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2 December 2020



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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Capital Limited
("Capital", the "Group" or the "Company")

Transformative New Business Awards at Centamin's Sukari Gold Mine

Proposed Placing to Raise Approximately £22 million (Approximately US\$30 million)

Capital Limited (CAPD: LN), a leading mining services company focused on the African markets, is pleased to announce that it has entered into a conditional open pit waste mining services contract with Sukari Gold Mines ("Sukari") (the "Sukari Contract") and has also expanded and extended its existing drilling contract with Sukari (the "Amended Sukari Drilling Contract"). Sukari is the operating company for the Sukari Gold Mine in Egypt, one of the largest gold mines in Africa and the principal asset of Centamin Plc (LSE: CEY, TSX: CEE).

Collectively, the Sukari Contract and the Amended Sukari Drilling Contract are anticipated to deliver incremental revenues of US\$235 – 260 million over a four-year period commencing 1 January 2021, representing the largest award of new business in the Company's history.

The Company also announces a proposed placing (the "Placing") to raise gross proceeds of approximately £22 million (approximately US\$30 million) before expenses, via the issue of an aggregate of approximately 38.5 million new common shares in the Company ("Placing Shares") at a price of 58 pence per share (the "Placing Price"). The Placing is to be conducted by way of an accelerated bookbuild process, launched with immediate effect. Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg") and Tamesis Partners LLP ("Tamesis") are acting as Joint Bookrunners in relation to the Placing.

The Sukari Contract and the issue of the Placing Shares are subject, inter alia, to shareholder approval. A circular (the "Circular") containing a notice of General Meeting (the "Notice") will shortly be posted to Shareholders and placed on the Company's website. Information to be contained in the Circular is set out below. The Amended Sukari Drilling Contract is effective from 1 January 2021 and is not subject to shareholder approval or any other conditions precedent.

HIGHLIGHTS

- Capital awarded a 120Mt open pit waste mining contract at Sukari Gold Mine providing load & haul and ancillary services
- The Sukari Contract has a term of four years, expected to commence in January 2021
- Existing drilling contract at Sukari extended to 31 December 2024 (from 30 September 2023) and expanded by nine additional rigs, bringing the rigs operating at Sukari to 24 in total
- Collectively, the Sukari Contract and the Amended Sukari Drilling Contract are expected to deliver incremental revenues of US\$235 – 260 million (vs 2020 revenue guidance of US\$130 – 140 million) based on Sukari’s mine plan at the point of tender submission.
- New business awards at Sukari build on Capital’s longstanding customer relationship with Centamin and represent a strong endorsement of the Company’s offering
- To date the Company has spent US\$23.4 million towards equipment and has made strong progress with early works, key personnel hiring and advanced operational planning
- Further solidifies Capital’s revenue base, which is dominated by long term contracts at Tier 1 operations
- Capital is currently active in several earthmoving tender processes with new and existing customers as it continues to evolve into a full-service mining contractor
- Proposed Placing to raise approximately £22 million (approximately US\$30 million) before expenses at a price of 58p per share by way of an accelerated bookbuild process to be launched with immediate effect
- The net proceeds of the Placing will be used to purchase equipment to fulfil obligations under the Sukari Contract and Amended Sukari Drilling Contract and for general corporate purposes
- The Sukari Contract and Amended Sukari Drilling Contract are expected to be revenue and earnings accretive in 2021

Commenting on today’s announcement, Jamie Boyton, Executive Chairman, said:

‘The winning of the tender for the Sukari open pit waste mining contract is a significant milestone for Capital – it is the largest contract win for the Group since inception, adds substantial scale to our mining services division, as well as providing revenue diversification from our drilling services business. We are also pleased to have increased the scope and scale of our existing drilling contract. Having operated at the Sukari mine since 2005, which started commercial gold production over a decade ago, Capital is pleased to be deepening further its strong client relationship with Centamin in assisting with the generation of significant value to Centamin over the medium and longer term as the Sukari mine enters its next phase of gold production.

The proposed fund raise provides Capital with the opportunity to broaden and deepen its shareholder register. Both the equity raise and the mining services contract will further consolidate Capital’s position as one of the leading mining and drilling services operators on the African continent. The Capital team is looking forward to mobilising the required equipment and operational staff to start the work required at Sukari.’

Additional information on the Sukari Contract, the Amended Sukari Drilling Contract and the Placing is set out below.

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BACKGROUND TO AND REASONS FOR ENTRY INTO THE SUKARI CONTRACT AND PLACING

Capital today announces that following a successful competitive tendering process, its subsidiary, Capital Egypt, has entered into an open pit waste mining services contract with Sukari Gold Mines, the operating company for Centamin's principal asset, the Sukari gold mine in Egypt, and has also agreed to amend and extend the term of its existing drilling services agreement at the Sukari gold mine. Centamin is a large gold mining company listed in London and Toronto. Centamin's principal asset, the Sukari gold mine, is a long-life, bulk tonnage open pit and underground operation jointly held as part of a concession agreement with the Egyptian Mineral Resources Authority (EMRA).

The Amended Sukari Drilling Contract extends Capital Egypt's existing drilling contract to 31 December 2024 (previously 30 September 2023) to correspond with the term of the Sukari Contract. It also provides for nine additional blasthole rigs to be added to the operation, bringing the total fleet of drill rigs operating at Sukari to 24, with the additional rigs due to be operational from the first quarter of 2021.

The new Sukari Contract expands the services that the Group will provide at the Sukari gold mine to also include load, haul and ancillary services over a four-year period, expected to commence in January 2021. The contract envisages a phased ramp up in 2021 with earthmoving commencing towards the end of the first quarter and run-rate volumes achieved towards the end of the fourth quarter. The Board considers the Sukari Contract to be an important and positive element of the Group's expansion of its services to include earthmoving and therefore to provide fully integrated mining services for its clients.

Overall, the value (by reference to the potential revenue to the Group) of the Sukari Contract and the Amended Sukari Drilling Contract is anticipated to be between US\$235m to US\$260m. This revenue estimate is based on Centamin's current expected mine plan, which may be subject to change, and with reference to the fee mechanics set out in the Sukari Contract.

In order to fulfil its anticipated obligations under the Sukari Contract and the Amended Sukari Drilling Contract, Capital Egypt is investing in further mining fleet, drilling rigs and ancillary equipment (the "Equipment"). The incremental capex required by the Group to service the Sukari Contract and the Amended Sukari Drilling Contract is estimated by the Directors to be approximately US\$41 million.

The purchase of this Equipment will be financed through a combination of the net proceeds of the Placing, Group cashflow and drawdown under the Company's existing debt facility, OEM finance facilities and asset backed loan facilities, some of which are subject to negotiation.

At the date of this Announcement, an OEM facility with Sandvik for US\$8.5million has been agreed and is committed and an OEM facility with Epiroc is awaiting final credit approval with documentation in near final form. In addition, the Company is currently in advanced discussions with respect to further asset backed facilities and as at the date of this Announcement, non-binding commercial indications have been received from two debt providers.



Under the terms of the Sukari Contract, Capital Egypt is obliged to procure that Capital provides a duly executed Parent Company Guarantee of Capital Egypt's obligations under the Sukari Contract on or before 31 December 2020, further details of which are set out below.

PROPOSED PLACING

The Company intends to raise approximately £22 million (approximately US\$30 million) (before expenses) by way of a Placing of approximately 38.5 million new Common Shares.

The net proceeds to be raised by way of the Placing are expected to be approximately £21 million. The amount of approximately £8 million, being approximately 40 per cent. of the expected net proceeds of the Placing, will be applied towards the purchase of mining fleet, drilling rigs and ancillary equipment in order to fulfil Capital Egypt's obligations under the Sukari Contract and the Amended Sukari Drilling Contract, with the balance being used for general corporate purposes.

The Placing is to be conducted by way of an accelerated bookbuild process (the "**Bookbuild**") to be undertaken by Berenberg and Tamesis acting as Joint Bookrunners. The Bookbuild will commence immediately following the release of this Announcement. The final number of shares to be issued pursuant to the Placing will be determined by the Bookbuild and announced upon closing of the Bookbuild. Following the completion of the Bookbuild, the Placing will be fully underwritten by Berenberg.

The Appendix to this Announcement (which forms part of this Announcement) contains the detailed terms and conditions of the Placing.

The Board considered various forms of financing for the Equipment and, in light of market conditions, the time available and the desire of the Company and Centamin to move forward expeditiously with the Sukari Contract, the Board believes that carrying out the Placing on a non-pre-emptive basis is the most suitable, certain and cost-effective option in conjunction with available and proposed debt financing and OEM financing. The raising of new equity capital will also strengthen the Company's balance sheet to provide a strong platform for further growth and contract wins with a number of significant tender processes ongoing.

Subject to the Resolutions being passed at the General Meeting, it is expected that Admission of the Placing Shares will become effective on or around 22 December 2020.

SHAREHOLDER APPROVALS AND OTHER CONDITIONS PRECEDENT

Entry into the Sukari Contract, and a Parent Company Guarantee to be given by the Company in relation to the Sukari Contract, each constitute a Class 1 transaction pursuant to Listing Rule 10.5.1 on the basis of the anticipated expenditure on Equipment for the purposes of the Sukari Contract and the nature of the Parent Company Guarantee respectively. Accordingly, the Sukari Contract, the Parent Company Guarantee and the issue of the Placing Shares is each subject, inter alia, to shareholder approval being granted at a general meeting to be convened on or around 21 December 2020

(the “**General Meeting**”). A circular (the “**Circular**”) and notice of General Meeting (the “**Notice**”) will shortly be posted to Shareholders and placed on the Company’s website.

The Resolutions to be proposed at the General Meeting will be as follows:

- Resolution 1, which will be proposed as an ordinary resolution, and will be conditional on the passing of Resolutions 2 and 3, will be a resolution to approve: (i) the Sukari Contract, and (ii) the Parent Company Guarantee, in each case as a Class 1 transaction for the purposes of Listing Rule 10.5.1R;
- Resolution 2, which will be proposed as an ordinary resolution, and will be conditional on the passing of Resolution 1, will be a resolution generally and unconditionally to authorise the Directors to allot and issue the Placing Shares; and
- Resolution 3, which will be proposed as a special resolution, and will be conditional on the passing of Resolutions 1 and 2, will be a resolution generally and unconditionally to authorise the Directors to allot and issue the Placing Shares for cash other than on a pre-emptive basis.

The above is a summary and the full text of the Resolutions will be set out in the Notice.

In addition, the Sukari Contract is conditional upon the Placing completing and raising minimum funds of US\$20m.

The Amended Sukari Drilling Contract is effective from 1 January 2021 and is not subject to Shareholder approval or any other conditions precedent.

IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings from each of the Directors and certain of the senior management of the Group who have an interest in Common Shares and certain other shareholders, representing in aggregate 59,812,031 Common Shares, representing 43.7 per cent. of the company’s issued common share capital to vote in favour of all Resolutions to be proposed at the General Meeting.

DIRECTORS’ INTENDED PARTICIPATION IN THE PLACING AND RELATED PARTY TRANSACTIONS

Each of the following Directors has advised the Company that he intends to subscribe for Placing Shares:

- Jamie Boyton, Executive Chairman
- David Aberly, Non-Executive Director
- Michael Rawlinson, Non-Executive Director
- Alexander Davidson, Non-Executive Director

Mr Boyton is a substantial shareholder of the Company and his intended subscription for Placing Shares will constitute a smaller related party transaction for the purposes of Listing Rule 11.1.10R. Any participation by Mr Boyton in the Placing will be on the same terms (including as to price) as all of the other investors in the Placing.

Under the terms of the Relationship Agreement between the Company and its Founder Shareholders, including Mr Boyton, each Founder Shareholder is required to abstain (and procure that his connected persons abstain) from voting at any general meeting of the Company on any resolution concerning any transaction, agreement or arrangement between him (or any of his connected persons) and any member of the Group. As Mr Boyton intends to participate in the Placing, this undertaking would prevent Mr Boyton from voting on the Resolutions to approve the Placing. The Company may vary a provision of the Relationship Agreement if the decision to grant such variation is taken by the Company's independent non-executive directors, being David Abery, Alexander Davidson and Michael Rawlinson. Such independent non-executive directors have agreed to grant a waiver of this restriction in the Relationship Agreement to allow Jamie Boyton and his connected persons to vote on the Resolutions. The waiver constitutes a smaller related party transaction for the purpose of Listing Rule 11.1.10R.

The Independent Directors (being each of the Directors other than Jamie Boyton) who have been so advised by Berenberg, consider the terms of Mr Boyton's intended participation in the Placing and the waiver of the Relationship Agreement to enable Mr Boyton and his connected persons to vote on the Resolutions, each as described above, to be fair and reasonable as far as Shareholders are concerned. In providing its advice to the Independent Directors, Berenberg has taken into account the Independent Directors' commercial assessment of Mr Boyton's intended participation in the Placing and the waiver of the Relationship Agreement.

INFORMATION ABOUT THE CONTRACTS WITH SUKARI GOLD MINES

1. INTRODUCTION

- 1.1 Capital Egypt has entered into the Sukari Contract with Sukari Gold Mines, the operating company for Centamin's principal asset, the Sukari gold mine in Egypt, and the parties have also entered into the Amended Sukari Drilling Contract to extend the term and scope of the existing drilling contract at the Sukari gold mine. Overall, the Group will be performing a full suite of waste mining contract services incorporating drill, load, haul and associated services. The Sukari Contract is conditional upon the approval of the Company's Shareholders for the purposes of Listing Rule 10.5.1R(3) and the completion of the Placing to raise a minimum of US\$20m. The Amended Sukari Drilling Contract is not conditional upon Shareholder approval or the completion of the Placing.
- 1.2 The new Sukari Contract has a four-year term, commencing upon satisfaction of the conditions precedent to the Sukari Contract, as set out in paragraph 2.1 below. The Amended Sukari Drilling Contract extends the existing drilling services agreement to align its term to coincide with this period, ending December 2024.
- 1.3 Overall, the value (by reference to potential revenue for the Group) of the Sukari Contract and the additional revenue under the Amended Sukari Drilling Contract is estimated to be between US\$235m to US\$260m across the four-year term. This revenue estimate is based on Centamin's current expected mine plan, which may be subject to change, and with reference to the fee mechanics set out in the Sukari Contract.
- 1.4 In order to fulfil its obligations under the Sukari Contract and the Amended Sukari Drilling Contract, the Group has acquired certain equipment and is planning to invest in further equipment. These equipment purchases are anticipated to be financed through a combination of OEM finance facilities, asset backed loan facilities,

Group cashflow and the net proceeds from the Placing. A US\$8.5million OEM facility has been agreed with Sandvik and other OEM and financing arrangements are to be finalised. Further details of these equipment purchases and their financing are set out in paragraph 4 below.

- 1.5 The Sukari Contract is firmly in line with the Group's ongoing strategy to evolve by building on what has historically been a drilling-focused business to offer a broader, full-service mining contractor proposition incorporating earthmoving as well. The Sukari Contract and the Amended Sukari Drilling Contract are significantly revenue enhancing and is expected to be earnings accretive for the Group in 2021.

2. THE SUKARI CONTRACT AND THE EARLY WORKS MOU

Introduction and conditions precedent

- 2.1 The Sukari Contract, which was entered into on 1 December 2020, is between Capital Drilling (Egypt) LLC ("**Capital Egypt**") and Sukari Gold Mines. The Sukari Contract is conditional upon:
- (a) the approval of the Company's Shareholders for the purposes of Listing Rule 10.5.1R(3); and
 - (b) the completion of the Placing to raise a minimum of US\$20million,
- in each case on or before 31 December 2020 (or such later date as Sukari Gold Mines and Capital Egypt may agree).

Early Works MOU

- 2.2 On 1 December 2020, Capital Egypt and Sukari Gold Mines entered into a memorandum of understanding (the "**Early Works MOU**"), replacing a previous memorandum of understanding between the parties dated 8 October 2020, under which they agreed that Capital Egypt would acquire and mobilise certain equipment, commence recruitment of personnel and undertake certain other preparatory activities in anticipation of the Sukari Contract being agreed. Under the terms of the Early Works MOU, Sukari Gold Mines paid Capital Egypt a US\$5million prepayment.
- 2.3 Under the terms of the Early Works MOU, if the Sukari Contract does not become unconditional on or before 31 December 2020 (or such later date as the parties may agree) then Sukari Gold Mines may, at its election within 10 business days of 31 December 2020, purchase outright and/or take over the purchase or leasing arrangements (as applicable) of all or any part of Capital Egypt's equipment, major components, spares, tyres and inventory required purchased or leased for the purposes of the Sukari Contract (but excluding any drilling related assets). Upon exercise of such option, Sukari Gold Mines must pay to Capital Egypt the balance of any amounts already committed to by Capital Egypt for such equipment, including deposits and the outstanding payments, plus any direct, outstanding and committed costs associated with the hiring and or severance of key personnel involved in the activities covered by the Early Works MOU, plus any direct, outstanding and committed costs associated with the design and construction of any facilities installed at the Sukari gold mine and less the US\$5million prepayment paid to Capital Egypt under the Early Works MOU. The payment by Sukari Gold Mines shall exclude any outstanding liabilities of Capital Egypt assumed by Sukari Gold Mines under any assigned lease(s) or financings that are not yet due and payable by Capital Egypt as at the date of exercise of the option. The amount of the termination costs payable by Sukari Gold Mines upon exercise of

the option is capped at US\$16million, inclusive of the US\$5million prepayment paid to Capital Egypt under the Early Works MOU. As at the date of this Announcement, Capital Egypt has purchased outright a total of US\$20.1million of heavy mining equipment and ancillary equipment and so, even if Sukari Gold Mines exercised its option in full, Capital Egypt would retain at least US\$4.1million of such equipment. To the extent that Sukari Gold Mines does not purchase equipment from Capital Egypt, as the equipment is not specific to the Sukari Contract it is considered by the Board to be likely that the Company could use it to fulfil existing or any future service contracts, but there is no guarantee that such future service contracts will be secured by the Group or that all of such equipment will be effectively repurposed in a timely and cost-effective manner, or at all. The Board considers that it is likely that Sukari Gold Mines would exercise the option so that it can continue operations, but should Sukari Gold Mines elect not to exercise the option, Capital Egypt must within 14 days repay the US\$5million prepayment, which would be funded out of the Group's existing resources, failing which Sukari Gold Mines shall be entitled to set-off such amount against any amounts payable under the Amended Sukari Drilling Contract. Following exercise of the option, the parties will meet to determine in good faith which of the equipment, major components and related goods Sukari Gold Mines will acquire, and Capital Egypt will take all steps reasonably necessary to assist Sukari Gold Mines to continue to take timeous and orderly delivery of such equipment and goods and take assignment and transfer of all related rights and obligations, including seller warranties, representations and undertakings in respect of same, to the extent reasonably possible.

The Sukari Contract

2.4 Services

- (a) Capital Egypt is required to provide load, haul and associated services at Centamin's Sukari gold mine located near Marsa Alam in Egypt (the "**Services**").
- (b) As is standard with contracts of this nature, the appointment of Capital Egypt to provide the Services under the Sukari Contract is not exclusive, and it does not restrict Sukari Gold Mines' right to contract with other persons for the performance of the Services or any similar services. However, any variation to the Services would have to be mutually agreed as a result of the contract variation process, including associated re-pricing, as summarised in paragraph 2.4(e) below.
- (c) Certain key personnel are specified in the Sukari Contract and Capital Egypt must supply such key personnel at the times and for the durations necessary to provide the Services. Such key personnel must not be changed without Sukari Gold Mines' prior approval, and any such changes must only be made in exceptional circumstances.
- (d) Capital Egypt must mine the quantities of waste specified in the Sukari Contract in line with the requirements of the scope of work and specifications so as to ensure compliance with Sukari Gold Mines' rolling three month mine plan and any shortfall shall be caught up in subsequent periods. The contract contains typical schedules which allow for a ramp-up phase before a steady state operation.
- (e) Capital Egypt may not vary the Services except as directed by Sukari Gold Mines. Sukari Gold Mines may direct Capital Egypt to decrease, omit, increase or otherwise vary any part of the Services. The

difference in cost, if any, arising from the performance of a variation shall be determined by Sukari Gold Mines (acting reasonably, and after consultation with Capital Egypt), based on the agreed prices and rates in the Sukari Contract, subject to a dispute resolution process. If any variation results in the total volume to be mined to differ by more than 15 per cent. the parties shall agree in good faith a revised pricing schedule.

- (f) Capital Egypt shall, in the execution of the Services, provide all things and take reasonable measures necessary to protect people, property and the environment, avoid unnecessary interference with the passage of people and vehicles and prevent nuisance and unreasonable noise and disturbance.
- (g) Capital Egypt is responsible at all times for the management of the health and safety risks associated with the Services and the occupational health and safety of all personnel engaged by it and other persons attending the site where the Services are provided.
- (h) Capital commits to engaging Egyptian citizens where the required skills and experience are available within Egypt.
- (i) Capital Egypt is required to procure a parent company guarantee of its obligations under the Sukari Contract. Details of this guarantee are set out in paragraph 2.13 below.

2.5 **Term and Termination**

- (a) The Sukari Contract commences upon satisfaction of the conditions precedent referred to in paragraph 2.1 above and has a term of four years.
- (b) Sukari Gold Mines may at any time terminate the Sukari Contract, at its sole discretion and for any reason whatsoever, by giving Capital Egypt not less than 60 days' written notice, subject to payment to Capital Egypt of early termination and demobilisation payments.
- (c) Sukari Gold Mines may terminate the Sukari Contract immediately if Capital Egypt:
 - (i) abandons the Sukari Contract or any part of the Services;
 - (ii) without reasonable excuse fails to proceed with the Services;
 - (iii) subcontracts the Services or assigns the Sukari Contract without prior written consent;
 - (iv) breaches certain business conduct obligations;
 - (v) fails to use materials or standards of workmanship required by the Sukari Contract;
 - (vi) fails to comply with any reasonable direction of Sukari Gold Mines to rectify defects in Services; or
 - (vii) fails to provide evidence of required insurance, or any of the required insurance policies of Capital Egypt cease to be effective and are not replaced within 15 days.
- (d) Either party may terminate the Sukari Contract if the other party:
 - (i) has breached any material term of the Sukari Contract, which breach is irremediable or (if remediable) has not been remedied within 30 days; or
 - (ii) suffers an insolvency event,
 subject, in the case of termination by Capital Egypt, to payment to Capital Egypt of early termination and demobilisation payments.
- (e) Where Sukari Gold Mines terminates for cause, it shall determine the value of the Services and any other sums due to Capital Egypt for work performed (subject to any rights which Sukari Gold Mines

may have to suspend, withhold or set-off payments), and may withhold further payments to Capital Egypt until the direct and reasonable costs incurred by Sukari Gold Mines following any such termination have been established (including the cost of remedying any defects and running a tender process) and, after recovering any such costs (up to a maximum amount of US\$2 million), Sukari Gold Mines shall pay any balance to Capital Egypt. Sukari Gold Mines must take all reasonable actions to mitigate the costs it incurs as a result of any termination, and Capital Egypt shall not be liable for any costs resulting from a failure by Sukari Gold Mines to mitigate.

- (f) Either party may terminate the Sukari Contract upon 30 days' notice if an event of force majeure prevents, or it is apparent that it will prevent, Capital Egypt from executing the whole or a significant part of the Services for more than 120 consecutive days, subject to payment to Capital Egypt of an early termination fee and demobilisation costs.
- (g) Upon a request by Capital Egypt to terminate for force majeure, Sukari Gold Mines may within 30 days elect that the Sukari Contract should not be terminated provided Sukari Gold Mines pays Capital Egypt's monthly management fee and reasonable fixed costs and expenses, determined by Sukari Gold Mines (acting reasonably).
- (h) Neither party may terminate where the event of force majeure affects only a discrete part of the Services or other obligations under the Sukari Contract.

2.6 **Fees**

- (a) The fees are comprised of the following key components:
 - (i) one-off fees for mobilisation and establishment in respect of pre-agreed costs incurred by Capital Egypt in connection with project set-up with a mark-up applied. The fees for mobilisation may be claimed in the month after the project set-up is complete. The US\$5m prepayment under the Early Works MOU will be set off against the mobilisation and establishment fees;
 - (ii) a capped, monthly management fee. The monthly management fee shall reflect the requirements to achieve the mine production schedule as may be revised. Where any services or resources to which the monthly management fee applies have not been fully performed or provided in any month, or were provided for only part of any month, Sukari Gold Mines may reduce the monthly management fee to be paid accordingly. Where the monthly management fee remains applicable during events such as force majeure and suspension, the fee will not be altered based on requirements or lack of full performance;
 - (iii) rates for excavation, loading, hauling and dumping are incorporated into a pre-agreed price per bank cubic metre ("**BCM**") which is multiplied by the quantity of BCM moved in the month. The number of BCMs moved in any given month will vary according to the mine plan being followed. These fees are subject to adjustment for any extra over or under haulage distances applicable, for variations to vertical or horizontal haul distances;
 - (iv) incentive payments for satisfactorily meeting or exceeding key safety and production targets;

- (v) daywork rates applicable for any work that Sukari Gold Mines directs Capital Egypt to perform as daywork pursuant to the terms of the Sukari Contract. The rates for daywork are fully inclusive of all ownership and operating costs, including operator and profit. Supervision and other overheads are deemed to be covered by the monthly management fee; and
- (vi) a one-off demobilisation fee in respect of pre-agreed costs incurred by Capital Egypt in connection with leaving the mine site at the end of the project with a mark-up applied. This fee may be claimed in the month after the demobilisation process has concluded.
- (b) Fee rates are subject to typical adjustments for rise and fall in costs. The formulae for rise and fall adjustments may be reviewed by the parties should there be a change of circumstances that results in them being invalid.
- (c) The rates charged by Capital Egypt are inclusive of all expenses and taxes, save for VAT.
- (d) Invoices will be paid according to standard payment terms, subject to settlement of any disputes in relation to the Services provided. Capital Egypt may suspend the provision of Services if an invoice remains unpaid.

2.7 ***Suspension***

- (a) Sukari Gold Mines may, for a stated reason, direct that the whole or any part of the Services be suspended for such time as it thinks fit. Stated reasons for suspension are limited to reasons such as health and safety (including epidemic or pandemic), geotechnical issues, intervention by government or statutory authorities or other circumstances where the continued supply of the Services would have a significant detrimental impact on Sukari Gold Mines. When such circumstances have ceased, Sukari Gold Mines shall direct Capital Egypt to recommence the Services.
- (b) Capital Egypt must use its reasonable endeavours to reduce any costs and expenses during suspension, but Sukari Gold Mines will pay Capital Egypt's monthly management fee plus any reasonable demonstrated fixed or unavoidable costs and expenses during a suspension (including Capital Egypt's operating and maintenance personnel costs and expenses not covered by the monthly management fee) save to the extent that the suspension is due to the fault of Capital Egypt.
- (c) During a period of suspension due to Sukari Gold Mines, Capital Egypt shall not be obliged to meet Sukari Gold Mines' mine production schedule, but shall use its best endeavours to catch up for lost time and reduce the effect of the suspension. Where there has been a suspension by Sukari Gold Mines for over 120 consecutive days, Capital Egypt may serve notice seeking to proceed with the Services and if permission to do so is not given then Capital Egypt may terminate the Sukari Contract and be entitled to any early termination and demobilisation payments. Alternatively, Sukari Gold Mines may elect to continue the Sukari Contract subject to payment of the monthly management fee and Capital Egypt's reasonable fixed, unavoidable costs and expenses. Where a suspension is necessary for carrying out of inspection or work required by statutory authority or due to any industrial dispute not directly related to Sukari Gold Mines' operations or involvement, is for the protection or safety of any persons, property or the environment or is due to any movement of

earth or collapse of workings or loss of services due to the actions of third parties beyond Sukari Gold Mines' control, Capital Egypt may not terminate unless such suspension is for longer than 180 consecutive days.

2.8 **Force Majeure**

- (a) If either party is prevented from carrying out the whole or any part of its obligations under the Sukari Contract by reason of an event of force majeure, the parties shall consult and make every reasonable effort to mitigate the effect of the force majeure, and the obligations of the affected party, so far as they are affected by the force majeure, will be suspended for so long as it continues. The affected party must use its best endeavours to remedy or circumvent the effect of any event of force majeure, provided that it may conduct itself with respect to strikes, lockouts, bans, limitations of work and other industrial disturbances in its absolute discretion as it sees fit.
- (b) A 'force majeure' event is any event or circumstance not within the control of the affected party and which, by the exercise of reasonable care, the affected party is not able to prevent or overcome, including (but not limited to) any:
 - (i) war, revolution, riot or insurrection;
 - (ii) lightning, fire, earthquake or other natural disaster;
 - (iii) quarantine restriction, epidemic or pandemic; or
 - (iv) prohibition or embargo preventing the performance by the affected party of any of its obligations under the Sukari Contract.
- (c) No event of force majeure shall affect the obligations of any party to make a payment under the Sukari Contract when it falls due, including the monthly management fee. For as long as an event of force majeure subsists, Sukari Gold Mines will pay to Capital Egypt such parts of its monthly management fee as are attributable to those parts of the mine site and/or Services which remain unaffected by the event of force majeure and Capital Egypt's fixed costs and expenses that are unavoidable and reasonably and properly incurred, as well as any other operating and maintenance costs that are unavoidable, reasonably and properly incurred and evidenced by Capital Egypt, provided that Capital Egypt must use reasonable endeavours to mitigate any costs incurred during an event of force majeure.

2.9 **Warranties and Indemnities**

- (a) Capital Egypt provides to Sukari Gold Mines certain warranties customary for a contract of this nature.
- (b) Capital Egypt releases Sukari Gold Mines and its personnel from any liability or obligation to Capital Egypt in respect of physical loss of or damage to any property; personal injury, disease or illness to, or death of, persons; or financial loss or expense, arising in connection with the Services and the performance of its other obligations under the Sukari Contract, save to the extent that wilful misconduct, a negligent act or omission of Sukari Gold Mines or its personnel or a breach of their obligations under the Sukari Contract has contributed to the relevant loss or damage.
- (c) Except to the extent that such liabilities are caused by Sukari Gold Mines' negligent acts or omissions or wilful misconduct, Capital Egypt will be liable for and will indemnify Sukari Gold Mines and its

personnel against all liabilities suffered by them arising out of or in connection with third party claims, performance or non-performance of the Services (for example, upon the default by Capital Egypt) or otherwise in connection with the acts or omissions of Capital Egypt or its personnel, the presence of Capital Egypt or its personnel on the mine site, infringement or alleged infringement of intellectual property rights, claims by employees, breach of certain business conduct obligations or breach of applicable laws. Capital Egypt's liability under this indemnity is reduced proportionately to the extent that an act or omission of Sukari Gold Mines or its personnel has contributed. Except where Capital Egypt or its personnel have committed fraud or an illegal act or omission or wilful misconduct, breached certain business conduct obligations or applicable laws, or infringed the intellectual property rights of Sukari Gold Mines or a third party, Capital Egypt's liability under this indemnity shall, in respect of insured risks (covered by the insurances required under the Sukari Contract) only, not exceed the amount recoverable by Capital Egypt under any insurance policy required by the Waste Mining Agreement or the amount which would have been recoverable but for a failure by Capital Egypt to take out or maintain the relevant insurance or to comply with its terms or to take reasonable steps to pursue a claim under the relevant insurance policies.

- (d) Capital Egypt provides uncapped indemnities to Sukari Gold Mines in respect of (i) all claims and liens in regard to wages that may become due and payable to Capital Egypt's personnel or those of its subcontractors, and all claims and liens of subcontractors and contractors of materials, labour or services provided in connection with the performance of the Services; (ii) breach by Capital Egypt of the obligations to safeguard people, property and the environment, avoid unnecessary interference with the passage of people and vehicles and prevent nuisance and unreasonable noise and disturbance, as summarised in paragraph 2.4(f) above, save to the extent caused by the wilful misconduct or grossly negligent act or omission of Sukari Gold Mines or its personnel or Sukari Gold Mines' breach of the Sukari Contract; and (iii) any claim brought against Sukari Gold Mines of actual or alleged infringement of a third party's rights (including intellectual property rights) arising out of, or in connection with, the receipt, use or onward supply of the Services by Sukari Gold Mines and its licensees and sub-licensees.

2.10 **Insurance**

Capital Egypt is required to have a minimum level of insurance cover, including:

- (a) general public liability insurance for up to US\$50,000,000 for each and every occurrence and unlimited in the aggregate, with pollution (sudden and unforeseen) limited to US\$20,000,000 in the annual aggregate;
- (b) workers' compensation and employer's liability insurance to the extent required by law;
- (c) insurance for Capital Egypt's plant and equipment for replacement value, or market value where the plant or equipment is over two years old; and
- (d) vehicle insurance,

and any other insurance required by applicable law or reasonably required by Sukari Gold Mines.

2.11 *Purchase or Take Over of Plant and Equipment*

Sukari Gold Mines may elect to purchase or take over the leasing of any plant and equipment necessary for the continued provision of the Services if Sukari Gold Mines terminates the Sukari Contract in certain circumstances, or at the end of the term of the Sukari Contract subject to a pre-agreed pricing methodology.

2.12 *Assignment and Change of Control*

- (a) Sukari Gold Mines may assign, novate, mortgage or charge its rights or obligations under the Sukari Contract to a third party without the consent of Capital Egypt provided that the assignee accepts to be bound by its terms.
- (b) Upon a change of control of Sukari Gold Mines, Sukari Gold Mines (or any successor to the interests of Sukari Gold Mines by way of merger, sale of assets or otherwise) shall be obligated to continue, procure and/or otherwise maintain and accept to be bound by the terms and conditions of the Sukari Contract. A 'change of control' for these purposes includes:
 - (i) an exclusive licence of, or the sale, lease or other disposal of all or substantially all of the assets of, Sukari Gold Mines;
 - (ii) a sale or other disposal of 50% or more of the voting rights of Sukari Gold Mines (other than for a bona fide equity financing);
 - (iii) a merger or consolidation of Sukari Gold Mines with or into any third party; and
 - (iv) a liquidation, winding up or other form of dissolution of Sukari Gold Mines.
- (c) A change of control of Capital Egypt or any of its affiliates (excluding the Company) requires the prior written consent of Sukari Gold Mines, which consent shall not be unreasonably withheld or delayed.

2.13 *Parent Company Guarantee*

- (a) Under the terms of the Sukari Contract, Capital Egypt is obliged to procure that Capital provides a duly executed parent company guarantee of Capital Egypt's obligations under the Sukari Contract (the "Parent Company Guarantee") on or before 31 December 2020. A failure by Capital Egypt to provide the Parent Company Guarantee shall be deemed to be a material breach of the Sukari Contract, entitling Sukari Gold Mines immediately to terminate the Sukari Contract.
- (b) The agreed form of the Parent Company Guarantee is appended to the Sukari Contract and provides as follows:
 - (i) Capital irrevocably and unconditionally guarantees to Sukari Gold Mines the due and proper performance by Capital Egypt of its duties and obligations arising under or in connection with Sukari Contract, so that if Capital Egypt shall in any respect fail to perform any of its duties and/or obligations or shall commit any breach of any provision, or fail to fulfil any warranty or indemnity, set out in the Sukari Contract, then, upon Sukari Gold Mines' demand, Capital shall forthwith perform and fulfil in the place of capital Egypt each and every duty, obligation, provision, warranty or indemnity in respect of which Capital Egypt has committed a breach or which Capital Egypt has otherwise failed to fulfil;
 - (ii) Capital shall be liable for and shall indemnify Sukari Gold Mines from and against any and all losses, damages, expenses, liabilities, claims, costs or proceedings which Sukari Gold

- Mines may suffer or incur by reason of any failure of Capital to comply with the guarantee, and shall indemnify Sukari Gold Mines if any of the duties or obligations of Capital Egypt under or pursuant to the Sukari Contract is or becomes unenforceable, invalid or illegal;
- (iii) the liability of Capital under the Parent Company Guarantee in respect of each failure or breach shall be limited to the extent that Capital Egypt would have been liable under or in connection with the Sukari Contract for such breach or failure, but is otherwise uncapped;
 - (iv) the Parent Company Guarantee shall remain in full force and effect until all the duties, obligations, provisions, warranties or indemnities of Capital Egypt shall have been carried out, completed and discharged in accordance with the Sukari Contract and as long as Capital Egypt remains under any actual or contingent liability under or in connection with the terms of the Sukari Contract;
 - (v) Sukari Gold Mines is not obliged, before enforcing any of its rights or remedies under the Parent Company Guarantee, to commence proceedings or take any other action against or in respect of Capital Egypt; and
 - (vi) all sums payable by Capital under the Parent Company Guarantee shall be paid in full without set-off or counterclaim and free of any present or future taxes, levies, duties, charges, fees, withholdings or deductions which would not have been imposed if such payments had been made by Capital Egypt, and, if Capital is compelled by law to make any such deductions, it will gross up the payment so that the net sum received by Sukari Gold Mines is equal to the full amount which it would have received had no such deductions been made.
- (c) Under the terms of its debt facility with Macquarie Bank, the Company is required to obtain the consent of the lender before entering into the Parent Company Guarantee and Macquarie Bank has provided the necessary consent. In addition, as the liability of the Company is uncapped, the Parent Company Guarantee constitutes a Class 1 transaction under the Listing Rules and requires the approval of Shareholders for the purposes of Listing Rule 10.5.1R before the Company can execute it. Without such approval the Parent Company Guarantee cannot be executed by the Company. Accordingly, Resolution 1 to be proposed at the General Meeting will, if passed (and provided that the other Resolutions are passed), provide such approval.

3. THE AMENDED SUKARI DRILLING CONTRACT

- 3.1 On 1 December 2020 an agreement was executed to amend and extend Capital Egypt's existing drilling services contract with Sukari Gold Mines with effect from 1 January 2021. The term of the existing contract was due to expire on 30 September 2023, but has now been extended to end on 31 December 2024, matching the term of the proposed Sukari Waste Mining Contract.
- 3.2 The Amended Sukari Drilling Contract increases the required drilling rig fleet to be supplied by Capital Egypt by nine additional blast hole drilling rigs. It also *inter alia* varies the existing technical requirements for drilling accuracy, varies the methodology for fuel payments, provides that Sukari Gold Mines will provide certain

infrastructure, support and technical services and consumables, and makes variations to the terms relating to accommodation of Capital Egypt's personnel and safety obligations. The rates payable by Sukari Gold Mines are varied under the Amended Sukari Drilling Contract.

- 3.3 Sukari Gold Mines has certain rights to acquire the equipment used by Capital Egypt under the Amended Sukari Drilling Contract in connection with the open pit waste mining, including upon any material breach by Capital Egypt, prolonged force majeure or (subject to Capital Egypt's agreement) at the end of the term of the contract.
- 3.4 A change of control of Capital Egypt or any of its affiliates (excluding the Company) requires the prior written consent of Sukari Gold Mines, which consent shall not be unreasonably withheld or delayed.
- 3.5 The Amended Sukari Drilling Contract is not subject to Shareholder approval and would be unaffected by the termination of the Sukari Contract. If the Placing did not complete, then the purchase of Equipment for the purposes of the Amended Sukari Drilling Contract would be fully funded from a combination of a committed OEM facility from Sandvik and either a further OEM facility with Epiroc (which is currently at an advanced stage of negotiation) or (if the Epiroc facility is not agreed) the Group's existing resources. Details of the committed OEM facility with Sandvik are set out below.

4. THE EQUIPMENT PURCHASES

- 4.1 In aggregate, Capital Egypt already owns and is contemplating purchasing equipment of up to US\$64.3m intended for use on the Sukari Contract and the Amended Sukari Drilling Contract, comprising approximately US\$50.4m for the Sukari Contract and approximately US\$13.9m for the Amended Sukari Drilling Contract as set out below:
- 4.2 ***Capital Expenditure Summary (as at the date of announcement)***

US\$ million Category	Purchased to date	Deposits paid	Balance to purchase	Total Expenditure
Heavy Mining Equipment	17.0 ⁽¹⁾	2.7	22.5	42.2
Drill Rigs		0.3	9.6	9.9
Ancillary Equipment	3.1	0.3	8.8	12.2
Total Expenditure	20.1	3.3	40.9	64.3

⁽¹⁾ As at 30 June 2020, US\$1.8m in deposits had been paid in respect of this equipment

4.3 The Sukari Contract does not specify the equipment required to be used by Capital Egypt to fulfil its obligations under the contract. It is at Capital Egypt's discretion as to what equipment it intends to deploy to fulfil its contractual obligations.

4.4 The equipment listed in this section is not bespoke to these contracts and is capable of use on other service contracts.

4.5 ***Heavy Mining Equipment intended to be used on the Sukari Contract***

- (a) As at the date of this announcement, Capital Egypt owns the following items of heavy mining equipment:
 - (i) Six Caterpillar 785 mining trucks.
 - (ii) Two Caterpillar 6040 excavator.
- (b) Capital Egypt has paid the following deposits in respect of further heavy mining equipment:
 - (i) A deposit towards a Caterpillar 6020 excavator with the balance payable between December 2020 and January 2021.
 - (ii) Deposits on a further eleven Caterpillar 785 mining trucks with the balances payable between December 2020 and January 2021.

The deposits paid do not represent a legal commitment to pay the balance when due but non-payment of the balance may result in Capital Egypt losing all or part of the deposit amount.

4.6 ***Drilling Rigs intended to be used on the Amended Sukari Drilling Contract***

- (a) As at the date of this announcement, a total of seven blast hole drilling rigs are on order with Epiroc and Sandvik. Deposits have been paid in respect of two rigs in October 2020 and similar deposits will be payable in December 2020 for the other rigs. The balances will be payable when each unit or batch of units has been manufactured and designated ex-works status. This is currently anticipated over the period from December 2020 to January 2021.
- (b) The orders placed do not represent a legal commitment to purchase.

4.7 ***Ancillary Equipment***

Capital Egypt also anticipates purchasing ancillary equipment to support the operations of both the Sukari Contract and the Amended Sukari Drilling Contract, including dozers, small excavators, graders, water trucks, light vehicles and other support equipment.

4.8 ***Debt Financing of the Drill Rigs***

- (a) The Company has a signed OEM finance facility in place with Sandvik for a total of US\$8.5m, of which US\$5.8m is anticipated to be utilised for drill rigs for the Amended Sukari Drilling Contract. Details of the OEM facility with Sandvik are set out below.
- (b) A further OEM finance facility with Epiroc for a total of US\$2.6m is awaiting final credit approval with documentation in near final form.

4.9 ***Other Potential Debt Financing Arrangements***

The Company is currently in advanced discussions with respect to further asset backed facilities. As at the date of this announcement, non-binding commercial indications have been received from two debt providers.

4.10 **Sources and Uses**

<u>Sources</u>	<u>US\$m</u>
OEM financing (Drilling Rigs)	8.4
Anticipated further asset backed facilities	21.1
Gross Placing proceeds	30.0
Total Sources	59.5
<u>Uses</u>	<u>US\$m</u>
Maximum Anticipated Equipment Purchases	40.9
Working capital, general corporate purposes and offering expenses	18.6
Total Uses	59.5

The sources and uses presented excludes Group cashflow and the balance of the Macquarie debt facility which would increase the funds available for general corporate purposes.

KEY RISK FACTORS

Investment in the Company generally, and participation in the Placing, involves a number of risks. The Company wishes to highlight the following specific risk factors in relation to the Placing and the Sukari Contract.

The Sukari Contract is conditional upon the approval of Shareholders and upon completion of the Placing. If any of the Resolutions are not passed, then the Placing will not complete and the Sukari Contract would terminate.

The Sukari Contract is conditional upon the approval of such contract and the Parent Company Guarantee by Shareholders for the purposes of Listing Rule 10.5.1R and completion of the Placing to raise at least US\$20m, in each case on or before 31 December 2020 (or such later date as Sukari Gold Mines and Capital Egypt may agree). Accordingly, if any of the Resolutions are not passed or the Placing otherwise does not complete or raise at least US\$20m then upon such date the Sukari Contract would terminate. Upon such termination, Sukari Gold Mines may, at its election within 10 business days of such termination, purchase outright and/or take over the purchase or leasing arrangements (as applicable) of all or any part of Capital Egypt's equipment, major components, spares, tyres and inventory required purchased or leased for the purposes of the Sukari Contract (but excluding any drilling related assets) and pay the personnel severance costs and other associated costs of the early works provided by Capital Egypt, subject to an aggregate cap of US\$16million (less the US\$5million prepayment paid to Capital Egypt under the Early Works MOU). As at the date of this Announcement, Capital Egypt has purchased outright a total of US\$20.1million of heavy mining equipment and ancillary equipment and so, even if Sukari Gold Mines exercised its option in full, capital Egypt would retain at least US\$4.1million of such equipment. To the extent that such option was not exercised, as the Equipment that is proposed to be acquired is not specific to the Sukari Contract, it is considered by the Board to be likely that the Company could use the Equipment to fulfil existing or any future service contracts, but there is no guarantee that such future service contracts will be secured by the Group or that all of such Equipment will be effectively repurposed in a

timely and cost-effective manner, or at all. The Board considers that it is likely that Sukari Gold Mines would exercise the option so that it can continue operations, but should Sukari Gold Mines elect not to exercise the option, Capital Egypt must within 14 days repay the US\$5million prepayment, which would be funded out of the Group's existing resources, failing which Sukari Gold Mines shall be entitled to set-off such amount against any amounts payable under the Amended Sukari Drilling Contract.

The Board considers the Sukari Contract to be an important and positive element of the Group's expansion of its services to include earthmoving and therefore to provide fully integrated mining services for its clients, which the Board believes would ultimately have a positive effect on the Group's revenue and profits. If any of the Resolutions are not passed at the General Meeting then the Sukari Contract will terminate and the Group will have to seek and tender for other opportunities to expand in this area. The termination of the Sukari Contract, in particular due to the Company's Shareholders failing to pass the necessary Resolutions to approve it, may adversely affect the Group's reputation and its ability to successfully tender for other contracts in this area and therefore may have a material negative impact on the Group's potential revenue and profits from this area.

The Amended Sukari Drilling Contract is not conditional upon the passing of the Resolutions or completion of the Placing.

If the Placing completes and the Sukari Contract becomes unconditional, but OEM financing and additional debt are not available, the Company may not be able to finance the purchase of all of the equipment needed to fulfil the Sukari Contract which, in the event that sufficient equipment cannot be procured through alternative means, would give Sukari Gold Mines the right to terminate the Sukari Contract and/or lead to Capital Egypt being in default of the Sukari Contract

An OEM facility with Sandvik for US\$8.5m has been agreed and is committed and an OEM facility with Epiroc is awaiting final credit approval with documentation in near final form. In addition, the Company is currently in advanced discussions with respect to further asset backed facilities and as at the date of this Announcement, non-binding commercial indications have been received from two debt providers. If the Epiroc OEM facility was not secured then the Group could acquire the Epiroc equipment from its existing resources. However, if a proposed further asset backed facility were not available in addition to the net proceeds of the Placing, in order to acquire the minimum equipment required to fulfil its obligations under the Sukari Contract, Capital Egypt would seek alternative sources of finance to fund the equipment purchases in addition to the Group's existing resources. However, the Directors cannot be certain that alternative sources of finance would be available on favourable terms or at all.

If the Group were unable to procure additional financing, it would amend its capital expenditure plans for the project to switch to an operating model focussed on leasing and/or hiring the additional equipment required. Due to its common use across the mining industry, equipment of this nature (or of equivalent specification) is typically widely available for hiring and/or leasing. Hiring and/or leasing certain items of additional equipment would reduce the Group's upfront capital expenditure requirements associated with the Sukari Contract. The Company would therefore expect to fund the proposed cost of hiring and/or leasing equipment through the operating cash flows of the Sukari

Contract itself across the life of the contract. However, the Directors have concluded that owning the equipment better positions the Group's business in the long run. Although the Directors believe that switching to an operating model focussed on leasing and/or hiring would enable the Company to fulfil its obligations across the full life of the Sukari Contract, the relatively higher annual cost of hiring and/or leasing equipment across the life of the contract, in addition to the impact of lower productivity from amending the equipment used to service contract, would have a material negative impact on the profitability of the contract versus purchasing the equipment.

In addition, the Company requires its existing lenders' consent to additional financing beyond limits in its facility agreements. . If such consents were not received on a timely basis or at all, then the required additional finance may not be available to the Group.

Ultimately, if the Group could not fund, or otherwise obtain by way of leasing and/or hiring, the equipment that Capital Egypt needs to fulfil the Sukari Contract, then Sukari Gold Mines would have a right to terminate the Sukari Contract and/or Capital Egypt would be in default of the Sukari Contract. Under the terms of the Parent Company Guarantee, the Company guarantees the obligations of Capital Egypt under the Sukari Contract and so would be liable to the extent that Capital Egypt defaults in respect of any of its obligations to Sukari Gold Mines.

The Amended Sukari Drilling Contract is not subject to Shareholder approval and would be unaffected by the termination of the Sukari Contract. If the Placing did not complete, then the purchase of Equipment for the purposes of the Amended Sukari Drilling Contract would be funded from a committed OEM facility from Sandvik and a further OEM facility with Epiroc (which is subject to negotiation) or (if The Epiroc facility is not agreed) the Group's existing resources.

IMPORTANCE OF RESOLUTIONS

The Resolution to approve the Sukari Contract and the Parent Company Guarantee is conditional upon the passing of the Resolutions to approve the Placing, and the Resolutions to approve the Placing are conditional upon the passing of the Resolution to approve the Sukari Contract and the Parent Company Guarantee.

If any of the Resolutions are not passed at the General Meeting then the Placing will not proceed, the Placing Shares will not be issued and no funds will be raised under the Placing, but the Company would still incur some of the advisory and other costs of the Placing.

In addition, the Sukari Contract is conditional upon the approval of such contract by Shareholders for the purposes of Listing Rule 10.5.1R(3) and completion of the Placing to raise at least US\$20m, in each case on or before 31 December 2020 (or such later date as Sukari Gold Mines and Capital Egypt may agree). Accordingly, if any of the Resolutions are not passed then the Sukari Contract would terminate.

For these reasons, the Board considers that it is very important that Shareholders vote in favour of all of the Resolutions in order that the Placing can proceed and the Sukari Contract is approved and becomes unconditional.

The Amended Sukari Drilling Contract is not subject to Shareholder approval and would be unaffected by the termination of the Sukari Contract. If the Placing did not complete, then the purchase of Equipment for the purposes of the Amended Sukari Drilling Contract would be fully funded from a combination of a committed OEM facility from Sandvik and either a further OEM facility with Epiroc (which is currently at an advanced stage of negotiation) or (if the Epiroc facility is not agreed) the Group's existing resources.

ADDITIONAL INFORMATION

Standard Bank Revolving Credit Facility

The Company entered into a facility agreement dated 26 January 2012 as amended and restated on 23 December 2014 and 30 October 2017 (the "**Existing RCF Agreement**") between, amongst others, (1) Capital Drilling (Mauritius) Ltd., as borrower (the "**Borrower**"), (2) the Company, as original guarantor, and (3) Standard Bank (Mauritius) Limited, as lender (the "**Lender**").

On 30 July 2020 the Company entered into an amendment and restatement of the Existing RCF Agreement relating to a US\$15 million secured revolving facility (the "**Revolving Facility**"), with a three-year term, between (1) the Borrower, as borrower, (2) the Company, Capital Drilling Cote D'Ivoire Sarl and Capital Mining Services Sarl, as guarantors, (3) Capital Drilling (T) Limited, Capmara Limited and CMS NMBG Services (T) Limited, as security providers, (4) the Lender and (5) The Standard Bank of South Africa Limited as arranger. The total amount of the facility is US\$15 million, together with an accordion option to accommodate such further borrowing as the Borrower may request and the Lender may consent to (and its discretion). The Revolving Facility is to provide working capital, general corporate expenses and capital expenditure within certain jurisdictions including Botswana, Côte d'Ivoire, Ghana, Kenya, Nigeria, Mauritius and Tanzania. The facility is not available for Egypt and therefore the Group does not intend to apply any of the funds available under the facility towards the Sukari Contract or the Amended Sukari Drilling Contract or the purchase of the Equipment.

The Revolving Facility is currently fully drawn down. Each advance under the facility must be repaid at the end of its three month interest period.

Interest is charged at LIBOR + 6.50 per cent. per annum.

The Group is required to comply with certain financial covenants, being:

- the ratio of the Group's EBITDA to the net interest payable in respect of the facility must not be less than 5.00;
- the ratio of the Group's gross debt to its EBITDA at each of 30 June and 30 December must not exceed 2.00;

- the ratio of the Group's gross debt to its total net worth at each of 30 June and 30 December must not exceed 0.50; and
- the total tangible net worth of each obligor under the facility must not be less than US\$55m.

In addition, the Borrower must ensure that the sum of its ordinary share capital, reserves and retained earnings at each of 20 June and 30 December is positive.

The facility is subject to customary events of default, and includes customary restrictions on further borrowings and security.

The Group is subject to financial indebtedness restrictions that prevent it from incurring debt above a prescribed level without the prior written consent of the Lender.

Macquarie Facility

A three-tranche secured facility for up to a total amount of US\$10 million ("**Macquarie Facility**") was made available to the Group pursuant to a facility agreement dated 25 September 2020 between (1) Capital Limited acting as the parent, (2) Capital Drilling (Mauritius) Limited acting as the borrower, (3) Capital Drilling (Egypt) LLC and Capital Mining Services SARL acting as obligor and (4) Macquarie Bank Limited (London Branch) ("**Macquarie Bank**") acting as lender, agent and security agent (the "**Macquarie Facility Agreement**").

The first two tranches of US\$6,432,165 and US\$2,139,535 respectively (or, in each case, if lower, 85% of the value of certain equipment owned by Capital Egypt and Capital Mining Services SARL ("**CMS**") at the Sukari and Bonikro mine sites) are committed. The final tranche of US\$1,428,300 (or, if lower, 85% of the value of such equipment) is available at the discretion of Macquarie Bank. As at the date of this announcement, the Group had drawn down the second tranche of US\$2,139,535 under the facility, in respect of equipment in Côte d'Ivoire. The first tranche and the third tranche, in respect of equipment in Egypt, have been requested and committed but are subject to finalisation of security.

The three tranches of the facility are available for general corporate purposes, including on-lending to Capital Egypt or Capital Mining Services SARL for the purposes of refinancing certain equipment.

The Macquarie Facility is repayable in quarterly instalments, commencing six months following the drawdown of each tranche, and must be repaid in full within 36 months of initial drawdown. Interest is payable quarterly under the Macquarie Facility Agreement at LIBOR + 7.5 per cent. per annum.

The Group is required to comply with certain financial covenants, being:

- the loan to value ratio of the outstanding facility to the value of the equipment financed by it must be no greater than 85 per cent;
- the ratio of the Group's EBITDA to net interest payable under the facility must not be less than 5.00;

- the ratio of the Group’s gross debt to EBITDA at each of 30 June and 31 December must not exceed 2.00;
- the ratio of gross debt under the facility to the Group’s EBITDA must not exceed 0.5; and
- the total tangible net worth of an obligor under the facility must no be less than US\$55m.

The facility is subject to customary events of default, and includes customary restrictions on further borrowings and security.

Term Loan Facility Agreement with Sandvik Financial Services AB (PUBL)

On 19 November 2020, the Company entered into a term loan facility agreement with Sandvik Financial Services AB (PUBL) (“**Sandvik**”) as lender. Under the terms of this agreement, Sandvik agrees to provide the Company with a secured fixed rate term loan facility of up to US\$8.5million for the purchase of equipment from Sandvik AB for the purposes of a mining services contract at the Sukari gold mine.

The loan is available, in not more than four tranches, at any time up to and including 31 December 2021 (or any later date designated by Sandvik). Each tranche of the loan is repayable in instalments with the final instalment due on the fifth anniversary of drawdown of the relevant tranche.. Interest is payable quarterly at 5.45% per annum and the Company pays an arrangement fee of 0.5% of the facility.

At Sandvik’s request, security will be granted in its favour over the equipment purchased with the funds advanced under the facility.

The facility is subject to customary warranties and covenants given by the Company and customary events of default. The facility does not contain financial covenants.

DEFINITIONS

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

“Admission”	admission of the Placing Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the rules published by the London Stock Exchange containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities;

“Amended Sukari Drilling Contract”	the drilling services contract dated 1 October 2018 between Sukari Gold Mines and Capital Egypt, as subsequently amended and as further amended on 1 December 2020, details of which are set out in this announcement;
“Berenberg”	Joh. Berenberg, Gossler & Co. KG, London Branch, acting as Sponsor and Joint Bookrunner to the Company in relation to the Placing and the matters and arrangements set out herein;
“Capital Egypt”	Capital Drilling (Egypt) LLC, a subsidiary of the Company;
“Centamin”	Centamin plc;
“Common Shares”	common shares of US\$0.0001 in the capital of the Company;
“Company” or “Capital”	Capital Limited, an exempted company incorporated in Bermuda with registered number 34477 and with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda;
“Directors” or the “Board”	Jamie Phillip Boyton (<i>Executive Chairman</i>) Brian Rudd (<i>Executive Director</i>) David Gary Abery (<i>Senior Independent Non-Executive Director</i>) Alexander John Davidson (<i>Independent Non-Executive Director</i>) Michael Ian Rawlinson (<i>Independent Non-Executive Director</i>);
“Early Works MOU”	the memorandum of understanding dated 1 December 2020 between Capital Egypt and Sukari Gold Mines, replacing a previous memorandum of understanding between the parties dated 8 October 2020, pursuant to which <i>inter alia</i> Capital Egypt agreed to acquire certain equipment and undertake certain other preparatory activities in anticipation of the Sukari Contract being agreed;
“Founder Shareholders”	each of Craig Burton, Brian Rudd, Jamie Boyton and James Armitage, being the founder shareholders of the Company;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended from time to time;
“General Meeting”	the general meeting of the Company convened for the purpose of considering the Resolutions to be held at 2.00 p.m. Mauritius time (10.00 a.m. GMT) on 21 December 2020, notice of which will be set out in the Circular, or any adjournment of such meeting;
“GMT”	Greenwich Mean Time;
“Group”	the Company and its subsidiaries and “member of the Group” shall be construed accordingly;
“Independent Directors”	each of the Directors other than Jamie Boyton;

“Joint Bookrunners”	each of Berenberg and Tamesis who have been appointed by the Company as Joint Bookrunners to the Placing;
“Listing Rules”	the Listing Rules of the FCA under the FSMA;
“London Stock Exchange”	London Stock Exchange plc;
“Notice”	the notice of General Meeting, which will be set out in the Circular;
“OEM”	original equipment manufacturer;
“Official List”	the Official List of the FCA;
“Placing”	the proposed conditional placing of the Placing Shares by the Joint Bookrunners as agents for the Company at the Placing Price pursuant to the terms of the Placing Agreement, to be conducted by an accelerated bookbuild process on the terms and conditions annexed to this Announcement;
“Placing Agreement”	the placing and sponsor agreement between the Company, Berenberg and Tamesis entered into on the date of this Announcement in connection with the Placing and Admission;
“Placing Price”	58 pence per Placing Share;
“Placing Shares”	the approximately 38.5 million new Common Shares to be conditionally placed by the Joint Bookrunners pursuant to the Placing;
“Relationship Agreement”	the relationship agreement dated 2 June 2010 between the Company and the Founder Shareholders;
“Resolutions”	the resolutions to be proposed at the General Meeting;
“Shareholders”	holders of Common Shares;
“Sponsor”	Berenberg, acting in its capacity as sponsor to the Company for the purposes of section 88 of FSMA;
“subsidiary”	as defined in section 1159 of the UK’s Companies Act 2006;
“Sukari Contract”	the open pit waste mining services contract dated 1 December 2020 between Capital Egypt and Sukari Gold Mines, the operating company for Centamin’s principal asset, the Sukari gold mine in Egypt;
“Sukari Gold Mines”	Sukari Gold Mines, a subsidiary of Centamin and the operating company for Centamin’s Sukari gold mine in Egypt;
“Tamesis”	Tamesis Partners LLP, Joint Bookrunner to the Company in relation to the Placing;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and

All references to Common Shares and shares in this Announcement shall be deemed to include any corresponding depository interests.



An exchange rate of 1.3427 GBP:US\$ has been used throughout this announcement as determined by Bloomberg at 4:30pm on 1 December 2020

ANNEX 1 – TERMS & CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("EEA") OR IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (WHICH MEANS REGULATION 2017/1129, AS AMENDED FROM TIME TO TIME) (THE "**PROSPECTUS REGULATION**") ("**QUALIFIED INVESTORS**"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA. THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES MENTIONED HEREIN IN THE UNITED STATES.

THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE CONTENT OF THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED). RELIANCE ON THIS ANNOUNCEMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

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

Unless otherwise defined in these terms and conditions, capitalised terms used in these terms and conditions shall have the meaning given to them in the Announcement to which these terms and conditions are appended.

Persons who are invited to and who choose to participate in the Placing by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "**Placees**"), will be deemed: (i) to have read and understood this Announcement, including this Appendix, in

its entirety; and (ii) to be participating and making an offer for Placing Shares on the terms and conditions and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

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

- a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- b) it is and, at the time the Placing Shares are acquired, will be outside the United States and acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act ("**Regulation S**") and it is acquiring beneficial interests in the Placing Shares for its own account; if acquiring the Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements, undertakings, and acknowledgements herein on behalf of each such person; and
- c) if it is a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale to Qualified Investors in the United Kingdom or a member state of the EEA, or in circumstances in which the prior consent of the Joint Bookrunners has been given to each such proposed offer or resale.

This Announcement, including this Appendix, does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent (i) registration under the Securities Act or (ii) an available exemption from, or in a transaction not subject to, registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act. The Placing Shares are being offered and sold outside the United States in "offshore transactions" in accordance with Regulation S. There will be no public offering of the securities in the United States.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix (or the Announcement of which it forms part) should seek appropriate advice before taking any action.

Details of the Placing Agreement, the Placing Shares and the Bookbuild

The Joint Bookrunners are acting as joint bookrunners in connection with the Placing and have entered into the Placing Agreement with the Company under which they have agreed to use their respective reasonable endeavours to procure Placees to take up the Placing Shares at the Placing Price, on the terms and subject to the conditions set out therein. With effect from completion of the Bookbuild, to the extent that any Placee fails to pay for the Placing Shares allocated to it, Berenberg has agreed to subscribe (or to procure one or more nominated investors to subscribe) for such Placing Shares at the Placing Price.

The Joint Bookrunners will today commence the bookbuilding process to determine demand for participation in the Placing by Placees (the "**Bookbuild**"). This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

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

The Placing Shares will, as from the date when they are issued, be fully paid up, rank in full for all dividends and other distributions declared, made or paid on the Common Shares after Admission and otherwise rank pari passu in all respects with, and be identical to, the existing Common Shares then in issue.

Application for listing and admission to trading

Subject *inter alia* to the passing of the Resolutions, application will be made for admission of the Placing Shares to the Official List (premium segment) and to trading on the main market of the London Stock Exchange.

Subject *inter alia* to the passing of the Resolutions, it is expected that Admission of the Placing Shares will become effective at or around 8.00 a.m. (London time) on or around 22 December 2020 and that dealings in the Placing Shares will commence at that time.

Participation in, and principal terms of, the Placing

1. The Joint Bookrunners are arranging the Placing severally, and not jointly, nor jointly and severally, as Joint Bookrunners and agents of the Company.
2. Participation will only be available to persons who may lawfully be, and are, invited to participate by either of the Joint Bookrunners. Each of the Joint Bookrunners and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
3. The final number of Placing Shares and their allocation will be agreed between the Joint Bookrunners and the Company following completion of the Bookbuild. The final number of Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Placing Price. Bids may be scaled down on the basis referred to in paragraph 7 below.
5. The Bookbuild will open immediately following the release of this Announcement and is expected to close no later than 4.30 p.m. (London time) on 2 December 2020, but may be closed earlier or later, at the discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
6. Each Placee's allocation will be confirmed to Placees orally by the relevant Joint Bookrunner following the close of the Bookbuild, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The relevant Joint Bookrunner's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Joint Bookrunner and the Company, pursuant to which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay or procure payment of the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's bye-laws and other corporate documents.
7. Subject to paragraphs 3 and 4 above, the Joint Bookrunners will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Joint Bookrunner's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay or procure payment to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Joint Bookrunner.

9. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
12. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.
13. The Joint Bookrunners have severally agreed, pursuant to the Placing Agreement, to use reasonable endeavours to place, as agent for the Company, the Placing Shares at the Placing Price with Placees. With effect from the completion of the Bookbuild, to the extent that any Placee fails to take up any or all of the Placing Shares which have been allocated to it or which it has agreed to take up at the Placing Price, Berenberg has agreed, on the terms and subject to the conditions in the Placing Agreement, to take up (or to procure one or more nominated subscribers to take up) such Placing Shares at the Placing Price.
14. To the fullest extent permissible by law, neither the Joint Bookrunners, the Company nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Joint Bookrunners, nor the Company, nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree. Nothing in this paragraph or otherwise this Placing excludes liability of any person for fraud or fraudulent misrepresentation made by that person.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Joint Bookrunners' obligations under the Placing Agreement are conditional on certain conditions, including:

- a) Admission occurring at or before 8:00 a.m. (London time) on 22 December 2020 (or such later time and/or date, not being later than 8:00 a.m. (London time) on 31 December 2020, as the Company and the Joint Bookrunners may otherwise agree);
- b) the Resolutions being passed at the General Meeting;
- c) the representations and warranties of the Company being and remaining true and accurate and not misleading as at the date of the Placing Agreement and as at the date of Admission;
- d) the Company having complied in all material respects with all of its obligations under the Placing Agreement;
- e) the publication by the Company of, among other announcements, the announcement of the results of the Placing on a Regulatory Information Service;

- f) in respect of the Sukari Contract and the Amended Sukari Drilling Contract: (i) neither such contract having been terminated or amended; (ii) both contracts having become unconditional in all respects, save for any condition relating to the approval and/or completion of the Placing; and (iii) no notice of breach or notice of termination having been issued by any party to the Sukari Contract or the Amended Sukari Drilling Contract;
- g) in the opinion of each of the Joint Bookrunners (acting in good faith), there having been no Material Adverse Change (as such term is defined in the Placing Agreement), whether or not foreseeable at the date hereof;
- h) the Company allotting, subject only to Admission, the relevant Placing Shares in accordance with the Placing Agreement; and
- i) the delivery to the Joint Bookrunners of certain documentary conditions precedent.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived or extended in writing by the Joint Bookrunners by the relevant time or date specified (or such later time or date as the Company and the Joint Bookrunners may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Joint Bookrunners may, at their discretion, extend the time for satisfaction of, or waive compliance by the Company with, the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Joint Bookrunners shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

Right to terminate under the Placing Agreement

Each of the Joint Bookrunners is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in the following (non-exhaustive) circumstances:

- a) the Company fails to comply with any of its obligations under the Placing Agreement or it commits a breach of any applicable law or regulatory obligation; or
- b) the representations and warranties of the Company not being and remaining true and accurate and not misleading as at the date hereof and as at Admission;
- c) in the opinion of either Bank (acting in good faith) there shall have occurred any Material Adverse Change (whether or not foreseeable at the date hereof); and/or
- d) any other occurrence of any kind which (by itself or together with any other such occurrence) in each of the Joint Bookrunner's opinion (acting in good faith) is likely to materially and adversely affect the market position or prospects of the Group taken as a whole (including any material deterioration in, or material escalation in the response to, the COVID 19 pandemic).

By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners (acting in good faith) and that the Joint Bookrunners need not make any reference to, or consult with, Placees and shall have no liability to Placees whatsoever in connection with any such exercise.

Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) released by the Company today. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other publicly available information previously published by the Company by notification to a Regulatory Information Service is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or either Joint Bookrunner or any other person and none of the Company or the Joint Bookrunners nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation by that person.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: BMG022411000) following Admission, or depositary interests representing such Placing Shares, will take place within the system administered by Euroclear UK & Ireland Limited ("CREST"). Subject to certain exceptions, the Joint Bookrunners and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or any part thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with the relevant Joint Bookrunner stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the relevant Joint Bookrunner and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares, or depositary interests representing such Placing Shares, that it has in place with the relevant Joint Bookrunner.

Subject to the Placing becoming unconditional, it is expected that settlement will be on 22 December 2020 in accordance with the instructions set out in the trade confirmation.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Joint Bookrunners' account and benefit, an amount equal to the aggregate amount owed by the Placee. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations, Warranties and Further Terms

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably:

1. represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;

2. acknowledges that no offering document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;
3. acknowledges that the Placing does not constitute a recommendation or financial product advice and neither Joint Bookrunner has had regard to its particular objectives, financial situation or needs;
4. acknowledges that none of the Joint Bookrunners, the Company, any of their respective affiliates, agents, partners, directors, officers or employees has provided, nor will provide, it with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Joint Bookrunners, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that the Common Shares are admitted to the Official List (premium segment) and to trading on the regulated market of the London Stock Exchange and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices under the Listing Rules and the Disclosure Guidance and Transparency Rules, which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and that it is able to obtain or access to such information, or comparable information concerning other publicly traded companies, in each case without undue difficulty;
6. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither of the Joint Bookrunners, nor their respective affiliates or any person acting on behalf of any of them, has or shall have any liability for any information, representation or statement contained in, or omission from, this Announcement or any information previously published by or on behalf of the Company, pursuant to applicable laws, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by any of the Joint Bookrunners or the Company nor any of their respective affiliates, agents, directors, partners, officers or employees and none of the Joint Bookrunners or the Company or any such affiliate, agent, director, partner, officer or employee will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;
7. acknowledges and agrees that it may not rely, and has not relied, on any investigation that either Joint Bookrunner, any of their affiliates or any person acting on their behalf, may have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the information from the London Stock Exchange or any other information; each Placee further acknowledges that it has conducted its own investigation of the Company and the Placing Shares and has received all information it believes necessary or appropriate in connection with its investment in the Placing Shares;
8. acknowledges that it has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares;
9. acknowledges that none of the Joint Bookrunners, their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company

or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;

10. represents and warrants that: (i) the Placing Shares have not been, and will not be, registered under the Securities Act; (ii) it is and, at the time the Placing Shares are acquired, will be outside the United States and acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S; (iii) if acquiring the Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements herein on behalf of each such person; (iv) it is not acquiring the Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or as a result of any "general solicitation" or "general advertising" within the meaning of Rule 502(c) of Regulation D of the Securities Act; and (v) it will not publish, distribute or transmit this Announcement or any other document or information related to the Placing, by any means or media, directly or indirectly, in whole or in part, in or into the United States;
11. acknowledges that in making any decision to acquire Placing Shares it: (i) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Placing Shares; (ii) will not look to either Joint Bookrunner for all or part of any loss it may suffer as a result of any such subscription or purchase; (iii) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares; (iv) is able to sustain a complete loss of an investment in the Placing Shares; and (v) has no need for liquidity with respect to its investment in the Placing Shares;
12. undertakes, unless otherwise specifically agreed with the Joint Bookrunners, that it is not and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of Australia, Canada, Japan or South Africa and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into any of those jurisdictions;
13. acknowledges that the Placing Shares have not been and will not be registered, and that a prospectus will not be cleared in respect of any of the Placing Shares, under the securities laws or legislation of the United States or any state or jurisdiction thereof, Australia, Canada, Japan, or South Africa and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, in or into those jurisdictions;
14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
15. represents and warrants that it has complied with its obligations under the Criminal Justice Act 1993, the EU Market Abuse Regulation (No. 596/2014) ("**MAR**") and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
16. represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person it is duly authorised to do so and has full power to make the acknowledgments, warranties, representations, undertakings, and agreements herein on behalf of each such person;

17. if it is a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, represents, warrants and undertakes that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in the United Kingdom or a Member State of the EEA other than Qualified Investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale;
18. represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
19. represents, warrants and undertakes that it has not offered or sold and will not, prior to Admission, offer or sell any Placing Shares to persons in the EEA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public (within the meaning of the Prospectus Regulation) in any member state of the EEA;
20. represents, warrants and undertakes that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
21. represents, warrants and undertakes that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
22. represents and warrants, if in the United Kingdom or a member state of the European Economic Area, unless otherwise specifically agreed with the Joint Bookrunners in writing, that it is a "Qualified Investor";
23. represents and warrants, if in the United Kingdom, that it is a person: (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Order; or (ii) who falls within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order; or (iii) to whom this Announcement may otherwise lawfully be communicated;
24. acknowledges and agrees that no action has been or will be taken by either the Company or the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
25. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations and that, to the best of its knowledge and belief, it has not taken any action or omitted to take any action which will or may result in the Joint Bookrunners, the Company or any of their respective directors, partners, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

26. undertakes that it (and any person acting on its behalf) will make or procure payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other acquirers or sold as the Joint Bookrunners may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale fall short of the product of the relevant Placing Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any penalties) which may arise upon such placing or sale of such Placee's Placing Shares;
27. acknowledges that neither of the Joint Bookrunners, nor any of their respective affiliates, agents, directors, partners, officers or employees is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not and will not be a client of either Joint Bookrunner in connection with its participation in the Placing and that neither Joint Bookrunner has any duty nor responsibility to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
28. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Joint Bookrunners nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement;
29. acknowledges that these terms and conditions and any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make or procure payment for the Placing Shares may be taken by either the Company or either Joint Bookrunner in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
30. except as set out in clause 31 below, represents and warrants that it has neither received nor relied on any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) concerning the Company prior to or in connection with accepting the invitation to participate in the Placing and is not purchasing Placing Shares on the basis of material non-public information;
31. if it has received any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, it confirms that it has received such information within the market soundings regime provided for in article 11 of MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;
32. if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;
33. agrees that the Company, the Joint Bookrunners and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements, and undertakings which are given to the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable

and it irrevocably authorises the Company and the Joint Bookrunners to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

34. none of the Company or the Joint Bookrunners owes any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement; and
35. its commitment to take up Placing Shares on the terms set out in this Announcement (including this Appendix) will continue notwithstanding any amendment that may or in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or the Joint Bookrunners' conduct of the Placing.

Where a Placee is acting as agent for discretionary managed clients, the Joint Bookrunners and the Company acknowledge that:

- (a) the Placee is acting at all times as agent for and on behalf of certain discretionary managed clients of whom it has discretionary management authority (the “Funds”);
- (b) the Placee shall have no liability as principal to acquire and pay for the Placing Shares allocated to it as agent for and on behalf of the Funds or in respect of each Fund’s obligations under the Placing who will hold the Placing Shares through a custodian; and
- (c) the foregoing representations, warranties, agreements, undertakings, acknowledgements and confirmations are given by the Placee as agent and not as principal.

For the avoidance of doubt, nothing in this Announcement is intended to create joint and several liability between the Funds. The Joint Bookrunners and the Company acknowledge and agree that any liabilities of a Fund incurred hereunder shall be limited to the property of that Fund and under no circumstances shall there be recourse to the assets of any other fund within the same umbrella as the Fund or any other Fund in respect of those liabilities.

The foregoing representations, warranties, agreements, undertakings, acknowledgements and confirmations are given for the benefit of the Company as well as each of the Joint Bookrunners and are irrevocable. Each Placee, and any person acting on behalf of the Placee, acknowledges that neither the Company nor either of the Joint Bookrunners owes any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Taxation

The agreement to allot and issue Placing Shares to Placees (and/or to persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service.

The Company and the Joint Bookrunners are not liable to bear any transfer taxes that arise on a sale of Placing Shares subsequent to their acquisition by Placees or for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Company's common shares may decline and investors could lose all or part of their investment; the Company's common shares offer no guaranteed income and no capital protection; and an investment in the Company's common shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of 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 Placing Shares.

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

General

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that any Joint Bookrunner or any of its affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with a Joint Bookrunner, any money held in an account with such Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will be subject to the protections conferred by the client money rules.

The rights and remedies of each of the Joint Bookrunners and the company under the Announcement, including this Appendix, are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of the others.

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