREST Shareholders (Qualifying Shareholders who hold their shares in certificated form)*

If you are a Qualifying Non-CREST Shareholder, you will receive an Application Form. If you are a Qualifying Non-CREST Shareholder and wish to participate in the Open Offer, you should carefully read the Application Form accompanying this Circular which gives details of your Open Offer Entitlement. If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement, or both, your Open Offer Entitlement and any Excess Open Offer Entitlement in respect of which, subject to satisfaction of the terms and conditions set out in this Circular and the Application Form, any application for your Open Offer Entitlement must be satisfied in full), you should complete the enclosed Application Form in accordance with the procedure set out at paragraph 3 of Part II of this Circular and on the Application Form itself and send the Application Form in the accompanying prepaid envelope along with the appropriate remittance to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, Surrey GU9 7DR so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 25 July 2023, having first read carefully Part II of this Circular and the contents of the Application Form.

(ii) *Qualifying CREST Shareholders (Qualifying Shareholders who hold their shares in uncertificated form through CREST)*

Application has been made for the Open Offer Entitlements and Excess Open Offer Entitlements of Qualifying CREST Shareholders to be admitted to CREST. If you are a Qualifying CREST Shareholder, you will not receive an Application Form. You will instead receive a credit to your account in CREST in respect of your Open Offer Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part II of this Circular. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 5 of Part II of this Circular.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Circular and the Open Offer.

Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer

may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claim Processing Unit.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable entitlement and cannot be traded.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of their applications for Open Offer Shares.

9. Taxation

A summary general guide to current UK tax legislation is provided at paragraph 6 of Part IV of this Circular. Any person who is in any doubt as to their tax position or is subject to tax in any jurisdiction other than the UK, is strongly advised to obtain independent tax advice regarding their own tax position and no person should rely on the summary provided herein for specific tax advice as to their particular situation.

10. Settlement and dealings

Application has been made for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in Placing Shares will commence on 12 July 2023. Application will also be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Open Offer Shares will commence on 26 July 2023. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 11 of Part II of this Circular.

11. Overseas Shareholders

It is the responsibility of any person receiving a copy of this Circular and/or the Application Form outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. If in doubt, such persons should consult their professional advisers. Persons (including, without limitation, nominees and trustees) receiving this Circular and/or the Application Form should not, in connection with the Open Offer, distribute or send it into any Excluded Jurisdiction or any other jurisdiction when to do so would, or might contravene local securities laws or regulations. Any person who does forward this Circular into any such jurisdictions should draw the recipient's attention to the contents of paragraph 8 of Part II of this Circular regarding Overseas Shareholders. If you are an Overseas Shareholder, it is important that you read that part of this Circular.

12. Further Information regarding the Open Offer

Your attention is drawn to the terms and conditions of the Open Offer set out in Part II of this Circular and the Application Form, Risk Factors relating to the Group set out in Part III of this Circular and the additional information set out in Part IV of this Circular.

Yours faithfully

Andy Morrison
Non-Executive Chairman

PART II

DETAILS OF THE PLACING AND OPEN OFFER

1. Introduction

As explained in Part I of this Circular, the Company proposes to raise up to a maximum of approximately £2.2 million (before expenses) by way of an Open Offer of 175,863,121 Open Offer Shares at the Issue Price.

2. The Placing

The Joint Brokers have, pursuant to the Placing and Open Offer Agreement, conditionally placed the Placing Shares with institutional investors at the Issue Price. The Company has conditionally raised gross proceeds of £1.1 million through the Placing.

A summary of the principal terms of the Placing and Open Offer Agreement is set out in paragraph 5 of Part IV of this Circular.

3. The Open Offer

The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out herein and, where relevant, in the Application Form, and subject to the Articles, for Open Offer Shares at the Issue Price, free from all expenses, payable in cash in full on application. The Issue Price represents a discount of 34.2 per cent. to the closing mid-market price of 1.90 pence per Existing Ordinary Share as derived from the AIM Appendix to the Official List of the London Stock Exchange on 6 July 2023, being the last practicable date prior to the announcement of the Open Offer on 6 July 2023.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for additional Open Offer Shares through the Excess Application Facility.

If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and the Joint Brokers may agree (without any obligation to do so) that the Joint Brokers should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that either of the Joint Brokers would be successful in so procuring any subscribers for such shares.

Subject to fulfilment of the conditions set out below and, where relevant, in the Application Form, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Issue Price payable in full on application and free of all expenses, pro rata to their existing shareholdings, on the basis of:

1 Open Offer Share for every 8 Existing Ordinary Shares

held at the Record Date and so in proportion for any greater or lesser number of Existing Ordinary Shares then held. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Qualifying Shareholders may apply for less than their full Open Offer Entitlements if they wish to do so. Fractional entitlements which would have otherwise arisen will not be issued.

Any monies paid in excess of the amount due in respect of an application for Open Offer Shares will be returned to the applicant (at the applicant's risk and without interest) within 14 days by way of cheque. The action to be taken in relation to the Open Offer is described in paragraph 4 below.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating Open Offer Entitlements, as will holdings under different designations and different accounts.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares.

The Open Offer is conditional, *inter alia*, on the Placing and Open Offer Agreement becoming or being declared unconditional in all respects in relation to the Open Offer (save in respect of Second Admission)

and not being terminated before Second Admission, and on Second Admission becoming effective. It is expected that Second Admission will take place on 26 July 2023. If such conditions are not fulfilled, application monies paid for Open Offer Shares are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post as soon as practicable after that date. Any interest earned on the application monies will be retained for the benefit of the Company.

The Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Completed Application Forms, accompanied by full payment, should be returned by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 25 July 2023.

Qualifying Shareholders who do not wish to apply for any Open Offer Shares under the Open Offer should not complete or return the Application Form or submit a USE message through CREST. Qualifying Shareholders who hold their Existing Ordinary Shares in CREST through a nominee and who wish to apply for Open Offer Shares must contact their nominee as such Qualifying Shareholders will not be able to apply for Open Offer Shares directly using the Application Form.

The Open Offer Shares will represent approximately 10.5 per cent. of the Enlarged Share Capital (assuming First Admission takes place and full take up of the Open Offer Shares under the Open Offer).

Further terms of the Open Offer are set out in this Part II and, where relevant, in the Application Form.

4. Procedure for Open Offer Applications and Payments under the Open Offer

If you are in any doubt as to the action you should take, or the contents of this Circular, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, they have an Application Form in respect of their entitlement under the Open Offer or they have Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.

If a Qualifying CREST Shareholder is a CREST sponsored member, they should refer to their CREST sponsor if they wish to apply for all or some of their entitlement under the Open Offer, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Circular, the Company will make an appropriate announcement through a RIS giving details of the revised dates.

4.1 *Qualifying Non-CREST Shareholders*

(a) *General*

Subject to paragraph 8 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form will show the number of Existing Ordinary Shares registered in your name on the date of this Circular. It also shows the number of Open Offer Shares for which you may apply pursuant to your Open Offer Entitlement (on an initial pro rata basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your Open Offer Entitlement should you wish to do so. Qualifying Non-CREST Shareholders who take up their Open Offer Entitlements in full may also apply for

additional Open Offer Shares by completing Boxes 3 and 4) on the Application Form relating to your Excess Open Offer Entitlement.

Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 175,863,121, applications for Open Offer Shares will be scaled back pro rata to the number of additional Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility (or at the discretion of the Directors). The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders. **The Application Form represents the right to apply for Open Offer Shares and is not a document of title and cannot be separately traded**.

(b) *Market claims*

Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, being 8.00 a.m. on 10 July 2023. Application Forms may be split up to 3.00 p.m. on 21 July 2023.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 8.00 a.m. on 10 July 2023, being the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult his or her broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying Non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Excluded Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 5.2 below.

(c) *Application procedures*

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, so as to arrive no later than 11.00 a.m. on 25 July 2023. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.

If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Receiving Agent, on the Company's behalf (but only with the agreement of Cenkos), may elect to accept Application Forms and remittances after 11.00 a.m. on 25 July 2023 in respect of those bearing a post mark before that date and time. The Receiving Agent may also (on behalf of the Company but only with the agreement of Cenkos) elect to treat an Application

Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Receiving Agent, on behalf of the Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 25 July 2023 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares applied for and undertaking to lodge the relevant Application Form in due course but, in any event, within two Business Days.

(d) *Payments*

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Share Registrars Limited Receiving Agent Account" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Eurocheques will not be accepted. Cheques should be drawn on the personal account to which you have sole or joint title to funds. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder (which should match the name detailed on page 1 of the Application Form) and have added the branch stamp.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or the Receiving Agent (on the Company's behalf) may elect in their absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that the Open Offer does not become unconditional the Open Offer will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, as soon as practicable. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant):

(i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;

(ii) confirm that in making the application you are not relying on any information or representation other than that contained in this Circular, and you accordingly agree that no person responsible solely or jointly for this Circular or any part of it shall have any liability for any such information or representation not so contained; and

(iii) represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should take no action and not complete or return the Application Form.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in

relation to completion of the Application Form by Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, telephone 01252 821390 or, if telephoning from outside the UK, on +44 1252 821390 between 9.00 a.m. and 5.30 p.m. Calls to the Share Registrars' number are charged at the standard geographic rate and will vary by provider. Calls to the Share Registrars' number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Share Registrars Limited cannot provide advice on the merits of the Open Offer nor given any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who take up their Open Offer Entitlements in full may apply to acquire Excess Shares under the Excess Application Facility, further details are set out in paragraph 5 of this Part II.

5.2 ***Qualifying CREST Shareholders***

(a) *General*

Subject as provided in paragraph 8 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements will therefore also be rounded down. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility.

The CREST stock account to be credited will be the account under the participant ID and member account ID which holds the Existing Ordinary Shares held on the date of this Circular by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlement has been allocated.

If for any reason the Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 11 July 2023 or such later time as the Company (with the agreement of Shore Capital and VSA Capital) may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this Circular will be adjusted as appropriate and the provisions of this Circular applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Share Registrars Limited on 01252 821390 (if calling from within the UK) or +44 1252 821390 (if calling from outside the UK). Lines will be open Monday to Friday 9.00 a.m. to 5.30 p.m. excluding bank and public holidays. Calls may be recorded and monitored randomly for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market Claims*

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s)

will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

(c) *USE instructions*

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(d) *Content of USE instructions in respect of the Open Offer Entitlement*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

(ii) the ISIN of the Open Offer Entitlement. This is GB00BRZT2Q06;

(iii) the participant ID of the accepting CREST member;

(iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent. This is 7RA36;

(vi) the member account ID of the Receiving Agent. This is RECEIVE;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (d)(i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 25 July 2023; and

(ix) the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 25 July 2023.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 25 July 2023 in order to be valid is 11.00 a.m. on that day.

(e) *Content of USE instruction in respect of Excess Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Excess CREST Open Offer Entitlements for which application is being made;

(ii) the ISIN of the Excess CREST Open Offer Entitlements. This is GB00BRZSYV62;

(iii) the CREST participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;

(v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA36;

(vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RECEIVE;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Open Offer Entitlements referred to in (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 25 July 2023; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 25 July 2023.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field); and a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 25 July 2023 in order to be valid is 11.00 a.m. on that day.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST (provided the Qualifying Non-CREST Shareholder is also a CREST Member)*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as set out in an Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 25 July 2023.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with CREST, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 20 July 2023, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 19 July 2023, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 25 July 2023.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 25 July 2023 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 25 July 2023. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings).

(I) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company (through the Receiving Agent) reserves the right:

(i) to reject the application for Open Offer Shares in full and refund the payment to the CREST member in question;

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;

(iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

(j) *Effect of a valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);

(ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular and subject to the Articles;

(iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;

(iv) represent and warrant that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 67, 70 and 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986;

(v) confirm that in making such application he or she is not relying on any information in relation to the Company other than that contained in this Circular and agrees that no person responsible solely or jointly for this Circular or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agrees that having had the opportunity to read this Circular, he will be deemed to have had notice of all the information concerning the Company contained therein; and

(vi) represent and warrant that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

(k) *The Company's discretion as to rejection and validity of applications*

The Company, Shore Capital and VSA Capital may in their discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II);

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

(l) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 26 July 2023 or such later time and date as Shore Capital, VSA Capital and the Company may agree, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete Boxes 3 and 4 on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 5.2 of this Part II for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all. Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST.

It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 11 July 2023. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 11 July 2023. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will have received an Application Form with this Circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Open Offer Entitlements will lapse.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in this Part II.

For Qualifying Non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, UK so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 25 July 2023. For Qualifying CREST Shareholders, the relevant CREST instructions must have been settled as explained in this Circular by no later than 11.00 a.m. on 25 July 2023.

7. Money Laundering Regulations

7.1 *Holders of Application Forms*

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements is the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment, and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of the Open Offer Shares as referred to in the Application Form (for the purposes of this paragraph 7.1 (the "relevant shares")) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine), the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant Open Offer Shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant Open Offer Shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its absolute discretion determine).

If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant Open Offer Shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant Open Offer Shares which shall be issued to and registered in the name of the purchasers

or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements applies, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

The verification of identity requirements will not usually apply:

(i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));

(ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or

(iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.

Third party cheques will not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

In other cases, the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:

(i) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or

(ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non- European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Turkey, the United States of America and, by virtue of their membership of the Gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority. In order to confirm the acceptability of any written assurance referred to above or any other case, the applicant should contact the Receiving Agent;

(iii) if (an) Application Form(s) in respect of relevant Open Offer Shares is/are lodged by hand by appointment only by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address; and

(iv) third party payment will not be accepted.

7.2 ***Open Offer Entitlements in CREST***

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving

Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

8. Overseas Shareholders

8.1 *General*

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this Circular and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this Circular and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and, in such circumstances, this Circular and/or any Application Forms are sent for information only.

It is the responsibility of any person receiving a copy of this Circular and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any Open Offer Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving credits of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction when to do so would or might contravene local securities laws or regulations, including those of the Excluded Jurisdictions.

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominee of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 8. The Company, the Joint Brokers and the Receiving Agent reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.

The Company, the Joint Brokers and the Receiving Agent reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company, the Joint Brokers and the Receiving Agent and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company, the Joint Brokers and the Receiving Agent have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this Circular, as appropriate. All payments under the Open Offer must be made in pounds sterling.

8.2 *United States*

The Open Offer Shares and the Open Offer Entitlements have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United

States and, accordingly, may not, be offered, sold, taken up, delivered or transferred in or into the United States. Subject to certain exceptions, Qualifying Shareholders with registered addresses in, or who are located in, the United States, may not participate in the Open Offer. Neither this Circular nor the Application Form constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Entitlements or Open Offer Shares in the United States. An Application Form will not be sent to any Shareholder located in or having a registered address in the United States. Unless otherwise agreed by the Company in its sole discretion, Application Forms sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration outside the United States.

No Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Unless otherwise agreed by the Company and Cenkos at their discretion, any person completing an Application Form or applying for Open Offer Shares will be required to represent that such person (i) is not located in the United States or any other Excluded Jurisdiction; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Open Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that it is acquiring the Open Offer Shares in an "off shore transaction" within the meaning of Regulation S (as promulgated under the Securities Act); and (iv) is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any Excluded Jurisdictions or any other jurisdiction referred to in (ii) above.

9. Waiver

The provisions of paragraph 8 of this "Part II – Details of the Placing and Open Offer" and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of paragraph 8 of this "Part II – Details of the Placing and Open Offer" supersede any terms of the Open Offer inconsistent herewith. References in paragraph 8 of this "Part II – Details of the Placing and Open Offer" to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of paragraph 8 of this "Part II – Details of the Placing and Open Offer" shall apply to them jointly and to each of them.

10. Taxation and Stamp Duty

If you are in any doubt as to your tax position in relation to taking up your entitlement under the Open Offer, or if you are subject to tax in a jurisdiction other than the UK whether or not as a result of your entitlement under the Open Offer, you should consult your professional adviser without delay.

11. Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that the Open Offer Shares will be admitted to trading on AIM and that dealings will commence on 26 July 2023 (or such later date as it may be agreed between the Joint Brokers and the Company after prior consultation with Cenkos). For Qualifying CREST Shareholders (who hold their Existing Ordinary Shares in certificated form) definitive share certificates for the Open Offer Shares are expected to be dispatched by first class post by 9 August 2023. For Qualifying Non-CREST Shareholders who hold their Existing Ordinary Shares in uncertificated form, it is expected that the relevant CREST account will be credited on the day of Second Admission. Notwithstanding any other provision of this Circular, the Company reserves the right to issue any Open Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Open Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

12. Times and dates

The Company reserves the right to amend or extend the closing time of the Open Offer from 11.00 a.m. on 25 July 2023 and all related dates set out in this Circular. In such circumstances, the Company shall make an announcement on an RIS.

If a supplementary circular is published by the Company two or fewer business days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Circular, the latest date for acceptance under the Open Offer shall be extended to the date that is at least three business days after the date of publication of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

13. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Circular and the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Circular or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Circular or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

14. Further Information

Your attention is drawn to the further information set out in this Circular and, for Qualifying Non-CREST Shareholders, also to the terms, conditions and other information printed on any Application Form.

PART III

RISK FACTORS

In addition to the other relevant information set out in this Circular, the following risk factors should be considered carefully when evaluating an investment in the Company. The investment offered in this Circular may not be suitable for all of its recipients. If you are in any doubt as to the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider that the risks and other factors described below, which are not set out in any particular order of priority, are the most significant and should be considered carefully together with all the information contained in this Circular, prior to applying for Open Offer Shares. It should be noted that the risks described below are not the only risks faced by the Company; there may be additional risks that the Directors currently consider not to be material or of which they are currently unaware.

If any of the risks referred to in this Part III crystallise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

There can be no certainty that the Company will be able to implement successfully the strategy set out in this Circular. No representation is or can be made as to the future of the Group and there can be no assurance that the Company will achieve its objectives.

There are various risk and other factors associated with an investment of the type described in this document. In particular:

Requirement for further funds

The Company's existing cash balances will allow the Company to continue to operate and advance its business development initiatives at current levels of expense until Q4 2023. Net proceeds from the Placing and Open Offer will be used to strengthen the Group's balance sheet and will provide the Company with additional funding in pursuing its business development plans and will enable the Company to deliver its current commercial-scale trials and tests and to progress these to negotiated commercial supply agreements that would enable the Company to reach the point of positive cash flow from operations. It will also enable the Company to progress other project opportunities in key markets.

Impact of COVID 19 or other epidemics or pandemics

Some uncertainties remain worldwide in relation to the social and economic impact from the spread of COVID-19 and the various national responses as well as in respect of any future epidemics or pandemics. The COVID-19 pandemic has disrupted and may continue to disrupt the Group's operations, for example by requiring quarantines of its employees in response to governmental or health authority advice. The Group's client-based operational projects are not capable of being operated or managed in the medium to long-term with the majority of its employees working remotely or by video, or tele-conference and any such prolonged restrictions on movement or travel may therefore have a significant adverse impact on the Group's business, financial condition and results of operations.

The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which will be out of the Group's control

Publicly traded securities from time-to-time experience significant price and volume fluctuations that may be unrelated to the operating performance of the company that has issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile, which may prevent Shareholders from being

able to sell their Ordinary Shares at or above the price they paid for them. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which are and will be beyond the Group's control, including the economic and financial situation originally arising from the COVID-19 pandemic, variations in operating results in the Group's reporting periods, changes in financial estimates by securities analysts, changes in market valuation of similar companies, announcements by the Company of significant contracts, acquisitions, planned investments or other capital commitments, strategic alliances, joint ventures, additions or departures of key personnel, any changes in legal and regulatory requirements, any shortfall in turnover or net profit or any increase in losses from levels expected by securities analysts, and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares. Moreover, a significant decrease in the price of the Ordinary Shares may lead to an opportunistic approach to acquire some or all of its issued share capital.

No profit to date

The Group has incurred aggregate losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. Since the Group intends to continue investing in the various projects described in this document, the Directors anticipate making further losses until at least the financial period ending 30 June 2025. There can be no certainty that the Group will achieve or sustain profitability or achieve or sustain positive cash flow from its activities.

Reliance on third parties

The Group places a degree of reliance on third parties including Nouryon.

Termination of an arrangement (whether formal or informal) with a third party, a change in the terms of a third-party contract or a supplier experiencing technical difficulties or the Company's inability to secure appropriate supply terms with third parties (including appropriate fuel supply agreements) could result in the Group's access to services being restricted or interrupted, which in turn may have an adverse effect on the Group's ability to progress its projects and its business, prospects, results of operations and financial condition.

The Company's objectives may not be fulfilled

The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document. There can be no guarantee that the Company will achieve the level of success that the Board expects.

Technological risk

There is a risk that the technology used for the production of MSAR® and bioMSAR™ fuel may not be adequately robust for all applications in respect of the character and nature of the feedstock and the particular parameters of transportation and storage pertaining to a specific project.

This risk may jeopardise the early commercialisation of the technology and subsequent implementation of projects or give rise to significant liabilities arising from defective fuel during plant operations.

Market risk

The marketability of MSAR® and bioMSAR™ fuels, once technically proven, may be affected by numerous factors beyond the control of the Group. These factors include variability of price spreads between light and heavy oils and the relative competitiveness of oil, gas and coal prices both for prompt and future delivery.

Feedstock sourcing

There is a risk in respect of appropriately located and ongoing price competitive availability of heavy oil residue feedstocks as oil refiners seek to extract more transportation fuels from each barrel of crude using residue conversion processes and a risk in respect of appropriately located and priced sustainable glycerine or other biofuel feedstocks of appropriate quality and quantity for bioMSAR™ supply.

Commercial risks

There is a risk that the Group will not achieve a commercial return due to major unanticipated change in a key variable or, more likely, the aggregate impact of changes to several variables which results in sustained depressed margins.

The Group's competitive position could be affected by changes to government regulations concerning taxation, duties, specifications, importation and exportation of hydrocarbon fuels and environmental aspects. Freight costs contribute substantially to the final cost of supplied products and a major change in the cost of bulk liquid freight markets could have an adverse effect on the economics of the fuels business.

Competition risks

There is a risk that new competition could emerge with similar technologies. This could result, over time, in further price competition and a pressure on margins beyond that assumed in the Group's business planning.

Joint venture parties and contractors

The Directors are unable to predict the risk of financial failure or non-compliance with respective obligations or default by a participant in any joint venture in which the Group is, or may become a party; insolvency or other managerial failure by any of the contractors used by the Group in its fuel processing and distribution activities; or insolvency or other managerial failure by any of the other service providers used by the Group for any activity.

Insurance risks

The Group insures its operations in accordance with industry practice and insures the risks it considers appropriate for the Group's needs and for its circumstances. Insurance cover will not be available for every risk faced by the Group, including MSAR® and bioMSAR™ inventory risk.

Although the Board intends that the Group and/or its partners and counterparties should carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances, the Group's or the partner's and counter-parties' insurance may not cover or be adequate to cover the consequences of such events. In addition, the Group may be subject to liability for pollution, or other hazards against which the Group or its partners and counterparties may elect not to insure because of high premium costs or other reasons. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Group.

Intellectual property risks

The Company's business relies on a combination of trademarks, copyrights, know-how, common law or statutory copyright protection and contractual restrictions to establish and protect its brands, designs and trade secrets. The protection provided by these intellectual property rights, confidentiality laws and contractual restrictions is limited and varies between the UK and other countries. Any third party may challenge the Company's intellectual property and the Group may incur substantial costs in defending any claims relating to its intellectual property rights.

Whilst the Company has taken all reasonable steps to register and protect its intellectual property, including benefiting from contracts with established multinational industry partners such as Nouryon, there can be no guarantee that any applications for registered intellectual property rights will be granted or that the Company's intellectual property rights and contractual provisions will be adequate to prevent misappropriation, infringement or other unauthorised use of the Company's intellectual property by third parties. In addition, despite steps taken by the Company to protect its proprietary rights, third parties may attempt to copy aspects of the Company's products and seek to use information that the Company regards as proprietary. Competitors may also independently develop similar technologies, processes or operations of the Company. There is a risk that the Company's means of protecting its intellectual property rights may not be adequate and weaknesses or failures in this area could adversely affect the Company's business. However, even if competitors did develop the same effect through a different chemical process, in operational terms the Company would be significantly advanced by comparison.

Environmental risks

The Group's operations are subject to environmental risks inherent in the processing, distribution and end use of oil and oil-based products. The Group is subject to environmental laws and regulations in connection with all of its operations. Although the Group intends to be in compliance, in all material respects, with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances that could subject the Group to extensive liability.

Further, the Group may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals may prevent or delay the Group from undertaking its desired activities. The Group is unable to predict definitively the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business, or affect its operations in any area.

Currency risk

The Group reports its financial results in pounds sterling, while many contracts in the oil and gas industry are principally denominated in United States Dollars and production costs may be denominated in Euros. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in its financial results and may have an adverse effect on income and/or asset values.

Corporate and regulatory formalities

The conduct of petroleum processing and distribution requires compliance by the Group with numerous procedures and formalities in many different national jurisdictions. It may not in all cases be possible to comply with or obtain waivers of all such formalities.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities.

The United Kingdom's exit from the European Union ("**Brexit**") has resulted in economic volatility particularly with respect to the share price of UK-based enterprises and depreciation of the pound sterling, including against the United States dollar. Potential long-term uncertainties with respect to the process, timeline and terms of Brexit, and its effects on existing and future contractual arrangements and economic relationships, may result in a slowdown in foreign and domestic investment in the UK economy, which may adversely impact the Group's trading and ability to raise any further financing which may be required. The Group cannot guarantee that its business plans and projections will not be directly or indirectly adversely impacted by Brexit.

Factors such as inflation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Group.

Attraction and retention of key employees

The Company's success will depend on its current and future executive management team. The loss of the services of certain employees could have a materially adverse effect upon the Group's business and future.

Debt financing

Any debt financing, if available, may include conditions that would restrict the Group's freedom to operate its business, such as conditions that:

- limit the Group's ability to pay dividends or require it to seek consent for the payment of dividends;
- increase the Group's vulnerability to general adverse economic and industry conditions;

- require the Group to dedicate a portion of any cash flow to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- limit the Group's flexibility in planning for, or reacting to, changes in its business and its industries.

There can be no guarantee or assurance that such debt funding or additional equity will be forthcoming when required, or as to the terms and price on which such funds would be available if at all. If the Group is unable to obtain additional financing as needed, or on terms which are acceptable, it may not be able to fulfil its strategy, which could have a material adverse effect on the Group's business, financial position and prospects.

Suitability of Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all recipients of this Circular. Before making a decision, investors are advised to consult an appropriate independent investment adviser authorised through FSMA who specialises in advising on investments of this nature if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The value of Ordinary Shares can go down as well as up and investors may get back less than their original investment.

Dilution of ownership of Existing Ordinary Shares upon allotment of the New Ordinary Shares

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 25 July 2023, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly.

Market information and nature of Ordinary Shares

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all of his/her investment.

General

Whilst the Company has applied for admission of the Placing Shares and will apply for the admission of the Open Offer Shares to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will ensue, or that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges.

The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

Share Price Volatility and Liquidity

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Company or the industry in which the Company operates or in response to specific facts and events, including positive or negative variations in the Group's interim or full year operating results and business developments of the Group and/or competitors. The market price of the Ordinary Shares may not reflect the underlying value of the Group and it is possible that the market price of the Ordinary Shares will trade at a discount to net asset value. Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List.

Dividends

At present, the Company's dividend policy is that all funds available for distribution should be reinvested in the business of the Company and so there is no intention to pay a dividend. There can be no assurance as to the level of future dividends and a dividend may never be paid. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

Taxation

This Circular has been prepared in accordance with current UK tax legislation. Any change in the Group's tax status or the tax applicable to a holding of Ordinary Shares or in UK tax legislation, could affect the value of the investments held by the Group, affect the Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. It should be noted that the information contained in paragraph 6 of Part IV of this Circular relating to the taxation of the Group and its investors is based upon current UK tax law which is subject to legislative change. The taxation of an investment in the Company depends on the individual circumstances of investors, including, *inter alia*, tax legislation in the jurisdiction in which that Shareholder is tax resident or domiciled. Potential investors should consult their professional advisers on the possible tax consequences of subscribing for, buying, holding, selling or transferring Ordinary Shares under the laws of their country of citizenship, tax residence and/or domicile.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company, whose registered office address appears on page 5 of this Circular and the Directors, whose names also appear on page 5 of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and contains no omission likely to affect the import of such information.

2. SHARE CAPITAL

The issued share capital of the Company (i) as at the date of this Circular and (ii) as it is expected to be at Second Admission (assuming First Admission of the Placing Shares and maximum take up under the Open Offer) is set out below:

	Issued and fully paid	
	£	*Number*
Existing Ordinary Shares as at the Record Date	£14,069,049.68	1,406,904,968
Expected Ordinary Shares at Second Admission	£16,707,680.89	1,670,768,089

In addition, the Company has granted options to subscribe, in aggregate, for a total of 48,967,259 new Ordinary Shares at prices ranging between 1.0 pence and 12.13 pence per share which are exercisable up to specified dates up to 27 January 2033.

3. ARTICLES OF ASSOCIATION

A copy of the Articles can be located on the Company's website, www.quadrise.com

4. DIRECTORS' INTERESTS

4.1 As at 7 July 2023, being the last practicable date prior to the publication of this Circular, the interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 to 257 of the Act) in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this Circular and as they are expected to be upon completion of the Open Offer are as follows:

	As at the date of this Circular		*On First Admission*		*On Second Admission*	
Director	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares on First Admission*	*Percentage of Ordinary Shares on First Admission*	*Number of Ordinary Shares on Second Admission*	*Percentage of Ordinary Shares on Second Admission[(1)]*
Andy Morrison	700,000	0.05%	3,100,000	0.21%	3,100,000	0.19%
Jason Miles	3,905,988	0.28%	3,905,988	0.26%	4,305,988	0.26%
Laurie Mutch	522,107	0.04%	522,107	0.03%	682,107	0.04%
Philip Snaith	506,649	0.04%	506,649	0.03%	746,649	0.04%
Dilip Shah	170,000	0.01%	170,000	0.01%	170,000	0.01%

[1] Assuming full take-up under the Open Offer.

4.2 As at 7 July 2023 (being the latest practicable date prior to the publication of this Circular), the Directors held the following Options:

Director	*Number of Options*	*Exercisable up to*	*Exercise price per new Ordinary Share*
Andy Morrison	4,000,000	3 August 2030	3.0p
Jason Miles	7,500,000	3 August 2030	3.0p
	3,551,122	27 June 2029	7.5p
	1,448,878	27 June 2027	7.5p
	1,775,862	3 September 2029	1.0p
	1,500,000	24 March 2024	12.13p
Philip Snaith	4,000,000	3 August 2030	3.0p
	2,000,000	27 June 2027	7.5p
Laurence Mutch	4,000,000	3 August 2030	3.0p
	2,000,000	27 June 2027	7.5p
Dilip Shah	2,000,000	3 August 2030	3.0p
	500,000	27 June 2027	7.5p

5. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and/or its subsidiaries during the two years preceding the date of this Circular and are or may be material:

5.1 Commercial Development Agreement made on 11 April 2022 between Valkor and the Company to commercialise Quadrise's MSAR® and bioMSAR™ technology ("QFI Technology") at Valkor's projects in Utah state in the USA. Phase 1 (Commercial Scoping) of this agreement is to be completed by 30 June 2022 and comprises the following steps to be taken by the parties: (a) Valkor to deliver a crude oil sample from a heavy oil asset in Utah in which they have an existing equity interest (the 'Primary Project') to Quadrise, (b) Quadrise to perform analysis and testing on the sample to confirm that it is suitable to produce MSAR® and bioMSAR™ and (c) Quadrise and Valkor to negotiate supply agreements with identified target consumers of MSAR® and bioMSAR™ fuel to be produced by the Primary Project and finalise the technical and operational requirements and commercial terms for license and supply of QFI technology ("First QFI License"). Under Phase 2 (Grant of QFI Technology License for Utah to Valkor) and subject to confirmation of Quadrise laboratory testing of QFI Technology for the Primary Project and conclusion of the First QFI License, the Company intends to grant Valkor a conditionally exclusive license for QFI Technology in the State of Utah if certain conditions precedent (as set out in the agreement) are met.

5.2 Materials Transfer and Cooperation Agreement made between an undisclosed client in Morocco ("Morocco Client") and QIL on 12 June 2022. This agreement supersedes the original Materials Transfer and Cooperation Agreement with the Morocco Client made on 28 November 2019 and under its terms QIL agreed to manufacture trial quantities of MSAR® and bioMSAR™ for the purpose of an industrial demonstration test at one of the Morocco Client's sites and provide the Morocco Client with a subsequent written report on the efficacy of using MSAR® and bioMSAR™.

5.3 Framework Agreement made between MSC and QIL on 27 July 2022. The parties entered into a Joint Development Agreement on 20 January 2021 under which the parties agreed to collaborate to scope an operational trial of MSAR® and bioMSAR™ on representative commercial vessels in MSC's global fleet. Under the terms of the subsequent Framework Agreement, the parties have agreed to carry out a proof-of-concept test and subsequent operational trials using bioMSAR™ and MSAR® fuel on one or more representative commercial container vessels in MSC's global fleet as precursor steps to the intended commercial supply of these fuels to the MSC global fleet.

5.4 Joint Development Agreement between Vertoro and QIL dated 20 September 2022 under which the parties have agreed to collaborate with each other for the purposes of the proposed joint projects set out in the agreement, subject to detail statements of work and costs packages being agreed between the parties prior to the work packages in question being initiated (the "Proposed Joint Projects"). Vertoro has expertise in developing projects designed to produce crude sugar oil ("CSO") from compliant

forestry and agricultural residues using their proprietary technology. Under this agreement, Vertoro and QIL have agreed to collaborate with each other for the purposes of the Proposed Joint Projects and seek to progress the use of Vertoro's CSO as a potential cost-effective supplement or alternative to glycerine in Quadrise's bioMSAR™ fuel. Prior to the Joint Development Agreement, Vertoro and QIL entered into a confidentiality and non-disclosure agreement on 2 March 2021.

5.5 Letter of intent made between QIL and Sparkle Power ("Sparkle") on 1 February 2023 pursuant to which QIL agreed to enter into discussions with Sparkle with the objective of negotiating a Fuel Supply Agreement and such other related agreements regarding the purchase and sale of emulsified fuel oil manufactured from heavy hydrocarbon or pitch or heavy fuel oil in QIL's emulsification plant and consumed in Sparkle's power plant in Panama.

5.6 Joint Development Agreement between BTG Bioliquids ("BTL") and QIL dated 1 June 2023 under which the parties have agreed to collaborate with each other for the purposes of the proposed joint projects set out in the agreement. BTL's proprietary pyrolysis technology turns abundant agricultural and forestry residues, such as sawmill waste, into fast pyrolysis bio-oil ("FPBO"), a homogeneous energy carrier, which can be used as a direct substitute for fossil fuels or be further upgraded into advanced biofuels. Under the JDA, QIL and BTL will collaborate in seeking to use BTL's FPBO as a potential cost-effective renewable source of fuel in Quadrise's bioMSAR™ solution. The JDA makes provision for QIL to supply MSAR® blending technology at BTL's licensed plants or biorefineries subject to future agreements with BTL or their licensees. QIL and BTL intend to jointly execute a research programme to generate stable bioMSAR™ emulsions incorporating BTL's FPBO, and upon progress to diesel engine testing. Prior to entry into the Joint Development Agreement, QIL and BTG entered into a confidentiality and non-disclosure agreement on 29 March 2023, the terms of which are applicable to the Joint Development Agreement which covers the disclosure of confidential information between the parties.

5.7 Site License and Supply Agreement ("SLS Agreement") between QIL and Valkor, which was signed by the parties on 9 June 2023, in respect of the use of Quadrise's MSAR® and bioMSAR™ technology at a Valkor heavy oil asset in Utah, USA ("Primary Project Site"). The SLS Agreement comprises four sub-agreements, with the key terms of each as follows:

- Site Licence Agreement which is conditional on, *inter alia*, receipt by Valkor of drilling and underground injection permits for the Primary Project Site from the Utah Board of Oil, Gas and Mining at a hearing tentatively scheduled for August 2023, and the receipt by Valkor of project financing in an amount of at least US$15 million for the Primary Project Site. QIL has granted Valkor the exclusive right and licence to use its technology at the Primary Project Site to produce MSAR® and bioMSAR™ and to market the fuel on a non-exclusive basis in Utah. In exchange, Valkor will pay QIL US$1.5 million, with US$1.0 million payable on satisfaction of the conditions set out above and a further US$0.5 million on the date on which a Quadrise MSAR® Manufacturing Unit ("MMU") is delivered to the Primary Project Site.
- Technology Transfer and Purchase Option Agreement ("TTPOA"), under which, following Valkor's receipt of the MMU, QILagrees to provide engineering and process design and commissioning services, site operations and compliance support and project development support services for a minimum period of two years, and for which Valkor will pay QIL an additional quarterly retainer of US$75,000, after which, Valkor will have an option to purchase QIL's technology and MMU for the primary project for US$1.0 million, which is subject to the terms of the SLS Agreement and conditional on the Site Licence Agreement being valid at the time, at which point the TTPOA will terminate unless otherwise mutually agreed by the parties (the "Purchase Option").
- Equipment Supply Agreement, which sets out the terms under which QIL will supply a 40 tonne per hour MSAR® MMU and ancillary equipment necessary to allow the production of MSAR® and bioMSAR™ at the Primary Project Site after receipt of initial payment. Under the TTPOA, this supplied equipment will be owned and operated by QIL until the Purchase Option is exercised, whereby ownership would transfer to Valkor.
- Surfactant Supply Agreement, which covers the terms under which QIL will supply to Valkor the chemicals needed to manufacture MSAR® and bioMSAR™ under the TTPOA, and subsequently.

A profit share mechanism has been agreed under the SLS Agreement whereby the parties will share the net profit in accordance with the terms of the SLS Agreement. The SLS Agreement has a term of ten years and may be terminated by mutual consent of the parties.

In addition to the signature of the SLS Agreement, a non-binding Heads of Agreement was entered into between the parties on 24 May 2023 which, in complementing the SLS Agreement, also sets out the basis on which QILand Valkor will seek to agree a conditionally exclusive Sub-License Agreement to be granted to Valkor covering the state of Utah, as well as the terms on which the net profit generated under the SLS Agreement, and a future Sub-License Agreement, will be shared between QIL and Valkor.

Agreements relating to the Placing and Open Offer

5.8 A Placing and Open Offer Agreement dated 7 July 2023 made between the Company (1) Shore Capital (2) VSA Capital (3) and Cenkos (4) pursuant to which and conditional upon, *inter alia*, admission of the Placing Shares taking place on or before 8.00 a.m. on 12 July 2023, or such later date (being not later than 9 August 2023) as the Company, Shore Capital and VSA Capital may agree after prior consultation with Cenkos, Shore Capital and VSA Capital have agreed to use their reasonable endeavours to procure subscribers at the Issue Price for the Placing Shares. Under the terms of the Placing and Open Offer Agreement the Company has agreed to pay to (i) Cenkos a corporate finance fee and (ii) Shore Capital and VSA Capital an aggregate commission equal to five per cent. of the monies raised in the Placing.

5.9 The Placing and Open Offer Agreement contains warranties from the Company in favour of Cenkos, Shore Capital and VSA Capital in relation to, *inter alia*, the accuracy of the information in this document, certain financial information and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos, Shore Capital and VSA Capital in relation to certain liabilities any of them may incur in respect of the Placing and the Open Offer.

5.10 Each of Shore Capital and VSA Capital have, but after prior consultation with Cenkos to the extent reasonably practicable, the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties given to Cenkos, Shore Capital and VSA Capital in the Placing and Open Offer Agreement, the failure of the Company to comply with any of its obligations under the Placing and Open Offer Agreement, the occurrence of a force majeure event or a material adverse change in (amongst other things) the financial or political conditions in the United Kingdom (which in the opinion of Shore Capital and VSA Capital, acting in good faith, adversely affects, or makes it inadvisable to proceed with, the Placing), any circumstance arising giving rise to a claim under the indemnity or a material adverse change in respect of the Company or the Group (taken as a whole) (which would make it impractical or inadvisable to proceed with the Placing). If one of the Joint Brokers (the "Withdrawing Broker") elects to exercise its termination rights and terminates the Placing and Open Offer Agreement but the other Joint Broker elects not to do so (the "Continuing Broker"), the Continue Broker has the right to elect to continue to act as the Company's broker in relation to the Placing and the Placing and Open Offer Agreement will continue and the Continuing Broker will assume all rights of the Withdrawing Broker under the Placing and Open Offer Agreement in those circumstances.

6. UK TAXATION

The following information is given in summary form and as a general guide only, based on UK tax legislation on 6 April 2023. Such legislation and practice is liable to change (in some cases with retrospective effect). **No action should be taken by an investor on the basis of the information given here without obtaining specific tax advice from an appropriate professional adviser**.

The information relates to the tax position of holders of New Ordinary Shares in the capital of the Company who are tax resident and, in the case of individuals, domiciled in England for tax purposes and who hold their shares as an investment. Persons liable to tax in Scotland or Wales may be subject to different tax legislation, following devolution of certain taxing powers to the Scottish Parliament and the Welsh Assembly.

The statements below do not constitute advice to any Shareholder or potential investor on their UK tax position, and may not apply to certain classes of Shareholder (such as persons carrying

on a trade in the UK, or holding the shares as trustees, or insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of New Ordinary Shares. Any Shareholder or potential investor should obtain advice from their own investment or tax adviser before acquiring Open Offer Shares.

6.1 ***Inheritance tax***

The Company's shares are treated as unquoted shares for UK inheritance tax ("IHT") purposes. Individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after holding Company shares for at least two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

6.2 ***Taxation of dividends***

Income tax

Under current UK tax legislation, no tax is required to be withheld from dividends paid by the Company.

For individuals who are tax resident in England, no income tax is payable in respect of the first £1,000 of dividend income received from all sources in a tax year (although such income would still count towards the basic, higher and additional rate thresholds). Dividends received above £1,000 in a tax year are taxable at 8.75 per cent, 33.75 per cent. and 39.35 per cent. for basic rate, higher rate and additional rate taxpayers, respectively.

Corporation tax

With certain exceptions (including for traders in securities), a UK tax resident company which holds New Ordinary Shares should generally not be subject to UK corporation tax in respect of any dividend paid to it by the Company.

6.3 ***Taxation of chargeable gains***

6.3.1 A UK tax resident individual Shareholder who is not a higher or additional rate income taxpayer and disposes of, or who is deemed to dispose of, their shares in the Company may be liable to UK capital gains tax at 10 per cent, on any chargeable gain realised by such disposal (after taking into account any applicable reliefs and exemptions). To the extent that any chargeable gains or part thereof, aggregated with taxable income arising in a tax year, exceed the upper limit of the basic rate income tax band, UK capital gains tax will be charged at 20 per cent. In computing the gain, the Shareholder should be entitled to deduct from proceeds the cost to them of the Shares (together with incidental costs of acquisition and disposal).

6.3.2 A relief known as 'investors' relief' may be available to certain UK tax resident individual shareholders disposing of shares in unquoted trading companies (AIM is not regarded as a recognised stock exchange for this purpose). The availability of this relief is subject to various conditions being satisfied, including that the shareholder subscribed personally for the shares in question and has held those shares for a minimum of three years prior to disposal. If applicable, the relief reduces the rate of UK capital gains tax payable on disposal of shares to 10 per cent. (subject to a lifetime limit of £10 million of chargeable gains).

6.3.3 A UK tax resident corporate Shareholder disposing of Shares in the Company may be liable to UK corporation tax on any chargeable gains at the usual rates of corporation tax applicable to it (currently 25 per cent. for most companies). In computing the chargeable gain liable to UK corporation tax, the Shareholder should be entitled to deduct from the disposal proceeds, the cost to it of acquiring the Shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

6.3.4 Under current HMRC practice, the subscription by a Shareholder for Open Offer Shares up to their Open Offer Entitlement may be treated as a reorganisation of share capital for the purposes of UK taxation of chargeable gains. To the extent that this treatment applies, the Open Offer Shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder, and the cost of acquisition of the Open Offer Shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of

determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a Shareholder for shares under the Open Offer in excess of their Open Offer Entitlement should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that HMRC practice mentioned above will be followed, particularly where an open offer is not made to all holders.

6.4 ***Stamp duty and SDRT***

No UK stamp duty should be payable on the issue by the Company of New Ordinary Shares. No UK stamp duty or stamp duty reserve tax should be payable on transactions in shares traded on AIM where the shares are not also listed on a recognised stock exchange.

Shareholders and/or potential investors should consult a suitable professional tax adviser to consider their tax position in relation to taking up their entitlements under the Open Offer.

7. LITIGATION

The Group is not involved in any governmental, legal or arbitration proceedings which are having, may have or have had, in the previous 12 months, a significant effect on its financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Group.

8. GENERAL

8.1 The total cost and expenses payable by the Group in connection with the Placing and Open Offer are estimated to amount to approximately £250,000 (excluding VAT).

8.2 Save as disclosed in this Circular, and save as notified by the Company via an RIS, there has been no significant adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the Company's unaudited interim results have been prepared, as announced by the Company on 29 March 2023.

9. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available for inspection on the Company's website (www.quadrise.com), free of charge.

Dated: 10 July 2023

DEFINITIONS AND GLOSSARY

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

"**Act**"	the Companies Act 2006, as amended
"**Admission**"	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules, which will take place in two stages at the time of First Admission and Second Admission and a reference to Admission in this Circular means First Admission and/or Second Admission, as the context requires
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies published by the London Stock Exchange (as updated from time to time)
"**AkzoNobel**"	Akzo Nobel Surface Chemistry AB
"**Application Form**"	the application form to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
"**Articles**"	the articles of association of the Company
"**Australia**"	the Commonwealth of Australia, its states, territories and possessions
"**bioMSAR™**"	bioMSAR™ technology (patent pending) blends glycerine with water and residues to create bioMSAR™ fuel
"**Business Days**"	means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London;
"**BTG Bioliquids**"	means BTG Bioliquids BV, a company incorporated in Netherlands with company number 08167874
"**Canada**"	Canada, its provinces, territories and all areas subject to its jurisdiction and any political sub-division thereof
"**Cenkos**"	Cenkos Securities plc, acting in its capacity as the Company's nominated adviser
"**certificated form**" or "**in certificated form**"	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
"**Circular**"	means this document
"**Company**" or "**QED**"	Quadrise Plc
"**CREST**"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
"**CREST Manual**"	the rules governing the operations of CREST as published by Euroclear
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended

"**CREST sponsor**"	a direct member of CREST under the CREST Regulations
"**Directors**" or "**Board**"	the directors of the Company or any duly authorised committee thereof
"**Enlarged Share Capital**"	the issued ordinary share capital of the Company following Second Admission
"**Euroclear**"	Euroclear UK & International Limited, the operator of CREST
"**Excess Application Facility**"	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer
"**Excess CREST Open Offer Entitlements**"	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular
"**Excess Open Offer Entitlement(s)**"	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular
"**Excess Shares**"	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
"**Excluded Jurisdiction**"	each of Australia, Canada, Japan, the Republic of South Africa, the United States, New Zealand and any other jurisdiction where the Open Offer Shares may not be offered, sold, taken up, delivered or transferred into or from and the extension or availability of the Open Offer would breach any applicable law
"**Existing Ordinary Shares**"	the 1,406,904,968 Ordinary Shares in issue at the date of this Circular, all of which are admitted to trading on AIM
"**FCA**"	the Financial Conduct Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part IV of FSMA
"**First Admission**"	the admission to trading on AIM of the Placing Shares, which is expected to become effective in accordance with the AIM Rules at 8.00 a.m. on 12 July 2023
"**FPBO**"	means fast pyrolysis bio-oil
"**FSMA**"	the Financial Services and Markets Act 2000 (as amended)
"**Group**" or "**Quadrise**"	the Company, its existing subsidiaries and subsidiary undertakings
"**HFO**"	Heavy fuel oil
"**HMRC**"	HM Revenue & Customs

"**IHT**"	Inheritance tax
"**IMO**"	International Maritime Organisation, the United Nations' specialised agency responsible for improving maritime safety and preventing pollution from ships
"**Issue Price**"	1.25 pence per Open Offer Share and Placing Share
"**Japan**"	Japan, its cities and prefectures, territories and possessions
"**Joint Brokers**"	Shore Capital and VSA Capital
"**London Stock Exchange**"	London Stock Exchange plc
"**Mærsk**"	A.P. Moller-Mærsk A/S
"**Marine MSAR®**"	Marine Multiphase Superfine Atomised Residue, the oil refinery technology supplied by Quadrise
"**micron**"	a unit of length equal to one millionth of a metre
"**MMU**"	MSAR® Manufacturing Unit
"**Money Laundering Regulations**"	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
"**MSAR®**"	a registered trademark belonging to Quadrise International Limited ("QIL"), a wholly owned subsidiary of QED, which stands for Multi-Phase Superfine Atomised Residue, and is the name applied to the oil in water emulsion fuel produced using technology licensed by QIL
"**MSC**"	MSC Shipmanagement Limited, a limited company registered in Cyprus and located at 8 Spyrou Kyprianou Avenue, Limassol, which is a 100 per cent. subsidiary of the MSC Group, a global shipping company which provides worldwide seaborne transportation solutions, including in the container sector
"**MSC Leandra**"	means a container ship that was built in 2007
"**New Ordinary Shares**"	together the Open Offer Shares and the Placing Shares
"**Nouryon**"	formerly Akzo Nobel
"**NOx**"	the term for oxides of nitrogen
"**Official List**"	the official list of the FCA
"**Open Offer**"	the conditional offer to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price, as described in this Circular
"**Open Offer Entitlements**"	entitlements to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
"**Open Offer Shares**"	means 175,863,121 New Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
"**Options**"	the options granted to Directors and others to subscribe for or acquire Ordinary Shares, details of which are set out in paragraph 4.2 of Part IV of this Circular

"**Ordinary Shares**"	means ordinary shares of £0.01 each in the capital of the Company
"**Overseas Shareholders**"	Shareholders resident outside the United Kingdom including those in an Excluded Jurisdiction
"**Placee**"	such persons who have agreed to subscribe for Placing Shares pursuant to the Placing
"**Placing**"	the conditional placing by Shore Capital and VSA Capital of the Placing Shares with institutional and other investors pursuant to the Placing and Open Offer Agreement announced on 7 July 2023
"**Placing and Open Offer Agreement**"	the agreement dated 7 July 2023 between the Company, Shore Capital, VSA Capital and Cenkos, details of which are set out in paragraph 5 of Part IV of this document
"**Placing Shares**"	the New Ordinary Shares to be issued pursuant to the Placing
"**Prospectus Regulation Rules**"	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA
"**QIL**"	Quadrise International Limited, a wholly-owned subsidiary of the Company
"**Qualifying CREST Shareholders**"	Qualifying Shareholders who hold their Existing Ordinary Shares in CREST
"**Qualifying Non-CREST Shareholders**"	Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form
"**Qualifying Shareholders**"	holders of Existing Ordinary Shares on the Record Date (other than certain Overseas Shareholders who are resident outside the United Kingdom, including in an Excluded Jurisdiction)
"**Receiving Agent**" or "**Share Registrars**"	the Company's registrars, Share Registrars Limited of 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX
"**Record Date**"	the record date for the Open Offer being 6.00 p.m. on 6 July 2023
"**RIS**"	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website, http://www.fca.org.uk/
"**Second Admission**"	the admission to trading on AIM of the Open Offer Shares, which is expected to become effective in accordance with the AIM Rules at 8.00 a.m. on 26 July 2023
"**Securities Act**"	United States Securities Act of 1933, as amended
"**Shareholders**"	holders from time to time of Ordinary Shares, and any one of them being a Shareholder
"**Shore Capital**"	Shore Capital Stockbrokers Limited, joint broker to the Company and placing agent in respect of the Placing
"**pounds sterling**"	the lawful currency of the United Kingdom
"**uncertificated**" or "**in uncertificated form**"	an ordinary share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**United States**" or "**US**" or "**USA**"	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
"**USE**"	Unmatched Stock Event
"**USE instructions**"	an Unmatched Stock Event instruction in CREST
"**Valkor**"	means Valkor Technologies LLC, a Delaware limited liability company
"**Vertoro**"	means Vertoro BV, a company incorporated and registered in the Netherlands with company number 68862725, whose registered office is at Urmonderbann 22, 6167RD, Geleen, the Netherlands
"**VSA Capital**"	VSA Capital Limited, joint broker to the Company and placing agent in respect of the Placing