RNS Number : 3943U
CleanTech Lithium PLC
23 November 2023

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23rd November 2023

CleanTech Lithium PLC
("CleanTech Lithium" or "CTL" or the "Company")
Open Offer Details, Posting of Circular and Notice of General Meeting

CleanTech Lithium PLC (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF), an exploration and development company advancing sustainable lithium projects in Chile for the clean energy transition, is pleased to announce that further to its announcements of 21 and 22 November 2023 in relation to the Placing, CTL is today posting a circular to Shareholders, setting out details of the Placing and the Open Offer and including a notice of General Meeting ("GM") (the "Circular").

As announced on 22 November 2023, CleanTech Lithium has conditionally raised £8 million (before expenses) by way of a placing of 36,363,638 New Ordinary Shares at a price of 22 pence per Placing Share. Approximately £3.1 million has been raised pursuant to the Firm Placing with the balance being raised under the Conditional Placing, conditional upon Shareholders approving the Resolutions at the GM, notice of which is set out at the end of the Circular.

The Placing Shares carry a warrant entitlement of one Warrant for every two Placing Shares and the grant of the Warrants attaching to the Conditional Placing Shares is also subject to Shareholder approval of the relevant Resolution. A Warrant grants the holder the right to subscribe for one new Ordinary Share at 33 pence and is exercisable during the period commencing on the date of grant and ending on 14 December 2026.

Capitalised terms used but not defined in this announcement shall have the meaning given to them in the announcement published by the Company on 21 November 2023 in connection with the Fundraising.

Details of the Open Offer

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in the Fundraising and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise up to approximately £0.5 million (before expenses) through the issue of up to 2,365,188 Open Offer Shares. The Open Offer is conditional upon, *inter alia*, the passing of the Resolutions at the GM.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 22 pence per share, being the same price per share as the Placing. Open Offer Shares carry a warrant entitlement of one Warrant for every two Open Offer Shares, again on the same terms as the Placing.

A Warrant grants the holder the right to subscribe for one new Ordinary Share at 33 pence and is exercisable during the period commencing on the date of grant and ending on 14 December 2026.

Open Offer Shares applied for pursuant to the Open Offer are payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

1 Open Offer Share for every 45 Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. The Entitlements of Qualifying Shareholders to Warrants will be rounded down to the nearest whole number of Warrants. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Open Offer Shares in excess of their Open Offer Entitlement. Not all

Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of the Circular.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Open Offer Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Open Offer Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Open Offer Shares.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 24 November 2023. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 13 December 2023. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide*market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 13 December 2023. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part III of the Circular.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore Open Offer Entitlements may not be traded and 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. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of the Circular and on the accompanying Application Form.

The Open Offer is conditional on, *inter alia*, Shareholders approving the Resolutions at the General Meeting and the Placing becoming or being declared unconditional in all respects. Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed, and the Open Offer Shares will not be issued, and all monies received by the Registrars will be returned to the applicants (at the applicant's risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

Posting of the Circular

The Circular is being posted today and a copy of it as well as (for Qualifying Non-CREST Shareholders) an Open Offer Application Form will shortly be made available on the Company's website at https://ctlithium.com/.

Notice of General Meeting

The Company's General Meeting will be held at 10 a.m. on 14 December 2023 at the offices at de Carteret House, 7 Castle Street, St Helier JE2 3BT.

The Expected Timetable of Principal Events is set out in Appendix 1 of this Announcement whilst the Placing and Open Offer Statistics as well as the Chairman's Letter, as extracted from the Circular, are set out in Appendices 2 and 3 respectively.

****ENDS****

For further information contact:

CleanTech Lithium PLC

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(Joint Broker)	
James Asensio	
George Grainger	
Sam Lucas	

Notes

About CleanTech Lithium

CleanTech Lithium (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF) is an exploration and development company advancing sustainable lithium projects in Chile for the clean energy transition. Committed to net-zero, CleanTech Lithium's mission is to produce material quantities of battery grade using sustainable Direct Lithium Extraction technology, powered by renewable energy, the Company plan to be the leading supplier of 'green' lithium to the EV and battery manufacturing market.

CleanTech Lithium has four lithium projects - Laguna Verde, Francisco Basin, Llamara and Salar de Atacama - located in the lithium triangle, the world's centre for battery grade lithium production. The two major projects: Laguna Verde and Francisco Basin are situated within basins controlled by the Company, which affords significant potential development and operational advantages. All four projects have direct access to existing infrastructure and renewable power.

CleanTech Lithium is committed to using renewable power for processing and reducing the environmental impact of its lithium production by utilising Direct Lithium Extraction. Direct Lithium Extraction is a transformative technology which removes lithium from brine, with higher recoveries and purities. The method offers short development lead times, low upfront capex, with no extensive site construction and no evaporation pond development so there is no water depletion from the aquifer. www.ctlithium.com

Important Notice

This announcement includes "forward-looking statements" which include all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks,

uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company or any other person following the implementation of the Placing or otherwise.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide to future performance and persons who require advice should consult an independent financial adviser.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Joint Bookrunners that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and the Joint Bookrunners to inform themselves about, and to observe, any such restrictions.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any jurisdiction into which the publication or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in Australia, Canada, Japan, New Zealand, the Republic of South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

Fox-Davies Capital Limited is authorised and regulated by the FCA in the United Kingdom and is acting as joint bookrunner exclusively for the Company and no one else in connection with the Placing and will not be responsible to anyone (including any Placees) other than the Company for

providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this announcement.

Canaccord Genuity Limited is authorised and regulated by the FCA in the United Kingdom and is acting as joint bookrunner exclusively for the Company and no one else in connection with the Placing and will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this announcement.

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in relation to the Placing and is not acting for any other persons in relation to the Placing. Beaumont Cornish Limited is acting exclusively for the Company and for no one else in relation to the matters described in this announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Beaumont Cornish Limited, or for providing advice in relation to the contents of this announcement or any matter referred to in it.

Appendix 1

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2023
Announcement of the Fundraising	21 November
Announcement of Results of the Placing	22 November
First Admission and dealings in the Firm Placing Shares	27 November
CREST accounts credited in respect of Firm Placing Shares and attached Warrants in uncertificated form	27 November
Record Date for entitlement under the Open Offer	6.00 p.m. 21 November
Publication of this document, Proxy Form and, to Qualifying Non-Crest Shareholders, the Application Form	23 November
Ex-entitlement date of the Open Offer	23 November
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	as soon as practicable after 8.00 a.m. on 24 November
Latest recommended time and date for requested withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4:30 p.m. on 7 December
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 8 December

Latest time and date for splitting of Application Forms under the Open Offer	3.00 p.m. on 11 December
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	10.00 a.m. on 12 December
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 13 December
General Meeting	10 a.m. on 14 December
Results of the General Meeting and the Open Offer announced	14 December
Second Admission and dealings in the Open Offer Shares and Conditional Placing Shares expected to commence on AIM	8.00 a.m. on 15 December
Where applicable, expected date for CREST accounts to be credited in respect of Conditional Placing Shares, Open Offer Shares and attached Warrants in uncertificated form	15 December
Where applicable, expected date for despatch of definitive certificates for Conditional Placing Shares, Open Offer Shares and attached Warrants in certificated form	within 14 days of Second Admission

Notes:

1. Each of the above times and/or dates is subject to change at the absolute discretion of the Company, Beaumont Cornish Limited, Canaccord Genuity Limited and Fox-Davies Capital Limited. If any of the above times and/or dates should change, the revised times and/or dates will be announced through the Regulatory News Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting

Appendix 2

PLACING AND OPEN OFFER STATISTICS

Issue Price	22 pence
Number of Existing Ordinary Shares at the date of this document	106,433,500
Number of Firm Placing Shares	14,124,466
Number of Ordinary Shares in issue following First Admission	120,557,966
Number of Warrants to be issued following First Admission	7,062,233
Number of Conditional Placing Shares**	22,239,172

Total number of Firm Placing Shares and Conditional Placing Shares**	36,363,638
Open Offer basic entitlement	1 Open Offer Share for every 45 Existing Ordinary Shares held as at the Record Date
Number of Open Offer Shares (in aggregate)* **	2,365,188
Number of Ordinary Shares in issue following Second Admission* **	145,162,326
Number of Warrants to be issued following Second Admission* **	12,302,180
Total number of Warrants to be issued pursuant to the Firm Placing, the Conditional Placing and the Open Offer* **	19,364,413
Percentage of Enlarged Share Capital represented by the New Ordinary Shares* **	27 per cent
Gross proceeds of the Firm Placing	£3.1 million
Gross proceeds of the Conditional Placing **	£4.9 million
Gross proceeds of the Open Offer* **	£0.5 million
Estimated gross proceeds of the Placing and Open Offer receivable by the Company* **	£8.5 million
Ordinary Share ISIN	JE00BPCP3Z37
Basic Open Offer Entitlements ISIN	JE00BLFDH876
Excess Open Offer Entitlements ISIN	JE00BLFDH983
Warrant ISIN	JE00BLFDJM55

** Assuming take-up in full of the Open Offer by Qualifying Shareholders*

*** Conditional on the passing of the Resolutions at the General Meeting*

Appendix 3

EXTRACT FROM THE COMPANY'S CIRCULAR TO SHAREHOLDERS

PART I

LETTER FROM THE CHAIRMAN OF CLEANTECH LITHIUM PLC

CleanTech Lithium plc

(incorporated in Jersey under the Companies Law with registered no: 139640)

Directors:

Steve Kesler (*Executive Chairman*)
Aldo Boitano (*Chief Executive Officer*)
Gordon Stein (*Chief Financial Officer*)
Jonathan Morley-Kirk (*Senior Independent Non-Executive Director*)
Maha Daoudi (*Non-Executive Director*)
Tommy McKeith (*Non-Executive Director*)

Registered Office:

de Carteret House
7 Castle Street
St Helier, Jersey
JE2 3BT

23 November 2023

Dear Shareholders and, for information purposes only, to the holders of options and warrants over Ordinary Shares,

Placing of 36,363,638 New Ordinary Shares (and Warrants)

at 22 pence per share

Open Offer of 2,365,188 New Ordinary Shares

(and Warrants)

at 22 pence per share

and

Notice of General Meeting

1. Introduction and summary

The Company announced on 22 November 2023 that it has conditionally raised £8 million (before expenses) by way of a placing of 36,363,638 New Ordinary Shares at a price of 22 pence per Placing Share.

Approximately £3.1 million has been raised pursuant to the Firm Placing with the balance being raised conditional upon Shareholders approving the Resolutions at a general meeting, notice of which is set out at the end of this document, that will *inter alia* grant to the Directors the authority to allot the Conditional Placing Shares for cash on a non-pre-emptive basis.

The Placing Shares carry a warrant entitlement of one Warrant for every two Placing Shares. The grant of the Warrants attaching to the Conditional Placing Shares is subject to Shareholder approval. A Warrant grants the holder the right to subscribe for one new Ordinary Share at 33 pence and is exercisable during the period commencing on the date of grant and ending on 14 December 2026.

The Board recognises and is grateful for the support that it has received from Shareholders and is also offering all Qualifying Shareholders the opportunity to participate in an Open Offer at a price of 22 pence per Ordinary Share, being the same price per Ordinary Shares as the Placing. The Open Offer Shares will also carry a warrant entitlement of one Warrant for every two Open Offer Shares, and these will be granted on the same terms and conditions as the Warrants granted pursuant to the Placing. The Open Offer is conditional upon Shareholders approving the Resolutions at the General Meeting.

The Open Offer will raise up to about £0.5 million (assuming full take up of the Open Offer). The Open Offer is in addition to and separate from the funds raised pursuant to the Placing. The Open Offer is not being underwritten.

The Issue Price represents a discount of 15 per cent. to the closing middle market price of 26 pence per Ordinary Share on 20 November 2023, being the last practicable date prior to the Launch Announcement. The Firm Placing Shares will represent approximately 12 per cent. of the Company's enlarged issued ordinary share capital after the issue of the Firm Placing Shares but prior to the issue of the Conditional Placing Shares and the Open Offer Shares. The Open Offer Shares and the Conditional Placing Shares together will represent up to

approximately 17 per cent. of the Enlarged Share Capital following Second Admission (assuming the Open Offer Shares are taken-up in full).

The new Ordinary Shares that would be issued upon the exercise in full of the Warrants would represent a maximum of approximately 11.8 per cent. of the Company's issued ordinary share capital after the Placing and the Open Offer assuming full take-up under the Open Offer (and assuming no further issues of Ordinary Shares prior to the exercise in full of the Warrants).

The total amount that the Company could raise under the Placing and Open Offer is £8.5million (before expenses), assuming that the Open Offer is fully subscribed.

Full exercise of the Warrants would raise a further £6 million of proceeds for the Company.

The Placing, which has been arranged by Canaccord Genuity and Fox-Davies pursuant to the terms of the Placing Agreement, has not been underwritten.

The Conditional Placing and the Open Offer are conditional upon Shareholders approving the Resolutions at the General Meeting that will *inter alia* grant to the Directors the authority to allot the Conditional Placing Shares and Open Offer Shares for cash and grant the attached Warrants, in each case on a non-pre-emptive basis. The Resolutions are contained in the Notice of General Meeting at the end of this document. First Admission will become effective at 8.00 a.m. on 27 November 2023. Second Admission of the Conditional Placing Shares and the Open Offer Shares is expected to take place at 8.00 a.m. on 15 December 2023, or such later time and/or dates as the Company, Beaumont Cornish, Canaccord Genuity and Fox-Davies may agree (being in any event no later than 8.00 a.m. 29 December 2023).

The purpose of this document is, amongst other things, to provide you with more information about the background to and reasons for the Placing and Open Offer, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that, in order to implement the Conditional Placing and the Open Offer, you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

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

CleanTech Lithium is an exploration and development company, advancing the next generation of sustainable lithium projects in Chile. The target is to start producing battery grade lithium from 2026, with near zero carbon emissions and low environmental impact, offering the electric vehicle market a green lithium supply solution.

The Company was admitted to trading on AIM in March 2022, raised £5.6m through its IPO and raised a further £12.3m (before expenses) in a secondary placing in October 2022 to fund its planned work programme through 2023. The Company has previously confirmed that it plans to dual-list on the ASX and due to delays in the regulatory application process in 2H 2023, it is now envisaged that this will take place in Q1 / early Q2 2024.

As the Company nears the end of 2023, it requires new funding to maintain progress on its main work programme activities in Chile and to meet its ongoing business costs. The Company has made significant progress in 2023 with the funds raised in late 2022, as highlighted below. Completion of the Laguna Verde PFS and ongoing production of lithium carbonate from the DLE pilot plant will allow the Company to begin to engage in strategic discussions with potential long-term partners.

Further information on the Company's assets, business strategy and progress achieved since the last equity fundraising is contained in the Company's announcement of the proposed Fundraising dated 21 November 2023, a copy of which is available from the Company's website at https://ctlithium.com/.

3. Use of Proceeds

The gross proceeds receivable by the Company pursuant to Placing will be £8 million, before expenses. The maximum gross proceeds receivable by the Company pursuant to the Open Offer (assuming take-up in full of the Open Offer by Qualifying Shareholders) will be approximately £0.5 million, before expenses.

The net proceeds from the Placing will be applied to enhance the development of the Company's two strategic assets in Chile through:

- the drilling of 5 wells at Laguna Verde (including 1 reinjection well);
- completing and running the DLE pilot plant;
- announcement of key findings from PFS on Laguna Verde;
- working capital and general administrative costs for 6 months; and
- flexibility for additional technical work at Laguna Verde and additional drilling at Francisco Basin.

In parallel to the above workstreams, the Company will continue to evaluate its funding needs and options with a view to securing additional capital to complete its ongoing programme from the second quarter of 2024 onwards.

As described further in the Company's announcement of the proposed Fundraising dated 21 November 2023, the Company continues to progress its proposed listing on the ASX, by which point it anticipates securing additional funding to maintain momentum on its work programmes to allow it to complete a DFS at Laguna Verde and complete a PFS at Francisco Basin.

It should be noted that the Company is therefore anticipating a further fundraising being required by no later than the second quarter of 2024.

4. The Fundraising

4.1 The Placing

The Company has conditionally raised £8 million (before expenses) through the issue of the Placing Shares at the Issue Price, which represents a discount of 15 per cent. to the closing middle market price of 26 pence per Ordinary Share on 20 November 2023, being the last practicable date prior to the Launch Announcement.

The Placing Shares carry a warrant entitlement of one Warrant for every two Placing Shares. Each Warrant grants the holder the right to subscribe for one new Ordinary Share at a price of 33p, being 50 per cent. above the Issue Price and is exercisable from the date of grant and ending on 14 December 2026.

The 14,124,466 Firm Placing Shares have been placed firm with investors. The placing of the Firm Placing Shares and the attached Warrants is being made pursuant to existing authorities to allot shares non-pre-emptively under the Company's articles of association, which were granted to the Directors at the Annual General Meeting of the Company held on 31 May 2023. Admission of the Firm Placing Shares is expected to become effective, at 8.00 a.m. on 27 November 2023.

The Company will require further authorities to allot the Conditional Placing Shares and the attached Warrants. Accordingly, 22,239,172 Conditional Placing Shares and 11,119,586 Warrants have been conditionally placed with investors and the Conditional Placing is conditional upon Shareholders approving the Resolutions at the General Meeting that will *inter alia* grant to the Directors the authority to allot the Conditional Placing Shares for cash and grant the attached Warrants on a non-pre-emptive basis.

Together, the Placing Shares will represent approximately 25 per cent. of the Enlarged Share Capital immediately following Second Admission assuming full take-up under the Open Offer and will represent approximately 25.5 per cent. of the Enlarged Share Capital immediately following Second Admission assuming no take-up under the Open Offer.

The Conditional Placing is conditional upon, *inter alia*, the Placing Agreement not having been terminated, the passing of the Resolutions and Second Admission occurring on or before 8.00 a.m. on 15 December 2023 (or such later date as Beaumont Cornish, Canaccord Genuity, Fox-Davies and the Company may agree, being not later than 8.00 a.m. 29 December 2023).

4.2 Related Party Transaction

As a part of the Placing and on the same terms as all other placees, Regal Funds, which is currently interested in more than 10 per cent. of the Company's issued share capital and therefore a related party under the AIM Rules, agreed to subscribe for approximately £1,200,000, thereby maintaining its current interest in the Company on the enlarged basis. As such, Regal Funds participation is a related party transaction for the purposes of Rule 13 of the AIM Rules. Accordingly, the Directors of the Company, all independent, consider, having consulted with Beaumont Cornish, that the terms of the subscription by Regal Funds are fair and reasonable insofar as the Company's shareholders are concerned.

4.3 The Placing Agreement

Pursuant to the terms of the Placing Agreement, Canaccord Genuity and Fox-Davies, as agents for the Company, have conditionally agreed to use their respective reasonable endeavours to procure subscribers for the Placing Shares. Canaccord Genuity and Fox-Davies have conditionally placed the Placing Shares with certain institutional and other investors at the Issue Price. The Placing has not been underwritten. The Firm Placing is conditional upon the Placing Agreement not having been terminated and First Admission occurring on or before 8.00 a.m. on 27 November 2023 (or such later date as Beaumont Cornish, Canaccord Genuity, Fox-Davies and the Company may agree, being not later than 8.00 a.m. 29 December 2023). The Conditional Placing is conditional upon, *inter alia*, the Placing Agreement not having been terminated, the passing of the Resolutions at the General Meeting and Second Admission occurring on or before 8.00 a.m. on 15 December 2023 (or such later date as Beaumont Cornish, Canaccord Genuity, Fox-Davies and the Company may agree, being not later than 8.00 a.m. 29 December 2023).

The Placing Agreement contains customary warranties from the Company in favour of Beaumont Cornish, Canaccord Genuity and Fox-Davies in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Beaumont Cornish, Canaccord Genuity and Fox-Davies in relation to certain defined liabilities that they may incur in respect of the Placing and Open Offer.

The Placing Agreement also provides for the Company to pay all costs, charges and expenses of, or incidental to, the Placing and Admissions including all legal and other professional fees and expenses.

The Placing Shares have not been made available to the public and have not been offered or sold in any jurisdiction where it would be unlawful to do so.

4.4 Broker Warrants

As consideration for their services in connection with the Placing, the Company intends to grant Fox-Davies and Canaccord Genuity each with warrants over an aggregate of up to 2,727,273 Ordinary Shares which is equal to approximately 7.5 % of the Placing Shares. The Broker Warrants will be exercisable at a price equal to the Issue Price up until five years from completion of the Placing. Grant of the Broker Warrants is conditional *inter alia* upon the passing of the Resolutions at the General Meeting.

4.5 Details of the Open Offer

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in the Fundraising and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise up to approximately £0.5 million (before expenses) (assuming full take up of the Open Offer) through the issue of up to 2,365,188 Open Offer Shares. The Open Offer is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 22 pence per share, being the same price per share as the Placing. Open Offer Shares carry a warrant entitlement of one Warrant for every two Open Offer Shares, again on the same terms as the Placing.

A Warrant grants the holder the right to subscribe for one new Ordinary Share at 33 pence and is exercisable during the period commencing on the date of grant and ending on 14 December 2026.

Open Offer Shares applied for pursuant to the Open Offer are payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

1 Open Offer Share for every 45 Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. The Entitlements of Qualifying Shareholders to Warrants will be rounded down to the nearest whole number of Warrants. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Open Offer Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Open Offer Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Open Offer Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Open Offer Shares.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 24 November 2023. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 13 December 2023. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in

respect of the Open Offer is 11.00 a.m. on 13 December 2023. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part III of this document.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore Open Offer Entitlements may not be traded and 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. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of this document and on the accompanying Application Form.

The Open Offer is conditional on, *inter alia*, Shareholders approving the Resolutions at the General Meeting and the Placing becoming or being declared unconditional in all respects. Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed, and the Open Offer Shares will not be issued, and all monies received by the Registrars will be returned to the applicants (at the applicant's risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

4.6 The Warrants

The Warrant Instrument was entered into by way of a deed poll by the Company dated on or around 22 November 2023 under which the Company constituted up to 19,364,413 Warrants to be issued in connection with the Fundraising.

A Warrant grants the holder the right to subscribe for one new Ordinary Share at 33 pence and is exercisable during the period commencing on the date of grant and ending on 14 December 2026.

The Warrants shall be freely transferable. Warrants issued in certificated form are exercised by completing a notice of exercise in the form set out in the Warrant Instrument and returning it along with the relevant Warrant certificates and the relevant cheque payment (payable to Computershare Investor Services). Warrants held in uncertificated form are exercised by submission of the usual USE/AUSN message and delivery to Computershare Investor Services CREST details Participant ID 3RA15, Member Account ID CTLWAR together with remittance in cleared funds of the subscription price in respect of each Warrant being exercised.

Any Warrants remaining unexercised after the end of the relevant subscription period shall automatically expire without compensation. Upon exercise of the Warrants, the underlying Ordinary Shares will be issued within fourteen days.

The Warrant Instrument contains customary provisions for adjustments to the relevant exercise price in certain circumstances, including if, prior to the end of the Warrant Expiry Date (as applicable), there shall occur any reorganisation, recapitalisation, consolidation or subdivision, involving the Company.

4.7 Settlement and dealings

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective at 8.00 a.m. on 27 November 2023.

Subject to the Resolutions being passed at the General Meeting, application will be made to the London Stock Exchange for the Conditional Placing Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective at 8.00 a.m. on 15 December 2023.

No application is being made for the Warrants to be admitted to trading on AIM.

The Placing Shares and 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 dividends and other distributions declared, made or paid after the date of their issue.

5. Directors' participation in the Placing

Certain of the Directors have agreed to subscribe on a conditional basis for Conditional Placing Shares and 664,546 Warrants. 1,329,092

Director	*Conditional Placing*	*Warrants*

	Shares	
Steve Kesler	368,182	184,091
Jonathan Morley Kirk	113,638	56,819
Gordon Stein	113,638	56,819
Maha Daoudi	279,092	139,546
Tommy McKeith	454,546	227,273

The Directors do not intend to participate in the Open Offer. A summary of their shareholdings as at the date of this Circular, and following Second Admission are set out in paragraph 2 of Part IV.

6. Effect of the Placing and Open Offer

Upon Second Admission, and assuming full take up of the Open Offer Entitlements and no exercise of existing options or warrants, the Enlarged Share Capital is expected to be 145,162,326 Ordinary Shares. On this basis, the New Ordinary Shares would represent approximately 27 per cent. of the Company's Enlarged Share Capital.

Following the issue of the New Ordinary Shares pursuant to the Placing and the Open Offer, assuming full take up of the Open Offer Entitlements and no further exercise of options under the Company's share schemes, a Qualifying Shareholder who does not take up any of their Open Offer Entitlements nor participate in the Placing will suffer a dilution of approximately 27 per cent. to their interests in the Company. Qualifying Shareholders that take up their Open Offer Entitlements in full, and do not participate in the Placing, will suffer a dilution of approximately 25 per cent. to their interest in the Company.

The expenses of the Placing and Open Offer are expected to be approximately £0.7 million.

7. The General Meeting

The Directors do not currently have authority within the Company's articles of association to allot all of the Conditional Placing Shares or the Open Offer Shares or to grant the Warrants relating to the Conditional Placing and Open Offer or Broker Warrants or allot all of the Ordinary Shares that would be issued upon the exercise in full of such Warrants and Broker Warrants on a non-pre-emptive basis. Accordingly, the Board is seeking the approval of Shareholders at the General Meeting to authorise the Directors to allot Ordinary Shares and grant Warrants and disapply the pre-emption rights set out in the Company's articles of association from in connection with the Conditional Placing, the Open Offer, the Warrants that are to be granted pursuant to the Conditional Placing and the Open Offer and the grant of the Broker Warrants.

The following resolutions will be proposed at the General Meeting:

Resolution 1 which is an ordinary resolution to authorise Directors to allot Ordinary Shares up to an aggregate nominal amount of £880,212.55, in relation to the issue of the Conditional Placing Shares, the Open Offer Shares, the Warrants relating to the Conditional Placing and the Open Offer and the Broker Warrants as well as a general authority to allot Ordinary Shares or securities convertible into Ordinary Shares in respect of approximately one-third of the Enlarged Share Capital (assuming full take-up of the Open Offer); and

Resolution 2 which is conditional on the passing of Resolution 1, is a special resolution to authorise the Directors to allot the Conditional Placing Shares, the Open Offer Shares, the Warrants relating to the Conditional Placing and the Open Offer and the Broker Warrants and to allot Ordinary Shares or securities convertible into Ordinary Shares up to 20 per cent. of the Enlarged Share Capital (assuming full take-up of the Open Offer), in each case on a non-pre-emptive basis.

Resolution 2 will be proposed as a special resolution. To be passed, Resolution 2 will require the support of not less than three-quarters of the total voting rights of Shareholders who (being entitled to do so) vote on such resolutions (in person or by proxy) at the General Meeting. The Conditional Placing and the Open Offer (including the grant of Warrants in relation thereto) and the grant of the Broker Warrants are conditional on the passing of the Resolutions.

The authority and the power described in the Resolutions replaces any previous authority or power previously conferred on the Directors.

Set out at the end of this document is a notice convening the General Meeting to be held on 14 December 2023 at 10 a.m. at the offices of the Company, de Carteret House, 7 Castle Street, St Helier, Jersey, JE2 3BT at which the Resolutions will be proposed.

8. Action to be taken

8.1 *In respect of the General Meeting*

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6AH, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 12 December 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 3RA50) by no later than 10.00 a.m. on 12 December 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Article 34 of the Uncertificated Securities Order.

8.2 *In respect of the Open Offer*

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares, or the Excess Open Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part III of this document and on the accompanying Application Form and return it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH, so as to arrive no later than 11.00 a.m. on 13 December 2023.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part III of this document by no later than 11.00 a.m. on 13 December 2023.

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

9. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part III of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that paragraph of this document.

10. Recommendation

The Directors consider the Placing and Open Offer to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their aggregate holdings of 10,698,039 Ordinary Shares.

Should the Resolutions at the General Meeting not be passed, the Conditional Placing and Open Offer will not complete, and the Company would only receive the net proceeds of the Firm Placing and would need to explore other funding alternatives to support its working capital requirements.

Yours faithfully

Steve Kesler

Executive Chairman

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