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***THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising on the acquisition of shares and other securities.***

This document comprises a prospectus relating to Net Zero Infrastructure PLC (the “**Company**”), prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “**FCA**”) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Applications will be made to the FCA for all of the ordinary shares of £0.01 each in the Company (issued and to be issued pursuant to the Placing) to be admitted to the Official List of the United Kingdom Listing Authority by way of a standard listing under Chapter 14 of the Listing Rules and to the London Stock Exchange Plc (the “**London Stock Exchange**”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (“**Admission**”). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 14 September 2021 (or such later time and/or date as may be agreed, being not later than 31 October 2021).

The Company and each of the Directors, whose names appear on page 45 of this document, accept responsibility for this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

This prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY SHAREHOLDERS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISK AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED “RISK FACTORS” ON PAGES 10 TO 23 OF THIS DOCUMENT.**

**PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.**

**ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.**

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## **NET ZERO INFRASTRUCTURE PLC**

***(incorporated in England and Wales under the company number 13236308)***

Placing of 50,000,000 Ordinary Shares at a price of 3 pence per Ordinary Share and admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s main market for listed securities

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This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is

unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to as for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**APPLICATION WILL BE MADE FOR THE ORDINARY SHARES, ISSUED AND TO BE ISSUED PURSUANT TO THE PLACING, TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.**

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## SUMMARY

### Section A - Introduction and Warnings

**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. AN INVESTOR ACQUIRING ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTED CAPITAL.**

Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law of a Member State, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

<i>Name of Securities</i>	Ordinary Shares
<i>International Securities Identification Number (ISIN)</i>	GB00BNK8T635
<i>Offeror Name</i>	The legal and commercial name of the Company is Net Zero Infrastructure PLC.
<i>Offeror Contact Details</i>	The Company's registered office is at 1 Charterhouse Mews, London, EC1M 6BB.
<i>Offeror LEI</i>	9845001BBDTAEEDC4Q16
<i>Competent Authority and contact details</i>	Financial Conduct Authority 12 Endeavour Square London E20 1JN
<i>Date of approval of Prospectus</i>	8 September 2021

## Section B – Key Information on the Issuer

### Who is the issuer of the securities?

*Domicile and legal form* England, public company limited by shares under the Companies Act 2006 with registered number 13236308.

*LEI* 9845001BBDTAEEDC4Q16

*Country of incorporation* England

*Applicable law in the jurisdiction of incorporation and operation* English law

*Principal activities* The Company is a special purpose acquisition vehicle which will seek an acquisition target in the renewable and clean energy sector.

*Major shareholders* Except for the interests of those persons set out in this paragraph, the Directors are not aware, at the date of this document, of any interest which immediately following Admission would amount to 3% or more of the Company's issued share capital:

	<b>Ordinary Shares as at the date of this document</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Ordinary Shares on Admission</b>	<b>Percentage of Enlarged Share Capital</b>
John James Dering Nettleton	Nil	Nil	4,500,000	7.41%
Andrew Blow	Nil	Nil	2,500,000	4.12%
Leon Hogan	Nil	Nil	5,000,000	8.24%
360HK Limited	Nil	Nil	5,000,000	8.24%
James Constable	Nil	Nil	6,000,000	9.88%

There are no differences between the voting rights enjoyed by the above persons and those enjoyed by the other holders of Ordinary Shares.

*Controlling shareholder if any* To the best of the Directors' knowledge, no-one directly or indirectly, acting jointly, exercises or could exercise control over the Company.

*Key managing directors* Michael Ellwood and Alejandro Ciruelos

*Statutory Auditors* Anstey Bond LLP  
1 Charterhouse Mews, London, EC1M 6BB.

**What is the key financial information regarding the issuer?**

No key financial information is included in this prospectus as the Company is yet to commence operations.

***What are the key risks that are specific to the issuer?***

- The Covid-19 Pandemic may have a negative impact on the ability of the Company to identify and consider appropriate acquisition opportunities, may increase costs of due diligence and may delay implementation of the Company's strategy.
- Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares, and the Company has limited cash resources which will diminish owing to the Company's operating costs.
- The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring a suitable company or business.
- The Company's business strategy and business model are dependent on the Acquisition. There can be no guarantee that the Acquisition will take place or that it will be successful.
- The Company is dependent on the Directors to identify suitable acquisition opportunities, together with any introduction agents (such as Palatine Hill Limited) which the Company may appoint for this purpose.
- The Company intends to acquire only a single company or business for the Acquisition, concentrating the risk of potential loss due to underperformance.
- The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover significant liabilities.
- The Company may be unable to obtain financing, if required, to complete the Acquisition or to fund the target's operations or may not be able to obtain financing on terms acceptable to the Company.
- Technological changes within the clean and renewable energy sectors (or elsewhere) could render the Company's technology obsolete, following an Acquisition.

## Section C – Key information on the securities

### What are the main features of the securities?

<i>Type, class and ISIN of securities</i>	The securities the subject of the Placing and Admission are Ordinary Shares  (ISIN GB00BNK8T635).
<i>Currency, denomination and par value of securities</i>	The Ordinary Shares are denominated in pounds sterling at a par value of £0.01 each.
<i>Number of securities issued</i>	The Company has 10,700,000 Ordinary Shares in issue and 50,000,000 Placing Shares will be issued conditional on Admission taking place.
<i>Rights attached to the securities</i>	Each Ordinary Share ranks <i>pari passu</i> for voting rights, dividends and return of capital on winding up. Except as disappplied, Shareholders will have pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash
<i>Seniority of the securities in the event of insolvency</i>	The Ordinary Shares rank behind all debts and liabilities of the Company (secured and unsecured). The Company only has one class of shares, which rank <i>pari passu</i> on insolvency
<i>Details of any restrictions on free transferability of the securities</i>	There are no restrictions in place
<i>Dividend or pay-out policy, if any</i>	The Company does not intend to pay dividends in the near future as its funds will be utilised to acquire a company or business and fund the development of that company or business
<b>Where will the securities be traded?</b>	
<i>Application for admission to trading</i>	The securities are subject to an application for admission to trading on a regulated market.
<i>Market(s) on which the securities will be traded, if any</i>	London Stock Exchange's Main Market for listed securities.

***What are the key risks that are specific to the securities?***

- The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing.
- The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them.
- The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document.
- The pre-emption rights in the Articles of the Company have been disapplied to facilitate the Acquisition and related transactions, and the Company may be required to raise cash through issuing substantial additional equity to complete the Acquisition, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares.
- Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future.



**Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market**

***Under which conditions and timetable can I invest in this security?***

*General terms and conditions of the offer*

The Placing is for 50,000,000 Placing Shares. The Placing Shares are being issued at the Placing Price of 3 pence per share.

An investor who has applied for Ordinary Shares has entered into a placing letter with the Company's placing agent containing the terms on which it subscribes for Ordinary Shares.

The Placing is subject to the satisfaction of certain conditions set out in the Placing Agreement. These conditions include conditions which are customary for transactions of this type (including Admission occurring and becoming effective by 8 September 2021 or such later date as the Company and the placing agent may agree). The Placing and Admission will not complete unless gross proceeds of £1,500,000 are raised.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. Each investor has paid, or will on Admission pay, the Placing Price for the Placing Shares issued to such investor. The Placing will not be underwritten.

**Expected timetable of the offer**

Date of this prospectus and announcement confirming results of Placing 8 September 2021

Admission and commencement of unconditional dealings in Ordinary Shares 14 September 2021

Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts 14 September 2021

Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than 21 September 2021

*Details of the admission to trading on a regulated market, if any*

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

<i>Plan for distribution</i>	The Placing has been offered to investors in the United Kingdom and certain other jurisdictions by the Company pursuant to placing letters on substantially similar terms.
<i>Amount and percentage of dilution resulting from the offer</i>	Investors have conditionally subscribed for Placing Shares at the Placing Price, representing 82.37% of the Enlarged Share Capital. The Placing and Admission will result in the Existing Ordinary Shares being diluted so as to constitute 17.63% of the Enlarged Share Capital.
<i>Estimate of total expenses of the issue and/or offer</i>	£272,850 (inclusive of irrecoverable VAT).
<i>Details and amount of estimated expenses charged to the investor</i>	None

### ***Why is this prospectus being produced?***

<i>Reasons for offer and admission to trading on a regulated market</i>	The Company is raising capital to fund the acquisition of a company or business in the renewable or clean energy sector. The Directors consider that admission of the Company's shares to trading on the Main Market will be attractive both to investors under the Placing and to the vendors of potential target companies or businesses as the Company executes its investment strategy, relative to the listing or admission of the Company's shares on a different exchange.
<i>Use of Net Proceeds and estimated amount of Net Proceeds</i>	The Company will receive net proceeds (after deduction of costs and commissions) of approximately £1,227,150, which will be used by the Company to investigate, carry out due diligence in respect of, and evaluate potential acquisition opportunities and associated costs.
<i>Confirmation of whether the offer underwritten on a firm commitment basis, including details of any uncovered portion</i>	The Placing is not being underwritten
<i>Most material conflicts of interest pertaining to the offer or admission to trading, if any</i>	There are no material conflicts of interest pertaining to the offer or admission to trading

## RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher-than-normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company, and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline, and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

### GENERAL TRANSACTION RISK

Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares and the Company has limited cash resources

The Placing Shares are being issued at the Placing Price of 3 pence per share. The estimated net asset value post the Placing will be approximately 2.2 pence per share. The premium to net asset value of approximately 0.8 pence per share places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in the Placing and Admission. The Directors and the founders have subscribed for Ordinary Shares at lower prices per Ordinary Share than the Placing Price and will hold 17.63% of the Enlarged Share Capital. There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Placing following Admission and the price of the Ordinary Shares may fall.

At the date of this document, the Company has cash resources of £87,600. The Net Proceeds will be £1,227,150. On Admission the Company expects to have cash resources of approximately £1,301,425 after settling liabilities associated with the Placing and Admission. The Company's anticipated operating costs in the 12 months from Admission, payable from the Net Proceeds, are estimated at £219,700 and as the Company currently has no sources of revenue other than interest on deposits, the Company's cash resources will diminish. In addition, if the Company makes an Acquisition, it is likely that materially all the Company's existing cash resources will be expended on the costs associated with the Acquisition, principally due diligence and transaction costs involved in a Reverse Takeover. There can be no guarantee that the diminishing of the Company's cash resources will not result in a fall in the price of the Ordinary Shares in the future.

## **RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY, INCLUDING THE ACQUISITION**

***The Covid-19 Pandemic may have a negative impact on the ability of the Company to identify and consider appropriate acquisition opportunities, may increase costs of due diligence and may delay implementation of the Company's strategy***

The World Health Organisation designated Covid-19 a Public Health Emergency of International Concern on 30 January 2020. Following this designation, and in response to the significant transmission risks posed by Covid-19, governments in the United Kingdom, Europe and the United States, as well as other major economies, enacted significant restrictions on the movement of people and the activities they can carry out, a number of which continue to apply, or having been lifted, are now being reimposed. As a result, businesses have experienced disruption to operations, and will likely continue to do so for the foreseeable future. The Company's strategy is to identify a business or company to acquire, negotiate with the seller(s) and then run the business following completion of an acquisition. The identification of potential businesses to be acquired, the completion of due diligence and the negotiation of suitable terms on which to acquire the business or company may take longer, be more complex or more expensive to implement given the continuing Covid-19 restrictions. Such a delay, increased complexity or cost could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

***The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring a suitable company or business***

The Company was incorporated on 1 March 2021. It has no operating history, and no revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objective of acquiring and operating a suitable company or business in the clean and renewable energy sectors. The Company will only commence operations following Admission and will not generate any revenues from operations, if any, unless and until the Acquisition has been completed, and there can be no guarantee that the Acquisition will be completed.

***The Company's business strategy and business model are dependent on the Acquisition. There can be no guarantee that the Acquisition will take place or that it will be successful***

The Company's business strategy and business model depend on the successful completion of the Acquisition and on the effective and successful running of the company or business acquired. There can be no guarantee that the Directors will be able to identify a suitable target for the Acquisition, that the Acquisition will be successfully completed, that the company or business acquired will be profitable or that the Company will be able to acquire it at a price that is consistent with its objectives or at all, which may have a material adverse effect on the Company's business, financial condition or results of operations. In addition, if the Company fails to complete an acquisition which it has been pursuing (for example, because it has been outbid) it may be left with substantial unrecovered transaction costs, potentially including substantial break fees. See also "*The Company may not be able to deploy the Net Proceeds for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Placing*".

***The Company is dependent on the Directors to identify suitable acquisition opportunities***

The Company is dependent on the Directors to identify suitable acquisition opportunities, together with any introduction agents (such as Palatine Hill Limited) which the Company may appoint for this purpose. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire (see further *PART I: INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY*, "*Company objective, business strategy and execution*") there is a risk that the Directors may not be able to source suitable targets for the Acquisition and that any targets identified may not fully align with the Company's objectives and business plans.

***The Company intends to acquire only a single company or business for the Acquisition, concentrating the risk of potential loss due to underperformance***

The Company's intention is for the Acquisition to involve the Company acquiring only a single company or business, meaning that the risk of underperformance in operations or assets will be concentrated therein. There can be no assurance that the acquired company or business will be successful or that expectations regarding its growth potential and value will be realised. Potential investors in the Ordinary Shares should be aware that the risk of investing in the Company could be greater than investing in an entity which acquires and operates a range of businesses in a variety of sectors.

***The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover significant liabilities***

The Company intends to conduct appropriate, practicable and focused due diligence in respect of the Acquisition, with the objective of identifying any material issues that may affect the decision to proceed with the Acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning. During the due diligence process, the Company will be forced to rely on the information that is available to it, including publicly available information. Information may not be available from or on behalf of the relevant target company or business where the target does not consider the transaction to be in the best interests of shareholders. Any information that is provided or obtained from available sources may not be accurate at the time of delivery and/or remain accurate during the due diligence process and in the run-up to the Acquisition. More broadly, there can be no assurance that the due diligence undertaken will be adequate or accurate or will reveal all relevant facts or uncover all significant liabilities or that the due diligence will result in a successful Acquisition (including with respect to the formulation of a post-Acquisition business strategy). If the due diligence investigation fails to identify key information in respect of the target of the Acquisition, or if the Company considers such material risks to be commercially acceptable, the Company may be forced to write-down or write-off assets in respect of the target acquired, which may have a material adverse effect on the Company's business, financial condition or results of operations. In addition, following the Acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence, and which could have a material adverse effect on the Company's financial condition and results of operations (especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation).

***The Company may be unable to obtain financing, if required, to complete the Acquisition or to fund the target's operations or may not be able to obtain financing on terms acceptable to the Company***

The Net Proceeds will be used to identify and carry out due diligence on the target of the Acquisition and to fund other transaction costs. As such, as the target of the Acquisition is yet to be identified and as the amount of capital required cannot yet be predicted it is highly unlikely that the Net Proceeds will be sufficient to complete the Acquisition. The Company is likely to be required to seek additional equity or debt financing in order to fully finance the Acquisition and its completion and there can be no guarantee that the Company will be able to obtain the funding required or do so on terms that are acceptable to the Company. If the Company is unable to fully finance the Acquisition, it may need to be cancelled or significantly restructured, either of which may have a material adverse effect on the Company's business, financial condition or results of operations.

The Company may also require additional financing to fund the company or business acquired in the Acquisition and this may include making substantial equity commitments in cash; the failure to obtain such financing or to secure it on acceptable terms may have a material adverse effect on the company or business acquired, the impact of which may extend to the Company's business, financial condition or results of operations.

***Dependence on key executives and personnel.***

Although the Directors have entered or will at the time of Admission enter into letters of appointment with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. The future performance of the Company will depend heavily on its ability to retain the services and personal connections/contacts of key executives and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel.

***Because the Company and the Directors have not yet selected any target for the Acquisition, the Company is currently unable to ascertain the merits or risks of a target business' operations and investors will be relying on the ability of the Directors to source appropriate and suitable acquisition opportunities***

Because the Company and the Directors have not yet identified any prospective targets for the Acquisition, Shareholders currently have no basis on which to evaluate the possible merits or risks of a target business' operations. Although the Directors will evaluate the risks inherent in a particular target, the Company and the Directors cannot offer any assurance that a proper discovery or assessment of all of the significant factors can be made. Furthermore, no assurance can be made that an investment in Ordinary Shares will ultimately prove to be more favourable to Shareholders than a direct investment, if such opportunity were available, in a target business. Investors will be relying on the ability of the Directors to source acquisition opportunities, evaluate their merits, conduct or monitor due diligence and conduct negotiations. The prospective Acquisition will be subjected to an extensive legal, financial and technical due diligence process to minimise this risk.

***The Company's business strategy depends on the effectiveness of the operating strategies devised by the Directors and there is no assurance that these strategies will be successfully implemented or, if implemented, that they will be effective in increasing the valuation of any business acquired***

There can be no assurance that the Company or the Directors will be able to propose and/or implement effective operational improvements for any company or business which the Company acquires or to effectively implement the other features of its post-Acquisition value creation strategy as described in this document. In addition, even if the Company completes the Acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult to implement. Any failure to implement these strategies successfully and/or the failure of these strategies to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition. As a result, the Company may be unable to achieve attractive returns for its Shareholders.

***Although the Company believes the current economic environment has created a number of acquisition opportunities, there may be competition for certain of these opportunities***

There may be competition from others interested in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, existing controlling shareholders in potential acquisition targets and public and private investments funds. Although the Company believes that it is well placed to compete for opportunities, the Company cannot assure the Shareholders that it will be successful against such competition.

***The Company may not be able to deploy the Net Proceeds for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Placing***

The Company cannot estimate or guarantee how long it will take to use the Net Proceeds to complete the Acquisition. The Directors will not recommend any particular acquisition to the Company, and the Directors will not take any decision to carry out any possible transaction, prior to the Placing. Following the Placing, suitable acquisition opportunities may not be immediately available, and even if such opportunities are available, the Company intends to conduct appropriate due diligence in relation to such opportunities prior to completion of the Acquisition. Prior to the completion of the Acquisition, the Company will invest or deposit the Net Proceeds in sterling denominated money market instruments, government securities, commercial paper, asset backed commercial paper, corporate bonds and/or deposits with commercial banks. Interest on the Net Proceeds so deposited or invested may be significantly lower than the potential returns from an investment in an Acquisition. The Net Proceeds will be so managed, invested and/or deposited by the Company and will not be placed in any form of trust or escrow arrangement. The Company will principally seek to preserve capital and therefore the yield on the instruments in which it invests is likely to be low.

If the Acquisition is not completed before the date 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board will seek Shareholder approval at a general meeting for the recommended course of action at this stage. In such circumstances, no representation can be made as to the particular amount or value of the remaining assets at such future time of any such distribution.

***Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of a potential target business***

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to rise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The Directors believe that the resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries, including energy. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

For more information about the effect of general global, regional or national macroeconomic deterioration on the clean and renewable energy sectors, see "*Risks Relating to the Clean and Renewable Energy Sectors*".

***Brexit***

On 31 January 2020 the UK formally ceased to be a member of the EU ("**Brexit**"). This may lead to unpredictable economic circumstances in particular in relation to currency movements. In addition, regulatory changes brought about as a result of Brexit may have an unfavourable impact on the Company. These factors could have an adverse effect on the net asset value of the Ordinary Shares, the operations of the Company and the success of any future capital raisings by the Company.

## **Scottish Independence**

The possibility of Scottish independence from the UK creates a range of uncertainties for business in general, which would require careful assessment by the Directors. There could be changes in currency, taxation, general legislation, regulations and trading arrangements and agreements, together with economic prospects more generally. It is not possible to predict the effect of Scottish independence if it were to occur and the changes introduced could have only limited effect on the Company, be beneficial to the Company or could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

### ***The Company may be unable to retain or hire the personnel required pursuant to the Acquisition or to retain or hire the personnel required to support the Company***

The Company will look to the personnel with existing expertise in the acquired company or business to assist in the running and operations of the target following the Acquisition and to support the Company once it becomes the operator of the target. However, there can be no assurance that the relevant personnel required for these purposes will remain with the target company or business following Acquisition or that, if they depart, the Company will be able to replace such personnel with individuals of similar expertise and of a similar calibre. Changes in personnel may have a material adverse effect on the target company or business' operations, which means that following the Acquisition when in effect the operations of the target will be those of the Company, the adverse impact of such changes may affect the Company's business, financial condition or results of operations.

### ***Following the Acquisition, the Company will be a holding company whose principal source of operating cash will be income received from the business it has acquired***

Following the Acquisition, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such target's results of operations and financial condition, limits on dividends under applicable law and its constitutional documents and other factors which may be outside the control of the Company. If the acquired business is unable to distribute sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

### ***The Company may be subject to restrictions in offering its Ordinary Shares as a consideration for the Acquisition or may have to provide alternative consideration which may have an adverse effect on its operations. In addition, the use of new Ordinary Shares as consideration could result in significant dilution of existing Shareholders***

The Company may offer new Ordinary Shares or other securities, potentially in the form of fixed or floating rate loan notes which may or may not be convertible into Ordinary Shares, as consideration for the purchase of a target business in the Acquisition. However, in certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares in this manner or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a particular acquisition more costly which in turn may have an adverse effect on the results of operations of the Company and/or the ability of the Company to achieve its target return for Shareholders. As the jurisdiction in which the Acquisition will take place is not yet known, the details of such potential restrictions are also unknown; however, they may include local central bank currency controls and prohibitions regarding the issue of publicly traded securities not approved by local regulators. Such restrictions may make the Acquisition impractical to complete, as the proposed contractual consideration may be unable to be accepted by the vendor(s).

Furthermore, where new Ordinary Shares are issued for non-cash consideration under the Acquisition, Shareholders will have no pre-emptive right to new Ordinary Shares issued. If the Company does offer its Ordinary Shares as consideration or part consideration in making the Acquisition, depending on the number of new Ordinary Shares offered and the value of such new Ordinary Shares at the time, the issuance of new Ordinary Shares could materially dilute the value of the new Ordinary Shares held by existing Shareholders at the time. Where an acquisition target has an existing large shareholder, an issue of new Ordinary Shares as consideration or part consideration may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant



influence over the Company (to a greater or lesser extent depending on the size of its holding). In addition, in order to avoid triggering a mandatory bid under the City Code, the Company may, if appropriate, issue shares with limited or no voting rights for a period of time.

Dilution may also occur due to the intention to grant to management, employees, and consultants of the Company in aggregate up to 15 per cent. of the Ordinary Shares in issue from time to time. Dilution would also occur on the exercise of the Warrants; assuming there is no change to the Enlarged Share Capital, the maximum dilution which would result from the exercise of the Warrants is 11.5 per cent.

## **RISKS RELATING TO THE CLEAN AND RENEWABLE ENERGY SECTORS**

### ***Technological changes in the energy industry could render the Company's technology obsolete***

The sectors in which the Company seeks to make the Acquisition are characterised by technological change, advancement and evolving industry standards. The future success of the Company will depend on its ability, following an Acquisition, to adapt quickly to changing technologies, to adapt its offerings at such time, and on an ongoing basis, to an evolving market place; additionally, technical developments with respect to alternative materials and consequent fluctuations in the prices of raw materials could materially and adversely affect the demand for the Company's offerings or products. If the Company fails, following the Acquisition, to achieve market acceptance for its technologies, the Company must effectively anticipate and offer products or services that meet changing customer demands in an effective and competitive manner. Failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### ***Following an Acquisition comprising a clean technology project, the Company may be required to expend a significant amount of resources on research and development which fails to produce a product which is competitive in the market***

Should the Acquisition comprise a clean technology project, following the Acquisition the Company may be required to invest in research and development to create new products and enhance existing products. Research and development projects can be technically challenging and expensive, and there may be delays between the time expenses are incurred and the time the Company is able to generate revenue, if any. Anticipated customer demand for any product developed by the Company could decrease after the development cycle has commenced, and the Company could be unable to avoid costs associated with the development of any such product. If, following the Acquisition, the Company expends a significant amount of resources on research and development which do not lead to the timely introduction or improvement of a product that is competitive in current or future markets, it could harm the business of the Company.

### ***Clean and renewable energy technology is generally at an early stage of development and is, in the Directors' view, to a large extent untested***

Many facets of the clean and renewable technology markets are at an early stage of development and are, in the Directors' view, to a large extent untested. The Company may experience difficulties in producing energy in quantities needed or desired using this technology. The costs of producing electricity in this manner may not be competitive when compared with other renewable sources of electricity which may affect the support that the industry receives from governments, and the levels of international investment available to it. This may have a material adverse effect on the Company's financial condition, results of operations and prospects.

The cost and environmental effects of clean and renewable energy sources may affect the demand for various types of power and projects, such as tidal, solar, wind or geothermal. Following the Acquisition, major breakthroughs in other areas of clean or renewable energy may become more attractive than those chosen by the Company and accordingly, demand may not materialise or may drop significantly.

### ***The lack of grid infrastructure may restrict or otherwise affect the development of clean or renewable energy projects***

Clean and renewable energy sites may be selected for reasons other than access to grid infrastructure. For example, tidal and wind power sites are selected primarily with reference to those power resources. These sites may be far from major cities and far from any means of transmitting electric power to the major markets where demand for electrical power is high. To transmit electricity from these areas, it may be necessary for the Company to build more grid infrastructure. As such infrastructure is generally expensive, development of these projects may require significant investment before any return is seen. The lack of infrastructure may also restrict or otherwise negatively affect the development of any projects or assets acquired by the Company, as part of the Acquisition.

### ***Clean and renewable energy sectors are particularly prone to adverse effects from the Earth's natural forces, including the ocean's natural forces and conditions and wind conditions***

Any Acquisition within the clean or renewable energy sectors may be adversely affected by the Earth's natural forces as assets may require regular and costly maintenance and projects may be delayed or rendered impossible or uneconomically viable, in their entirety. The difficulties created by the Earth's natural forces represent challenges which must be successfully overcome in order for the Company's intentions to progress and be successful. These issues may result in the Company being required to incur additional and unanticipated costs to replace, maintain or repair equipment and systems and this may have an adverse effect on the Company's business and results of operations. In addition, these issues may result in substantial delays and material and labour costs.

***Laws and regulations covering electricity utilities and changes to such laws may present technical, regulatory and economic barriers to the purchase and use of the energy systems that the Company acquires pursuant to the Acquisition and may significantly reduce demand for such systems***

Both government regulations and policies as well as the electricity utility companies' policies and regulations heavily influence the market for electricity generation products. Governments and utilities continuously modify these regulations and policies. These regulations and policies could deter consumers from purchasing renewable energy. This could result in a significant reduction in the potential demand for the systems or products that the Company may acquire pursuant to the Acquisition.

Any adverse changes in renewable related policies could, following the Acquisition, have a material adverse effect on the Company's business, financial condition, operating results and prospects.

***A material drop in the retail price of utility-generated electricity or electricity from other sources could, following the Acquisition, harm the Company's business, financial condition and results of operations***

Following the Acquisition, decreases in the retail prices of electricity from utilities or other energy sources would harm the price-competitiveness of the business acquired pursuant to the Acquisition. The price of electricity from other sources could decrease as a result of:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy plants;
- the construction of additional electric transmission and distribution lines;
- a reduction in the price of oil, natural gas, or other natural resources as a result of market forces, new drilling techniques or other technological developments; and/or
- energy conservation technologies that provide less expensive energy.

If the retail price of energy available from utilities were to decrease due to any of these or other reasons, the Company, following the Acquisition, may be at a competitive disadvantage. As a result, the Company may be unable to attract new consumers or its products, or retain existing customers, and its growth would be limited.

***Following the Acquisition, the Company will be impacted by renewable and clean energy policies and support schemes, which may vary in different jurisdictions, and may be unfavourably modified or withdrawn in their entirety***

Any policies in force and support schemes run in any relevant jurisdiction may be amended at any time, with or without notice, and such amendments may be unfavourable to the Company's business following the Acquisition. In addition, any changes may have retrospective effects which could negatively affect the business of the Company.

### ***Natural and/or political events may reduce electricity production below expectations***

Events beyond the control of the Company, such as acts of God (including fire, flood, earthquake, storm, hurricane or other natural disasters) war, insurrection, civil unrest, strikes, public disobedience, nationalisation, national or international sanctions and embargoes, could materially adversely affect the Company, following the Acquisition.

Natural disasters, severe weather events or accidents could damage assets held by or used by the Company following the Acquisition or reduce their effectiveness or the abilities of engineers to access any relevant sites. In addition, such events might lead to litigation threats or action against the Company. This could have a negative effect on the Company's business and operations following the Acquisition. Such risks may not always constitute contractual force majeure, and it may not be possible to insure against such risks, or to insure against such risks at a rate the Company considers economically viable.

### ***Following the Acquisition, the Company may face competition from other energy supply companies and its operating results will suffer if it fails to compete effectively***

Following the Acquisition, the Company will need to compete effectively against developers of new energy products and other energy supply companies, including those supplying energy from other renewable resources and traditional energy companies such as electric utilities.

These companies may have a competitive advantage if they can realise economies of scale. Some of these competitors may also have greater brand name recognition, more established distribution networks and larger customer bases. As a result of their greater size, some of these competitors may be able to devote more resources to the research, development, promotion and sale of their products, or respond more quickly to evolving industry standards and changes in market conditions than the Company.

There is no guarantee that following the Acquisition, the Company will be able to compete effectively against such companies. Failure to do so could, following the Acquisition, have a material adverse effect on the Company's business, financial condition, operating results and prospects.

### ***The reduction or elimination of government incentive programmes, or following the Acquisition, the Company's failure to comply with such programmes may adversely affect the Company***

The clean and renewable energy sectors are characterised by the availability of government incentive programmes in many fields in which the Company may consider an Acquisition. These programmes provide various financial incentives and mechanisms (including tax credits, cash grants, tax abatements, rebates, renewable energy credits, green certificates and net energy metering programmes) that reduce the cost of clean or renewable energy. The reduction or elimination of such programmes, or the Company's failure to comply with such programmes, which may or may not be at the choice of the Company, could, following the Acquisition, have a material adverse effect on the business, financial condition, operating results and prospects of the Company.

### ***Environmental and health and safety regulation***

The Company, following an Acquisition, will be involved in operations that may be subject to environmental and safety regulation. This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree or responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may, following an Acquisition, also be unforeseen environmental liabilities which may be costly to remedy. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Company.

### **Construction and development risk**

The Acquisition may involve the purchase of assets and/or projects which are under construction or in development. As such, they may face the risk of failure to receive the necessary approvals required for the development to operate, thereby causing delays in the project timelines and increasing the project costs. Failure to gain approval can arise from changes in law or other regulatory requirements including delays or changes to required approvals, registrations, taxes and planning consents. Assets under construction face the risk that they may not be completed as expected or to the required specifications and/or may be more costly or delivered late. Where the delay is attributable to the construction contractor, the contractual protections in respect of a particular asset or project may not be as effective as intended and/or contractual liabilities in respect of the asset or project may result in unexpected costs or a reduction in expected revenues. Projects may be required to carry out alterations to those planned which involve additional construction work. The cost of these alterations may affect anticipated returns. Any adverse effect on the anticipated returns of the projects and concessions as a result of development or construction risks could have a material adverse effect on the Company's financial position, results of operations, business prospects and potential returns to investors.

### **RISKS RELATING TO THE ORDINARY SHARES**

#### ***The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing***

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this document entitled "CONSEQUENCES OF A STANDARD LISTING" on page 25 of this document. Shareholders should note that as noted in that section, Chapter 10 of the Listing Rules does not apply to the Company and as such, the Company is not required to seek Shareholder approval for an Acquisition under this Chapter (although it may be required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).

#### ***The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them***

It is the Company's duty under the Listing Rules to contact the FCA as early as possible if a Reverse Takeover has been agreed or is in contemplation, to discuss whether a suspension of the listing is appropriate. The FCA retains a general power, under Listing Rule 5.1.1.R(1), to suspend a company's securities where it considers it necessary to protect investors. The FCA may decide to exercise such power where the Company undertakes a transaction which, because of the comparative size of the Company and any target, would be a Reverse Takeover under the Listing Rules. The Listing Rules provide that generally when a Reverse Takeover is announced or leaked, there will be insufficient information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately, so suspension of trading in the listed company's securities will often be appropriate.

Any such suspension would be likely to continue until sufficient financial information on the transaction is made public and the period during which the Ordinary Shares would be suspended may therefore be significant. Depending on the nature of the Acquisition and the stage at which the fact of it becomes public or is announced, it may take a substantial period of time to compile the relevant information for the prospectus, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide, and the period during which the Ordinary Shares would be suspended may therefore be significant. A suspension of the Company's Ordinary Shares would materially reduce liquidity in such shares, which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such

Shareholder can effect such realisation.

***The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document***

The Listing Rules provide that the listing of a company's equity securities will generally be cancelled when it completes a Reverse Takeover. If the FCA decided to cancel the Company's listing in such circumstances, the Company would expect to seek the admission to listing by way of a Standard Listing or admission to trading on another appropriate listing venue at the time of completion of any such Reverse Takeover subject to the Company as enlarged by the Acquisition being eligible for such listing. The process will require the preparation and issue of a new prospectus or other required admission or listing document. The Company intends that any Acquisition will result in the Company remaining eligible for listing on an appropriate securities market or stock exchange and would expect to seek the simultaneous re-admission to such listing at the time of completion of the Acquisition, but there can be no guarantee that the Company will successfully re-complete the listing process or do so in accordance with the time frame for the Acquisition. Any failure to re-list generally or at the time of the Acquisition may have a material adverse effect on the Company's business, financial condition or results of operations. Additionally, a cancellation of the listing of the Company's Ordinary Shares would materially reduce liquidity in such shares which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such Shareholder can effect such realisation.

***The pre-emption rights in the Articles of the Company have been disapplied to facilitate the Acquisition and related transactions, and the Company may be required to raise cash through issuing substantial additional equity to complete the Acquisition, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares***

Although the Company will receive the Net Proceeds from the Placing, the Directors believe that further equity capital raisings may be required by the Company in order to complete the Acquisition, which may be substantial. The Directors have been generally authorised to issue Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares up to a maximum aggregate nominal value of £50,000,000 (fifty million pounds) to facilitate the Acquisition. If the Company does offer its Ordinary Shares as consideration in making the Acquisition, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. If a target has a large shareholder, the Company's issue of new Ordinary Shares may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence on the Company. The pre-emption rights contained in the Articles have also been disapplied in relation to the issue of new Ordinary Shares for cash pursuant to the Placing and subsequently in connection with: (a) an offer to holders of ordinary shares; (b) the Company's proposed Admission; (c) the Acquisition, or in connection with the restructuring or refinancing of any debt or other financial obligation relating to the Acquisition; (d) up to an aggregate nominal amount of 500% of the nominal value of the issued Ordinary Shares (as at the close of the first business day following Admission). See paragraph 3.4 of *Part VII: Additional Information* for further details. The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of new Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder. See also the risk factor entitled "*The Company may be subject to restrictions in offering new Ordinary Shares as consideration for the Acquisition or may have to provide alternative consideration which may have an adverse effect on its operations. In addition, the use of new Ordinary Shares as consideration could result in significant dilution of existing shareholders*" on page 16 of this document in respect of the risks associated with non-cash offers by the Company.

***Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future.***

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future (see further paragraph 62, *Dividend policy* in *Part IV: Share Capital, Liquidity and Capital Resources and Accounting Policies* below). The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Directors. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

***The Company may be unable or unwilling to transition to a Premium Listing in the future***

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time after the Acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the difference in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 25 of this document.

Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

***Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Placing Price.

***There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares***

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior history when making their decision to invest. The price of the Ordinary Shares after issue can also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange or another suitable listing venue, it cannot assure you that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

### ***Fluctuations and volatility in the price of Ordinary Shares***

Stock markets have from time-to-time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

### ***The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited***

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. A number of the Directors are not residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under the country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents the UK or of countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

### **RISKS ASSOCIATED WITH SUSPENSION, RE-ADMISSION AND COST OF COMPLIANCE WITH A STANDARD LISTING**

#### ***The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material***

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material due to the Company's relatively small size on Admission. If the Company is unable to complete the Acquisition within 24 months of Admission, these costs may become difficult to sustain for a materially longer period. If the Acquisition is not completed before the date falling 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the anniversary of Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to the Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote. If a decision is made to continue to pursue the Acquisition for a further year, then further capital may need to be raised.

The listing of the Company's securities may be cancelled if the Company no longer satisfies its continuing obligations under the Listing Rules, which includes that a sufficient number of Ordinary Shares are in public hands, as defined in the Listing Rules, at all times.



## **RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST**

***The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Acquisition***

None of the Directors are required to commit their full time or more than a minimum of three days per month to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company does not intend to have any executive officers or full-time employees prior to the completion of the Acquisition. The Directors are engaged in other business endeavours and are not obligated to devote any significant number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to complete the Acquisition.

***The Directors are currently affiliated and may in the future become affiliated with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Company and may have conflicts of interest in allocating their time and business opportunities***

Each of the Directors has, is currently or may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those intended to be conducted by the Company.

In addition, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company. In such instances they may decide to present these business opportunities to other entities with which they are or may be affiliated, in addition to, or instead of, presenting them to the Company. Due to these existing or future affiliations, the Directors may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Company cannot provide any assurance that any of the Directors will not become involved in one or more other business opportunities that would present conflicts of interest in the time they allocate to the Company. In addition, the conflict of interest procedures described in *PART II: DIRECTORS AND CORPORATE GOVERNANCE* of this document may require or allow the Directors and certain of their affiliates to present certain acquisition opportunities to other companies before they may present them to the Company.

***One or more Directors may negotiate employment or consulting agreements with a target company or business in connection with the Acquisition. These agreements may provide for such Directors to receive compensation following the Acquisition and as a result, may cause them to have conflicts of interest in determining whether a particular acquisition is the most advantageous for the Company***

The Directors may negotiate to remain with the Company after the completion of the Acquisition on the condition that the target company or business asks the Directors to continue to serve on the board of directors of the combined entity. Such negotiations would take place simultaneously with the negotiation of the Acquisition and could provide for such individuals to receive compensation in the form of cash payment and/or the securities in exchange for services they would render to it after the completion of the Acquisition. The personal and financial interests of such Directors may influence their decisions in identifying and selecting a target company or business. Although the Company believes the ability of such individuals to negotiate individual agreements will not be a significant determining factor in the decision to proceed with an acquisition, there is a risk that such individual considerations will give rise to a conflict of interest on the part of the Directors in their decision to proceed with an acquisition. The determination as to whether any of the Directors will remain with the combined company and on what terms will be made at or prior to the time of the Acquisition.

***The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company and the Directors***

The Directors and one or more of their affiliates may in the future enter into other agreements with the company that are not currently under contemplation. It is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors.

Historical results of prior investments made by, or businesses associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

Shareholders are directed to the information set out in the descriptions of the Directors in *PART II DIRECTORS AND CORPORATE GOVERNANCE*. The information set out therein is presented for illustrative purposes only and Shareholders are cautioned that historical results of prior investments made by, or businesses or transactions associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

## **RISKS RELATING TO TAXATION**

***Taxation of returns from assets located outside the UK may reduce any net return to Shareholders***

It is possible that any return the Company receives from any assets, company or business which the Company acquires, and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

***Changes in tax law may reduce any net returns for Shareholders***

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

***There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner***

It is intended that the Company will structure the group, including any company or assets acquired in any Acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

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

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares (issued and to be issued pursuant to the Placing) to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules at Listing Rule which applies to all companies with their securities admitted to the Official list.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25% of the shares of the class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 25% of the shares of any listed class in public hands at all times in one or more EEA states and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure Guidance and Transparency Rules.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing and reverse takeovers). On completing a Reverse Takeover, the Company's existing Standard Listing will be cancelled, and the Company intends to apply for a new Standard Listing or a listing on another appropriate securities market or stock exchange for the ordinary share capital of the Company. The granting of a new Standard Listing or a listing on another appropriate securities market or stock exchange following a Reverse Takeover cannot be certain. The Company may have its listing suspended in the event of a Reverse Takeover. These situations are described further in the "Risk Factors" section of this document.

On announcing a Reverse Takeover (or in the event of a leak of information prior to announcement),

the Ordinary Shares would typically be suspended unless sufficient information was available to Shareholders and the wider market in the form of an approved new prospectus. This will be discussed with the FCA at the time. During the period of suspension, the Company would remain subject to the continuing obligations of a Standard Listing.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document, the Placing or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that the Acquisition, and any subsequent additional acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR7.3 relating to related party transactions. DTR7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and to (i) make an announcement (ii) gain board approval and (iii) ensure the related party or their associates do not vote in any resolution, relating to material related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

**IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE PREMIUM LISTING RULES (WHICH DO NOT APPLY TO THE COMPANY), NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER, THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.**

### **IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS**

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules, UK MAR and to the extent applicable, EU MAR, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any other member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

## **FORWARD-LOOKING STATEMENTS**

Some of the statements under "Summary", "Risk Factors", "*Part I: Information on the Company, Investment Opportunity and Strategy*" and elsewhere in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to identify suitable acquisition opportunities or the Company's success in completing an Acquisition and to propose effective growth strategies for any company or business the Company acquires;
- the Company's ability to ascertain the merits or risks of the operations of a target company or business;
- the Company's ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally (and specifically in the market in which any Acquisition is made);
- impairments in the value of the Company's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the

Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and

- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of *Part VII: Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Subject to its legal and regulatory obligations (including under the UK Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the UK Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the UK MAR and, to the extent applicable, EU MAR. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

#### **PRESENTATION OF FINANCIAL INFORMATION**

The Company is newly formed and as at the date of this prospectus has not commenced operations and has no assets or liabilities, and therefore no statutory financial statements have been prepared as at the date of this prospectus. All future financial information for the Company is intended to be prepared in accordance with IFRS. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the Placing.

#### **NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS**

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa except in accordance with the laws of such jurisdiction. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

#### **NOTICE TO EEA SHAREHOLDERS**

In relation to each member state of the EEA (each a relevant member state) with effect from and including the date on which the EU Prospectus Regulation came into force in the relevant member state (the “**relevant date**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the EU Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;
- (b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.



## **NOTICE TO OVERSEAS SHAREHOLDERS**

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales and some of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

## **NOTICE TO ALL SHAREHOLDERS**

Copies of this document will be available on the Company's website [www.nziplc.com/investors](http://www.nziplc.com/investors) from the date of this document until the date which is one month from the date of Admission.

## **THIRD PARTY INFORMATION**

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **DATA PROTECTION**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of

protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

#### **DEFINED TERMS**

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in

*PART VIII: Definitions*, starting on page 93 of this document.

## **CURRENCY**

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “€” or “euro” are to the lawful currency of the Euro zone countries; and all references to “\$”, “US\$”, “US dollars” or “USD” are to the lawful currency of the US.

## **NO INCORPORATION OF WEBSITE TERMS**

Except to the extent expressly set out in this document, neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

## **NOTICE 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 (“Directive 2014/65/EU”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU, in the case of (a) and (b), to the extent that they form part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of the European Union (Withdrawal Agreement) Act 2020); and (c) other 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 MiFID II 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 Directive 2014/65/EU or the UK MiFID Laws (as applicable); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU, or the UK MiFID Laws, as applicable; 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.

## VALIDITY OF PROSPECTUS

The prospectus was approved on 8 September 2021 and is valid for a period of one year from that date. The prospectus will therefore cease to be valid on 7 September 2022. Should a significant new factor occur, or material mistake or inaccuracy be identified during the validity period, the Company would be required to issue a supplement in accordance with the Prospectus Regulation Rules. After the period of validity has expired, the Company is no longer under an obligation to issue such a supplement.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	8 September 2021
Announcement confirming results of the Placing	9 September 2021
Admission and commencement of unconditional dealings in Ordinary Shares	8 a.m. on 14 September 2021
CREST members' accounts credited in respect of Ordinary Shares in uncertificated form	14 September 2021
Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than	21 September 2021

All references to time in this document are to London time unless otherwise stated.

## PLACING STATISTICS

Number of Existing Ordinary Shares	10,700,000
Placing Price	3 pence per Ordinary Share
Number of Placing Shares	50,000,000
Enlarged Share Capital in issue following the issue of the Placing Shares and Admission	60,700,000
Percentage of Enlarged Share Capital represented by Placing Shares	82.37%
Gross proceeds of the Placing	£1,500,000
Proceeds of the Placing receivable by the Company (after deduction of transaction costs)	£1,227,150
Number of Ordinary Shares to be issued pursuant to the Warrants	7,891,000
Percentage of share capital represented by Ordinary Shares issued pursuant to the Warrants (assuming all Warrants are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares issued pursuant to the Warrants only)	11.50%

Placing statistics assume the Placing is fully subscribed.

## DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BNK8T635
SEDOL	BNK8T63
TIDM	NZI
LEI	9845001BBDTAEEDC4Q16

## DIRECTORS, AGENTS AND ADVISERS

Directors	Michael Ellwood (Non-executive Director and Chairman) Brian Basham (Non-executive Director) James Wharton (Non-executive Director) Alejandro Ciruelos (Non-executive Director)  <i>(All c/o the registered office)</i>
Company Secretary	MSP Corporate Services Limited Eastcastle House 27 - 28 Eastcastle Street London W1W 8DH
Corporate Adviser	Alexander David Securities Limited 49 Queen Victoria Street London EC4N 4SA
Registered Office	1 Charterhouse Mews London EC1M 6BB
Placing Agent and Broker from Admission	Axis Capital Markets Limited 27 Clements Lane London EC4N 7AE
UK Solicitors to the Company	Crowell & Moring Tower 42 25 Old Broad Street London EC2N 1HQ
Auditors and Reporting Accountants	Anstey Bond LLP 1 Charterhouse Mews London EC1M 6BB
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Bankers	Santander UK PLC Bridle Road Bootle L30 4GB

Website	<a href="http://www.nziplc.com">www.nziplc.com</a>
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## PART I

### INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY

#### 1. Introduction

Net Zero Infrastructure PLC is a company incorporated in England and Wales, formed for the purpose of acquiring a company or business in the clean and renewable energy sectors, that it would develop and grow.

The Company was incorporated on 1 March 2021 with an initial share capital of £100 divided into one hundred shares of £1 each. On 29 April 2021 these shares were sub-divided into a total of 10,000 Ordinary Shares with a par value of £0.01 each. On the same date, the Company raised £99,900 by the allotment of 1,248,900 Ordinary Shares to each of Director Michael Ellwood, David MacLean and Alice Berry (née Robinson), 1,248,800 Ordinary Shares to Andrew Duckworth and 998,900 Ordinary Shares to each of Charles Duckworth, Christopher Ringham, Lee Morris, Patrick Gormley and Director Brian Basham. On 16 July 2021, the Company issued 500,000 Ordinary Shares to Axis Capital and 200,000 Ordinary Shares to Alexander David Securities Limited. These Ordinary Shares were issued at par value and have been paid up in full.

On 28 July 2021 the Company re-registered as a public limited company.

The Company has conditionally raised gross proceeds of a further £1,500,000 through the Placing. The Company has not yet commenced operations and the Net Proceeds of the Placing are expected to be used to finance all or a portion of the cash consideration for the identification and acquisition of a clean or renewable energy company or business as further described below. If the Directors deem appropriate and as required, the Company may subsequently seek to raise further capital for the purposes of the Acquisition.

The Board is responsible for the Company's objectives and business strategy and its overall supervision, including the approval of the Acquisition. The Board will also be responsible for the identification and evaluation of acquisition opportunities, the structuring and execution of the Acquisition and determination and execution of strategy for the acquired company or business. The Board has considerable experience in identifying and assessing acquisition targets and in executing such transactions. The Acquisition is required to establish the Company's presence in the clean and renewable energy sectors and will form the basis of the Company's growth in those sectors. It is not intended that the Company acquire minority stakes in any entities but that it acquires and operates renewable or clean energy businesses.

The process of the Acquisition, being a Reverse Takeover, will require the Company's listing to be cancelled and for the Company as enlarged by the Acquisition to be re-admitted to the Official List or admitted to any other appropriate securities market or stock exchange. This process will require the Company to issue a further prospectus or listing or admission document giving details of the target of the Acquisition and the Company's business and activities as enlarged by the Acquisition, and to satisfy the eligibility criteria of the FCA or other stock exchange at that time. The Company will not seek Shareholder approval at a general meeting in respect of the Acquisition, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

#### 2. Background to the target sector and opportunity

In 2019, the United Kingdom became the first major economy in the world to pass laws to end its contribution to global warming by 2050 and, on 20 April 2021, the UK government announced a new target to reduce national emissions by 78% by 2035. This new target was enshrined into law in June 2021 pursuant to the Carbon Budget Order 2021 (SI 2021/750). It meets the recommendation of the Climate Change Committee, which advised on the net zero target for 2050. The Climate Change Committee also recommended that low carbon investment scale up to £50 billion each year for this purpose.

In light of this, the Directors consider there to be significant commercial opportunities in the renewable and clean energy sectors which, in their view, will play an increasingly significant role in meeting future

energy needs. To date, the Directors believe that the majority of investment in these sectors has been made with a focus on delivering specific renewable technologies and projects rather than on the supply chain and infrastructure which enable such technologies and projects to operate. The Directors expect these infrastructure assets, which are critical to achieving the net zero target, to offer stable long term cash flows to investors. They include the following in particular:

- **Energy Parks and Hubs.** Following the closure of a fossil fuel-burning power station, it may be possible to build a new energy generation project in its place which could take advantage of the previous power station's connectivity to the National Grid. The Directors believe that there are opportunities to acquire former power stations and industrial plants, decommission them and then repurpose the sites to provide companies with access to the supply network or to develop clean and renewable energy projects, either alone or in partnership with others.
- **Battery Storage.** The technology for storing either spare heat or electricity generated by renewable energy systems can be used to reduce the risk of renewable power being curtailed at times when supply of electricity outstrips demand. Battery storage is particularly efficient when clustered around existing high-capacity connection sites, so the Directors believe it would be possible to establish battery storage facilities in the energy parks and hubs, or otherwise as a standalone investment.
- **Power Grids.** Interconnection allows the distribution and use of renewable power to be shared at times of peak production. It enables markets to maintain high levels of generation from intermittent renewables rather than curtailing generation when it is not required to meet demand. The Directors believe that opportunities exist to develop interconnection transmission systems in conjunction with power networks and to cluster development around the power networks.
- **Carbon Capture.** Carbon capture and storage is the process of capturing and storing carbon dioxide ("**CO<sub>2</sub>**") before it is released into the atmosphere. This technology can capture up to 90% of CO<sub>2</sub> released by burning fossil fuels in electricity generation and industrial processes (such as cement production).
- **Hydrogen Fuel.** The Directors believe that there are opportunities to invest in hydrogen fuel production located at industrial plants or end user facilities. Hydrogen is a clean fuel that, when consumed in a fuel cell, produces only water as an emission. Hydrogen can be produced from a variety of domestic resources, such as natural gas, nuclear power, biomass, and renewable power like solar and wind. These qualities make it an attractive fuel option for transportation and electricity generation applications. It can be used in vehicles, in buildings (including multifamily and commercial buildings), for power generation, and has many other applications.

For the reasons outlined above, the Company has been established to make an acquisition of a company, asset, project or business in the renewable and clean energy sectors. The Directors intend to focus principally on the categories of "net zero" infrastructure assets listed above but will consider any other investment opportunities in these sectors which are expected to generate additional Shareholder value in the Company.

The Directors believe there are companies in the clean and renewable energy sectors that, through their founders' lack of experience or contacts in the financial industry, have been unable to source sufficient investment finance through the capital markets which would allow them to be more rapidly developed. Given that capital can be difficult to access for such companies, the Directors believe that there is an opportunity for the suppliers of such capital to offer viable funding solutions to these companies in order to allow them more rapid expansion.

The Directors believe that a number of criteria must be satisfied in order to maximise the Company's potential for success. These criteria include the ability to:

- source opportunities and analyse the risks and potential returns arising from making an acquisition of a target company, business, project or asset;



- undertake detailed due diligence of the structural and general corporate matters around making any acquisition;
- ensure that any acquisition has suitable management for the acquired operation and if necessary, strengthen their management teams with the Board or additional board appointments;
- negotiate advantageous terms in order to acquire the project, company, business or asset;
- use the listed paper and any debt facilities the Company enters into to raise sufficient funds to ensure the long-term viability any acquisition; and
- seek/raise additional investment at the appropriate time in order to maximise the returns for the Company.

Given the composition and experience of the Board, the Directors believe that the Company is able to satisfy the above criteria. The Directors believe that the combination of its experience and the criteria listed below will enable the Company to identify a suitable opportunity for acquisition that can generate additional Shareholder value in the Company.

### **3. Company objective, business strategy and execution**

#### ***Objective***

The Company's objective is to acquire a business, company, asset or project in the clean and renewable energy sectors in order to generate an attractive rate of return for Shareholders. This may be achieved predominantly through capital appreciation, by taking advantage of opportunities to invest in the clean and renewable energy sectors and operating the companies or businesses that it acquires.

The Directors' intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a company which is listed on the Official List, with cash, access to capital markets and the know-how to develop the business.

#### ***Investment strategy***

The Company will be focused on the identification and acquisition of companies, businesses, projects or assets which:

- are run by management with a strong track record of generating growth for shareholders and a proven experienced business record;
- have solid commercial prospects within the clean and renewable energy sectors;
- have a compelling case for providing the foundation or platform for a scalable business which generates substantial and sustainable free cash flow over time;
- have the ability to grow with additional capital or be replicated in other markets;
- have a sustainable competitive advantage or a unique selling proposition, perhaps arising from a compelling asset that can be exploited over the long term, or a product or service that is in high demand;
- have the potential for near-term cash flow and development success;
- have the potential for a significant return for the Company's shareholders; and
- can be funded adequately to be able to deliver a realistic plan of achieving credible milestones and significant growth opportunities for Shareholders.

The criteria set out above are not intended to be exhaustive. Any evaluation relating to the merits of a particular acquisition will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant to the Company's business objectives and strategy by the Directors at the time.

### **Execution**

In the first instance, the Company is seeking to make an acquisition within approximately 24 months of Admission which would be deemed a Reverse Takeover and to this end, the Company seeks to identify and acquire a company or business in the target sector, which it will thereafter operate. It is envisaged that the company or business acquired (the "**Acquisition**") will have an enterprise value of between £5 million and £50 million. The Directors' preference is for the Company to acquire 100% of any potential target in the Acquisition, to obtain the full benefit of its growth prospects. An equity interest, however, of less than 100% will be considered, provided that the Company will always acquire a controlling interest in any target. The Company intends to acquire one company or business only in the Acquisition but will review on an ongoing basis whether it is in the interests of the Company or the target acquired to pursue any additional acquisitions to the Acquisition, in order to complement the Acquisition and further develop its business.

Whilst the precise form of consideration for the Acquisition cannot be determined at this time and will depend on a number of factors including the identity of the target the subject of the Acquisition, market conditions and other factors outside of the Company's control, the Directors expect that funds from the Placing will primarily be applied to the Acquisition. Depending on the company or business acquired in the Acquisition, the Company may require additional funding in order to successfully complete the Acquisition. If the Directors deem appropriate and as required, the Company may subsequently seek to raise further capital for the purposes of the Acquisition. Additionally, the Company may seek a secondary listing of the Ordinary Shares on an overseas securities market or stock exchange if the Directors decide that this would be likely to facilitate the Acquisition or the raising of additional funding.

The initial equity capital base of the Company will be relatively small compared with the likely value of the Acquisition so it is anticipated that the Company will use Ordinary Shares as a material element of the consideration for the Acquisition. As the Acquisition is expected to be of a target valued at substantially more than the Company it will constitute a Reverse Takeover, and a new prospectus and a new Standard Listing application, or the appropriate listing or admission document in respect of a listing on an alternative securities market or stock exchange, will be required for the enlarged group.

The vendors of the Acquisition may receive a controlling stake in the Company as part of the transaction, which may well also result in a person or concert party owning 30% or more of the then issued Ordinary Shares. As the vendors of the Acquisition are unlikely to be connected with the Company and/or own any Ordinary Shares, the Company would in such circumstances apply for dispensation under Rule 9 of the City Code, through a vote of independent Shareholders (known as a "**Whitewash**"). The Company would send a circular to Shareholders setting out the information required under the City Code for a Whitewash and will require their vote at a general meeting. The Company will not otherwise seek Shareholder approval at a general meeting in respect of the Acquisition, which will represent a Reverse Takeover, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons. It is expected that concurrently with the Acquisition the Company will need to raise new capital (which could be substantial) by making an offer of new Ordinary Shares for cash.

The Acquisition is more likely to be successfully completed if the vendors agreed to receive Ordinary Shares as a material element of the consideration and the Company is able to raise additional capital through the issue of new Ordinary Shares. It is likely that completion of the Acquisition will be contingent on these events.

As set out in more detail in *PART II: DIRECTORS AND CORPORATE GOVERNANCE*, the Board brings considerable expertise that is specifically relevant to this stage of the Company's development; in particular, in relation to identifying, assessing and executing the Acquisition, and negotiating and securing the required financing for the Acquisition.

The Board has a focus on financial, transactional, legal and strategic expertise, and these are key strengths that they will bring to the enlarged business following the Acquisition. The Board believes that

these are the most important areas of expertise for the Company at this stage of its development, where the focus is to identify, finance and execute the Acquisition.

To implement its acquisition strategy, the Company intends to leverage the Directors' financial, technical and commercial expertise, and to identify potential targets for the Acquisition through the Directors' extensive network of contacts spanning renewable energy companies and corporate finance and broking houses, in particular those in the UK.

One of the key considerations when assessing the Acquisition will be the quality of the operational management. It would be expected that, following the Acquisition, one or more of the senior management team of the acquired company or business would join the Board in order to add operational expertise at that point, especially in relation to the Acquisition. Information on the new directors would be detailed in the prospectus or other listing document that will accompany a Reverse Takeover. Additional directors and management may also be recruited externally if the Board identifies such a requirement.

The Board will only pursue an acquisition if it believes that the terms of the Acquisition offer an opportunity to the holders of the Ordinary Shares to achieve attractive returns. The Directors are incentivised to achieve such returns through an aggregate holding of (or interest in) 2,250,000 Ordinary Shares (which is not expected to change on Admission) (see *PART VII: PART VII*

ADDITIONAL INFORMATION paragraph 9.1 for further information) subject to lock-in arrangements described in paragraph 10.7 of *PART VII: Additional Information*. Following completion of the Acquisition, the Company intends to implement a strategy designed to maximise Shareholder value by optimising the capital structure of the acquired activities, implementing disciplined operational improvements and strengthening management including through the services of the Directors who may assume executive roles.

### ***Due diligence***

Prior to any acquisition, including the Acquisition, the Company will undertake an appropriate due diligence exercise. This due diligence process will include a review of all relevant concerns regarding the target, as well as a consideration of the structure of the Acquisition. The process will be tailored to the individual situation and the relevant opportunity, and it is not currently possible to ascertain with any degree of certainty the length of time and costs associated with such a process. However, the due diligence process would normally be expected as a minimum to include, among other things:

- meetings with incumbent management and employees;
- visits to sites and facilities;
- review of all key documents and arrangements of the target in order to produce a due diligence report addressing corporate, contractual and regulatory issues as well as broader legal information such as litigation, material contracts, employment contracts, transparency and anti-corruption policies, intellectual property holdings and relevant transactions; and
- a financial due diligence report setting out, in the case of a target with a trading history, the key points of any financial reports concerning the target for the preceding three years and any issues that have arisen from audits of that target. The report will also consider the financial controls and reporting procedures adopted in respect of the target investment and to be implemented on completion of the Acquisition. Close attention will be paid to the business plan proposed by any managers of the target and the associated working capital requirements.

### ***Assumptions***

The Company's objective and business strategy are based on a number of assumptions (including those which are set out in "Risk Factors"), including the following two key assumptions:

- the willingness of stakeholders in the target company or business (and/or of external investors) to accept or acquire shares in the Company as part of the Acquisition; and

- the availability of any potential acquisition (which depends, in part, on the immediately above point).

### **Regulatory Environment**

As a cash shell, the Company does not operate in a sector which is subject to a particular regulatory regime (over and above the regulatory regime governing companies incorporated in England and Wales) which would materially affect its business, nor are there any governmental, economic, fiscal, monetary or political policies or factors that have materially affected its business to date.

At the time the Company completes the Acquisition, the Company could become subject to the regulatory regime applicable to the sector in which the company or business it acquires operates. The Company further considers that there may be governmental, economic, fiscal or political policies or factors that could materially affect the Company's operations following such an acquisition. However, as the general trend of such policies and factors are to favour clean and renewable power sources and equipment, the Company considers such factors will be positive for the Company's future operations. In any event, the Company will consider such matters in its overall assessment of the Acquisition.

### **4. The Company's competitive strengths**

The Directors believe that the Company should be well-placed to compete against other market participants of a similar size in the clean and renewable energy sectors due to the collectively strong track record, understanding and experience of its Board in identifying, pursuing and maximising the potential opportunities and the Directors' extensive network of contacts, as outlined in this *PART I: INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY* and in *PART II: DIRECTORS AND CORPORATE GOVERNANCE*. Additionally, the Company has considerable flexibility in how it would be able to finance the consideration for the Acquisition, which will include the Net Proceeds together with the potential to incur indebtedness and/or to issue further listed equity (whether to raise additional cash or as transaction consideration).

### **5. Use of proceeds**

The gross proceeds of the Placing (£1,500,000) will be used to pay the expenses of Admission and the Placing (£272,850) (as further described in *PART III: THE PLACING* and at paragraph 17 of *Part VII: Additional Information*) and the Company's ongoing costs and expenses (as further described in the relevant paragraph of *PART IV: SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES*).

The Net Proceeds (£1,227,150) will be used to investigate, carry out due diligence in respect of, evaluate potential opportunities for, and pay part or all of the consideration (if paid in cash) for, the Acquisition, as described above in paragraph 3 *Company objective, business strategy and execution*, and for associated costs including initial due diligence, directors' and advisers' fees, and other costs of sourcing, reviewing and pursuing the Acquisition.

The Directors expect that it may be necessary to raise further funds in order to complete any Acquisition, including the fees of financial, tax, legal, accounting, technical and other advisers.

## PART II

### DIRECTORS AND CORPORATE GOVERNANCE

#### 1. The Board and the Directors

The Board comprises four Directors, Michael Ellwood, Brian Basham, Alejandro Ciruelos and James Wharton, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development and are well placed to implement the Company's business objective and strategy. The Directors are senior managers of the Company. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed, and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

**Michael Ellwood** *Non-executive director and chairman (age 60)*

Michael is an experienced corporate banker having previously been Managing Director of RBS Structured Finance. Most recently, as Head of Corporate and Commercial Banking at Santander U.K. Ltd in London, he assisted in establishing Santander in the U.K. corporate banking market, with a significant presence in the renewable and infrastructure sector.

He sat on both the U.K. Executive Committee and the Global Coverage Board for the Investment Bank and was also a senior member of the U.K. Credit Committee.

Michael now has a portfolio of non-executive roles across a variety of sectors.

**Brian Basham** *Non-executive director (age 77)*

Brian Basham is a former investigative journalist, Mergers & Acquisitions communications specialist and entrepreneur. He started his career in journalism with City Press, then moved to the Daily Mail, the Daily Telegraph and The Times. After a brief spell as a fund manager, he moved into public relations, joining John Addey Associates.

Brian has been a founding member of a number of companies, including Broad Street Group, Primrose Care, Equity Development and ArchOver. He has also advised the chairmen and chief executives of many large companies and organisations, including British Airways, Hanson, BAe Systems, Tesco, Guinness, Safeway, Wimpy, Saatchi and Saatchi, Age Concern and the British Association of Pension Funds.

**Alejandro Ciruelos** *Non-executive director (age 40)*

Alejandro is a Managing Director at Sustainable Development Capital LLP ("**SDCL**") where he heads the renewable energy and power practice of the firm. He has 15 years of experience in structuring, financing, investing and raising capital for power and infrastructure projects and corporations. Alejandro has participated twice as an expert witness in the UK Energy and Climate Change Committee and co-authored Renewable Energy Finance: Powering the Future.

Prior to joining SDCL Alejandro was a Managing Director and member of the executive leadership team of Santander Corporate & Investment Banking in London where he was responsible for the origination, structuring and placement of private debt and equity products.

**James Wharton** *Non-executive director (age 37)*

James is a British Conservative Party politician who entered the House of Lords as Baron Wharton of Yarm in September 2020.

Prior to this, he served as the Member of Parliament for his home constituency of Stockton South from 2010 to 2017 and served as the Northern Powerhouse Minister at the Department for Communities and Local Government. He also served as the Minister for Africa at the Department for International Development. James' early career was as a solicitor working for a firm in the North East of England.

James now has a number of roles including Chair of the Office for Students, England's Higher Education regulator.

Further details of the Directors' letters of appointment are set out in paragraph 9.4 of *Part VII: Additional Information* of this document.

## **2. Independence of the Board**

None of the Directors are considered to be "independent" (using the definition set out in the Corporate Governance Code). It is intended that additional directors, both executive and non-executive, will be appointed at the time of the Acquisition and that independence will be one of the factors taken into account at that time.

## **3. Strategic decisions**

### ***Members and responsibility***

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board. The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business both prior to and following an Acquisition. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

The Acquisition will be subject to Board approval. If the Acquisition is not completed within 24 months of Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission, or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote.

## **4. Corporate governance**

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the Corporate Governance Code insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board, except that:

- given the size of the Board and the Company's current non-operational status, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company;

- until an Acquisition is made the Company will not have separate audit and risk, nomination or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the Directors' fees, taking into account the interests of Shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following the completion of an Acquisition, the Board intends to put in place audit and risk, nomination and remuneration committees;
- the Corporate Governance Code recommends the submission of all directors for re-election at regular intervals. None of the Directors will be required to be submitted for re-election until the first annual general meeting of the Company following an Acquisition; and
- the Board does not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the chairman, should comprise non-executive directors determined by the Board to be independent. In addition, the Company has not appointed a senior independent director. The Company intends to appoint additional independent non-executive directors following the Acquisition so that the Board complies with these provisions.

The Company has adopted UK MAR-compliant policies regarding directors' dealings.

The Company will not seek Shareholder approval at a general meeting in respect of the Acquisition, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

## **5. Conflicts of interest**

### ***General***

Whilst there are no material conflicts of interest pertaining to the offer or admission to trading, potential areas for Directors' conflicts of interest in relation to the Company on other matters include:

- the Directors are required to commit a limited amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- the Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business as a condition to any agreement with respect to the Acquisition.

Accordingly, as a result of these multiple business affiliations, each of the Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may

refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities. Additionally, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are or may be affiliated.

#### ***Other conflict of interest limitations***

To further minimise potential conflicts of interest, in the event that the Company intends to acquire an entity that is an affiliate of any of the Directors (for example, an entity of which any Director is a director or significant shareholder), such Director shall not take part in any aspect of the Acquisition. Notwithstanding the provisions of the Articles, such Director shall not vote on any board decisions in relation to the Acquisition (nor shall they form part of the quorum required for any such board meetings).

The Directors are free to become affiliated with other entities engaged in similar business activities prior to its identifying and acquiring a target company or business. Each of the Directors has agreed that if such person or entity becomes involved following the date of this document and prior to the completion of the Acquisition with entities with similar acquisition criteria to the Company's, any potential opportunities that fit such criteria would first be presented to the Company.

#### **6. Lock-in agreements**

Each of the Directors, Axis Capital, Alexander David and the existing shareholders has undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the Existing Ordinary Shares and in any additional shares acquired by them prior to the Orderly Market Date, for the period commencing on the date of Admission until the day after completion of the Acquisition. Following the Acquisition, for a period of 12 months, each such party has undertaken to the Company that they will not dispose of any such interest other than with the prior written consent of both the Company and its broker and will only make such disposals through the Company's broker. Further details of the lock-in agreements are set out in paragraph 10.7 of *Part VII: Additional Information* of this document.



## PART III

### THE PLACING

#### **Description of the Placing**

Under the Placing, gross proceeds of £1,500,000 before expenses have been raised and 50,000,000 Placing Shares have been subscribed by, and will, conditional on Admission, be issued to, investors at the Placing Price of 3 pence per Ordinary Share. Net of the cash expenses of Admission (expected to be approximately £272,850, including irrecoverable VAT), this will be approximately £1,227,150. The Placing will only be completed if the full £1,500,000 is raised.

The Company intends to apply the Net Proceeds in pursuit of the objective set out in paragraph 3, *Company objective, business strategy and execution*, and in accordance with paragraph 5, *Use of proceeds*, in *Part I: Information on the Company, Investment Opportunity and Strategy*.

The Placing has been offered to investors in the United Kingdom and certain other jurisdictions by way of placing letters on substantially similar terms. Conditional on, amongst other things, Admission occurring on or prior to 14 September 2021 (or such later time and/or date as may be agreed with the Company's placing agent, being not later than 31 October 2021), each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter. Each investor has paid, or will on Admission pay, the Placing Price for the Placing Shares subscribed for by it to Company's bank account or to the placing agent for the account of the Company as set out in such investor's placing letter. The Placing is also conditional on the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms before Admission.

The completion of the Placing is conditional on Admission taking place. If Admission does not occur for any reason, monies received under the placing letters will be returned without interest. The Placing is not being underwritten, and no entities have given a firm commitment to act as intermediaries in secondary trading or to provide liquidity through bid and offer rates nor are any stabilisation mechanisms in place in respect of the Ordinary Shares. There are no over-allotment facilities or 'green shoe' in existence in respect of the Placing and Admission. Multiple subscriptions from one party will be aggregated and considered one subscription.

Confirmation of the completion of the Placing will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 14 September 2021 (or such later time and/or date as may be agreed, being not later than 31 October 2021).

The Placing Shares have been made available to institutional and certain non-institutional investors in the UK and certain other jurisdictions. In accordance with Listing Rule 14.2.2, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

#### **Equity commitment of the Directors, major shareholders and significant investors**

The Company was incorporated on 1 March 2021 with an initial share capital of £100 divided into one hundred shares of £1 each. On 29 April 2021 these shares were sub-divided into a total of 10,000 Ordinary Shares with a par value of £0.01 each. On the same date, the Company raised £99,900 by the allotment of 1,248,900 Ordinary Shares to each of Director Michael Ellwood, David Gordon MacLean and Alice Berry (née Robinson), 1,248,800 Ordinary Shares to Andrew Duckworth and 998,900 Ordinary Shares to each of Charles Duckworth, Christopher Ringham, Lee Morris, Patrick Gormley and Director Brian Basham. On 16 July 2021, the Company issued 500,000 Ordinary Shares to Axis Capital and 200,000 Ordinary Shares to Alexander David Securities Limited. These Ordinary Shares were issued at par value and have been paid up in full.

The following table sets out, to the extent known to the Company, subscriptions under the Placing made by major Shareholders, members of the Company's management, supervisory or administrative bodies, and investor subscriptions, for more than 5% of the Placing Shares:

<b>Name</b>	<b>Description</b>	<b>Ordinary Shares being subscribed for in the Placing</b>	<b>Percentage of Placing Shares being subscribed for</b>	<b>Percentage of Ordinary Shares held at Admission</b>
John James Dering Nettleton	Investor	4,500,000	9.00%	7.41%
Andrew Blow	Investor	2,500,000	5.00%	4.12%
Leon Hogan	Investor	5,000,000	10.00%	8.24%
360HK Limited	Investor	5,000,000	10.00%	8.24%
James Constable	Investor	6,000,000	12.00%	9.88%

### **Admission, dealings and CREST**

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 14 September 2021 (or such later time and/or date as may be agreed between the Company and the placing agent, being not later than 31 October 2021). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Application will be made for all the issued and to be issued Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the ordinary Shares following Admission may take place through CREST.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Placing will receive Ordinary Shares in certificated form.

### **Placing arrangements**

The Company and Axis Capital have entered into the Placing Agreement pursuant to which Axis Capital has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional on, among other things, Admission. The Placing Agreement does not include any underwriting obligations.

The Placing Agreement contains certain warranties and an indemnity from the Company in favour of Axis Capital. Axis Capital is entitled, in certain circumstances, to terminate the Placing Agreement (and the arrangements associated with it) prior to Admission including in force majeure circumstances or for material breach of the warranties given by the Company in the Placing Agreement.

Further details of the terms of the Placing Agreement are set out in paragraph 10.2 of *Part VII (Additional information)* of this document.

### **Selling and transfer restrictions**

The distribution of this prospectus and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions, including those described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of

any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this prospectus nor any other offering material in relation to the Ordinary Shares may be circulated in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

### **European Economic Area**

In relation to each member state of the EEA (each a relevant member state) with effect from and including the date on which the EU Prospectus Regulation came into force in the relevant member state (“**relevant date**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the EU Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;
- (b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

### **US**

The Offer is not a public offering (within the meaning of the Securities Act) of securities in the US. The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold

in the US except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Company may offer Ordinary Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S.

### **Other jurisdictions**

Investors in jurisdictions other than the European Economic Area should consult their professional advisers as to whether they require any governmental or other consent or need to observe any formalities to enable them to subscribe for or buy any Placing Shares under the Placing.

### **Withdrawal rights**

If the Company is required to publish any supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear business days following publication of the relevant supplementary prospectus to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

## PART IV

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

#### 1. Share capital

The Company was incorporated on 1 March 2021 in England and Wales under CA 2006 as a private limited company and re-registered as a public limited company on 28 July 2021.

Details of the current issued share capital of the Company are set out in paragraph 4.24.2 of *Part VII: Additional Information*. As at Admission, the share capital of the Company is expected to be £607,000 divided into 60,700,000 issued Ordinary Shares of £0.01 each.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BNK8T635. The SEDOL number of the Ordinary Shares is BNK8T63. The Company's LEI is 9845001BBDTAEEDC4Q16.

#### 2. Liquidity and capital resources

##### *Sources of cash and liquidity*

The Company's initial source of cash will be the gross proceeds of the Placing. It will initially use such cash to fund the expenses of Admission and the Placing, including the expenses incurred in the incorporation and establishment of the Company, Admission and initial listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Company projects these costs to be approximately £272,850 (including irrecoverable VAT). The remaining Net Proceeds will be used to fund the costs and expenses to be incurred in connection with seeking to identify and effect an Acquisition. Additionally, the Company intends to use such Net Proceeds to fund (all or part of) the consideration for an Acquisition. The Net Proceeds will be in cash at the bank and available for deployment as necessary in due course.

The Company may raise additional capital from time to time. This may include capital to be raised in connection with an Acquisition or add-on acquisitions to the Acquisition. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this document, the Company has accrued expenses of £Nil.

The Company may also, to the extent possible and in accordance with all relevant legal and regulatory requirements, make an Acquisition or fund part of an Acquisition through share-for-share exchanges.

In addition to capital raised from new equity, the Company may choose to finance all or a portion of an Acquisition with debt financing. The forms of debt financing to be used by the Company are expected to be limited to bank financing, although no such financing arrangements will be in place at Admission.

Debt financing for an Acquisition will be assessed with reference to the capacity of the target company or business to support gearing. Any such borrowings are expected to be incurred by the target (which, depending on the structure of an Acquisition, may become a subsidiary of the Company in due course). However, the Company retains flexibility to incur borrowings itself if it considers it appropriate in the relevant circumstances. Any costs associated with the debt financing are likely to be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with an Acquisition, following an Acquisition the Company's future liquidity will depend in the medium to longer term primarily on: (i) the timing and sale of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity

needs; and (v) dividends or distributions from any subsidiary companies that become subsidiaries of the Company due to an Acquisition or future acquisitions.

### **Ongoing costs and expenses**

The Company's principal use of the Net Proceeds will be to fund research and investigation, including due diligence, into suitable opportunities for acquisition that will fulfil the Company's objective, being to acquire a company or business in the clean and renewable energy sectors. In addition, the Net Proceeds will be used to fund the day-to-day expenses to be incurred by the Company, and to fund part or all of the consideration (if paid in cash) for the Acquisition.

The Directors expect that it may be necessary to raise further funds in order to complete any Acquisition, including to pay the fees of financial, tax, legal, accounting, technical and other advisers.

The Net Proceeds will be used to investigate, carry out due diligence in respect of, and evaluate potential opportunities for the Acquisition, as described above in paragraph 3, *Company objective, business strategy and execution of PART I: INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY*, and for associated costs including initial due diligence and advisers' fees.

Over time and in accordance with the Company's business strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy from time to time.

The expenses that the Company expects to fund through the gross proceeds of the Placing (and income earned on the Net Proceeds) total a minimum of £552,550 in the first year, to include:

- all costs relating to raising capital, including the Placing. This will include the expenses incurred in the incorporation and establishment of the Company, Admission and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other application expenses. The Company projects these costs to be approximately £272,850 (including irrecoverable VAT);
- Directors' fees, projected at £60,000 in the first 12 months following Admission;
- operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, as well as regulatory, audit and licence fees, intellectual property fees, insurance and other similar costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses, projected to total £219,700 in the first year.

The Company's day-to-day expenses as well as transaction costs will be paid with income generated on uninvested cash and (following an Acquisition) revenue received through distributions or payments from any subsidiaries and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to effect such borrowings).

### **Capitalisation and indebtedness**

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness, and has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of 10,700,000 Ordinary Shares of £0.01 with no legal reserve or other reserves. The Ordinary Shares are fully paid up.

The Company's unaudited capitalisation as at 17 July 2021 (being the latest practicable date prior to the publication of this document) is set out below:

	As at 17 July 2021
Shareholders' equity:	£
	107,000
(a) Share capital	-
(b) Legal reserve	(19,400)
(c) Other reserves	87,600
Total	

The Company's unaudited indebtedness as at 17 July 2021 (being the latest practicable date prior to the publication of this document) is set out below:

	As at 17 July 2021
Net indebtedness:	£
Cash	82,600
<b>Liquidity</b>	82,600
Current financial receivable	15,000
Other current financial debt	<u>(10,000)</u>
<b>Current financial debt</b>	<u>(10,000)</u>
<b>Net current financial indebtedness</b>	<u>5,000</u>
<b>Net financial indebtedness</b>	<u>87,600</u>

As at 17 July 2021, the Company had no indirect or contingent indebtedness.

### ***Statement of Material Change***

There has been no material change in the Company's capitalisation and indebtedness since 17 July 2021 (being the latest practicable date prior to the publication of this document).

### ***Accounting policies and financial reporting***

The Company's financial year end is 31 March, and the next set of financial statements will be for the year to 31 March 2022. The Company will present its financial statements in accordance with IFRS.

### ***Dividend policy***

The Company intends that its cash resources will be used for the acquisition of a company or business and development of that company or business following Admission as such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company has not paid any dividends to date.





## PART V

### TAXATION

#### 1. United Kingdom Taxation

The comments set out below are based on the current UK tax law and what is understood to be current HMRC practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account (**ISA**)) and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

#### **Taxation of dividends**

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to income tax. Each individual has a tax-free dividend allowance which exempts the first £2,000 ("**Nil Rate Amount**") of dividend income. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals at the rate of 7.5% to the extent that it is within the basic rate band, 32.5% to the extent that it is within the higher rate band and 38.1% to the extent it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits - and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **Disposals of Ordinary Shares**

A disposal of Ordinary Shares by a Shareholder (other than those holding shares as dealing stock, who are subject to separate rules) who is resident in the UK for tax purposes or who is not so resident in the UK but carries on business in the UK through a branch, agency or permanent establishment with which

their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Such an individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20%.

Such an individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10% and at a rate of 20% on the gains above the basic rate band.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £12,300 of gains from tax for the tax year 2021-22).

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at a rate of 19% on any chargeable gain realised on a disposal of Ordinary Shares.

### **Inheritance Tax**

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

### **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5% of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5% of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by

CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

## PART VI

### FINANCIAL INFORMATION ON THE COMPANY

#### (A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

##### ACCOUNTANTS REPORT ON THE COMPANY

The Directors  
Net Zero Infrastructure PLC  
1 Charterhouse Mews  
London  
EC1M 6BB  
United Kingdom

And

The Directors  
Axis Capital Markets Limited  
St Clements House  
27 Clements Lane  
London  
EC4N 7AE  
United Kingdom

8 September 2021

Dear Sirs

##### Introduction – Historic Financial Information

We report on the financial information of Net Zero Infrastructure PLC (the “**Company**”) for the period from 1 March 2021 to 17 July 2021, (the “**Historical Financial Information**”) set out in this *PART VI* of the Company’s prospectus dated 8 September 2021 (the “**Prospectus**”). This Historical Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by item 18.3 of Annex 1 to the UK PR Regulation (the “**Prospectus Regulation**”) and is given for the purpose of complying with that requirement and for no other purpose.

##### Responsibilities

The directors of the Company (the “**Directors**”) are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”).

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulations, consenting to its inclusion in the Prospectus.

## **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entities' circumstances, consistently applied and adequately disclosed.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, or other jurisdictions outside the United Kingdom, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## **Opinion**

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the periods stated and of its results, cash flows and changes in equity for the period from 1 March 2021 to 17 July 2021 in accordance with International Financial Reporting Standards as adopted by the European Union.

## **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

## **Anstey Bond LLP**

Chartered Accountants & Registered Auditors  
1 Charterhouse Mews  
London  
EC1N 6BB  
United Kingdom

**(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**

**Net Zero Infrastructure PLC**

**Statement of Profit or Loss and Other Comprehensive Income  
for the period 1 March 2021 to 17 July 2021**

	Notes	Period Ended 17 July 2021 £
<b>CONTINUING OPERATIONS</b>		
Revenue		-
Administrative expenses		<u>(19,400)</u>
<b>OPERATING LOSS</b>		<u>(19,400)</u>
<b>LOSS BEFORE INCOME TAX</b>		(19,400)
Income tax	4	<u>-</u>
<b>LOSS FOR THE PERIOD</b>		(19,400)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>(19,400)</u></u>

**Net Zero Infrastructure PLC**  
**Statement of Financial Position**  
**for the period ended 17 July 2021**

	Notes	2021 £
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Trade and other receivables	5	15,000
Cash and cash equivalents	6	<u>82,600</u>
		<u>97,600</u>
<b>TOTAL ASSETS</b>		<u><u>97,600</u></u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	7	107,000
Share premium	8	-
Retained earnings	8	<u>(19,400)</u>
<b>TOTAL EQUITY</b>		<u>87,600</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9	<u>10,000</u>
<b>TOTAL LIABILITIES</b>		<u>10,000</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>97,600</u></u>

## Net Zero Infrastructure PLC

### Statement of Changes in Equity for the period ended 17 July 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	107,000	-	-	107,000
Total comprehensive income	<u>-</u>	<u>(19,400)</u>	<u>-</u>	<u>(19,400)</u>
<b>Balance at 17 July 2021</b>	<u>107,000</u>	<u>(19,400)</u>	<u>-</u>	<u>87,600</u>

### Statement of Cash Flow for the period to 17 July 2021

	Notes	2021 £
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	(24,400)
Net cash from operating activities		<u>(24,400)</u>
<b>Cash flows from financing activities</b>		
Share issue		<u>107,000</u>
Net cash from financing activities		<u>107,000</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		5,000
<b>Cash and Cash equivalents at beginning of period</b>	2	<u>-</u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>87,600</u></u>



**Notes to Statement of Cash Flow  
for the period 1 March 2021 to 17 July 2021**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	£
Loss before income tax	(19,400)
Increase in trade and other receivables	(15,000)
Increase in trade and other payables	<u>10,000</u>
<b>Cash generated from operations</b>	<b><u>(24,400)</u></b>

**2. CASH AND CASH EQUIVALENTS**

**Period ended 17 July 2021**

	£
Cash and cash equivalents	<u><u>87,600</u></u>

## Net Zero Infrastructure PLC

### Notes to the Financial Statements for the period 1 March 2021 to 17 July 2021

#### 1. STATUTORY INFORMATION

Net Zero Infrastructure PLC is a public limited company, registered in England and Wales.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations (collectively "IFRS"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, as adopted by the European Union. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

##### **Financial instruments**

###### **Classification**

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

###### **Initial recognition and measurement**

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

###### **Subsequent measurement**

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss excludes dividends and interest.

Receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

### **Foreign currencies**

A foreign currency transaction is recorded, on initial recognition in GB Pounds, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in GB Pounds by applying to the foreign currency amount the exchange rate between the GB Pound and the foreign currency at the date of the cash flow.

**Notes to the Financial Statements  
for the period 1 March 2021 to 17 July 2021**

**2. ACCOUNTING POLICIES - continued**

**Provisions and contingencies**

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

**Going concern**

The financial statements have been prepared on the going concern basis. The Directors have produced financial projections for the company for the next twelve months and beyond. These projections take into account that expenditure has been cut in order that entity can currently cover its cost base.

**Trade and other receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The collections are expected either immediately or within 30 days, hence they are classified as current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

**Trade and other payables**

Trade payables are initially measured at fair value.

**Cash and cash equivalents**

In the company's statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks.

**3. EMPLOYEES AND DIRECTORS**

There were no staff or Directors costs for the period ended 17 July 2021.

**4. INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose for the period ended 17 July 2021.

5. **TRADE AND OTHER RECEIVABLES**

	2021 £
Current: Debtors	<u>15,000</u>

6. **CASH AND CASH EQUIVALENTS**

	2021 £
Bank accounts	<u>82,600</u>
	<u>82,600</u>

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2021 £
Number:	Class:	Nominal value:	
10,700,000	Ordinary	0.01	<u>107,000</u>

8. **RESERVES**

	Retained Earnings £	Share premium £	Totals £
Deficit for the period	(19,400)	-	(19,400)
Share issue	-	-	-
At 17 July 2021	<u>(19,400)</u>	<u>-</u>	<u>(19,400)</u>

9. **TRADE AND OTHER PAYABLES**

	2021 £
Current: Accruals and deferred income	<u>10,000</u>

10. **ULTIMATE CONTROLLING PARTY**

There is no controlling party.

## (C) REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

### ACCOUNTANTS REPORT ON THE COMPANY

The Directors  
Net Zero Infrastructure PLC  
1 Charterhouse Mews  
London  
EC1M 6BB  
United Kingdom

And

The Directors  
Axis Capital Markets Limited  
St Clements House  
27 Clements Lane  
London  
EC4N 7AE  
United Kingdom

8 September 2021

Dear Sirs

#### **Net Zero Infrastructure PLC - Pro Forma Financial information**

We report on the unaudited pro forma statement of net assets as at 8 September 2021, (the “**Pro Forma Statement of Net Assets**”) set out in *PART VI (Unaudited Pro Forma Statement of Net Assets)* of Net Zero Infrastructure PLC (the “**Company**”) prospectus (the “**Prospectus**”) dated 8 September 2021, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the admission of the Company to the standard segment of the Official List of the Financial Conduct Authority and the issue of the New Ordinary Shares might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the financial information in accordance with the IFRS requirements.

This report has been prepared at the issuer’s request and is required by item 18.4.1 of Annex 1 to the UK PR Regulation (the “**Prospectus Regulation**”) and is given for the purpose of complying with that item and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro Forma Financial Information in accordance with item 18.4.1 of Annex 1 of the UK Prospectus Regulation.

It is our responsibility to form an opinion, as required by the Prospectus Regulations, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

## **Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

## **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

## **Anstey Bond LLP**

Chartered Accountants & Registered Auditors  
1 Charterhouse Mews  
London  
EC1M 6BB  
United Kingdom

## (D) UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

### Net Zero Infrastructure PLC

Set out below is the unaudited pro-forma statement of net assets of the Company as at 8 September 2021 (the “**Pro Forma Statement of Net Assets**”). The Pro Forma Statement of Net Assets has been prepared on the basis set out in the notes below to illustrate the effect of the Admission, and the receipt of the funds from the Placing, on the net assets of the Company had the Admission occurred on 14 September 2021, and has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Statement of Net Assets addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position. It is based on the schedules used in preparing the financial statements balance sheet as at 17 July 2021 set out in Part 1 and the effect of the Admission and Placing, as stated in this Prospectus.

Users should read the whole of this document and not rely solely on the summarised financial information contained in this *PART VI (Unaudited Pro Forma Statement of Net Assets)*.

The report on the Pro Forma Statement of Net Assets is set out in *PART VI (Unaudited Pro Forma Accountants’ Report)* of this document.

### Unaudited Pro Forma Statement of Net Assets

	Group net assets as at 17 July 2021 (Note 1)	Net Cash receipt of New Ordinary Shares Issued (Note 2)	Unaudited pro forma net assets of the Company
	£	£	£
<b>Assets</b>			
<i>Current assets</i>			
Trade and other receivables	15,000		15,000
Cash and cash equivalents	82,600	1,500,000	1,582,600
<b>Total assets</b>	<b>97,600</b>	<b>1,500,000</b>	<b>1,597,600</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	10,000	272,850	282,850
Total current liabilities	10,000	272,850	282,850
<b>Total liabilities</b>	<b>10,000</b>	<b>272,850</b>	<b>282,850</b>
<b>Net assets</b>	<b>87,600</b>	<b>1,227,150</b>	<b>1,314,750</b>

#### Notes:

1. The financial information relating to the Company has been extracted without adjustment from the audited financial information set out in *PART VI (Historical Financial Information on the Company)* of this Prospectus.
2. The Private Placing of up to 50,000,000 Ordinary Shares) at an issue price of 3 pence per share. The cost of the issue is shown as a liability to the company and is reflected in this statement by the liability of £272,850.



## PART VII

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and each of the Directors, whose names appear on page 45 of this document, accept responsibility for this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

#### 2. Competent Authority Approval

This prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

#### 3. The Company

- 3.1 The Company's legal and commercial name is Net Zero Infrastructure PLC.
- 3.2 The Company was incorporated in England and Wales on 1 March 2021 under the name Net Zero Infrastructure Limited with registered number 13236308 as a private limited company under CA 2006. On 28 July 2021, the Company was re-registered as a public limited company with the name Net Zero Infrastructure PLC. The domicile of the Company is the United Kingdom. The Company's Legal Entity Identifier is 9845001BBDTAEEDC4Q16.
- 3.3 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 3.4 The Company's registered office is at 1-2 Charterhouse Mews, London, England, EC1M 6BB. The Company's telephone number is + 44 (0) 208 124 3630.
- 3.5 The Company has not yet commenced trading or operations. To date, the Company's activities have been limited to organisational matters and matters relating to Admission and the Placing.
- 3.6 The Company does not have any subsidiaries, joint ventures or investments or any investments in progress or any future investments on which its management bodies have made firm commitments.
- 3.7 On 18 July 2021, the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association.

#### 4. Share Capital

- 4.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.
- 4.2 On incorporation of the Company one hundred ordinary shares of £1 each were subscribed for and issued and allotted to Coddan Managers Service Limited at a price of £1 per share which was unpaid. On 20 April 2021 Coddan Managers Service Limited transferred the entire issued shareholding of the Company to the Company's current shareholders, with Andrew Duckworth receiving 12 shares and all the other shareholders each receiving 11 shares. On 29 April 2021 the shareholders of the Company approved the subdivision of each existing share of £1 into 10,000 Ordinary Shares of one penny each and agreed to make a payment in respect of the nominal value of these shares in order that they could be credited as fully paid. On the same date, the shareholders approved the allotment of a total of 9,990,000 Ordinary Shares, being 1,248,900 Ordinary Shares to each of Director Michael Ellwood, David Gordon MacLean and

Alice Berry (née Robinson), 1,248,800 Ordinary Shares to Andrew Duckworth and 998,900 Ordinary Shares to each of Charles Duckworth, Christopher Ringham, Lee Morris, Patrick Gormley and Director Brian Basham. The Company then had 10 million Ordinary Shares in issue. On 16 July 2021, the Company issued 500,000 Ordinary Shares to Axis Capital and 200,000 Ordinary Shares to Alexander David Securities Limited in accordance with the relevant terms of engagement. The Company then had 10,700,000 Ordinary Shares in issue.

4.3 The issued and allotted fully paid-up share capital of the Company at the date of this document is 10,700,000 Ordinary Shares.

4.4 The issued share capital of the Company at the date of this document and on Admission will be as follows:

	<b>Number of Ordinary Shares allotted and fully paid</b>	<b>Nominal value of Ordinary Shares</b>
Current	10,700,000	£0.01
On Admission	60,700,000	£0.01

4.5 Pursuant to a resolution passed on 17 August 2021, the Company resolved that:

- (a) in accordance with section 551 CA 2006, the directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the resolution) (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under, the laws of any territory or the requirements of any regulatory body or stock exchange) comprising equity securities (as defined by section 560 CA 2006) up to an aggregate nominal amount of £50,000,000 (fifty million pounds), provided that the authority will, unless renewed, varied or revoked by the Company prior to or on 16 August 2026, expire on such date, except that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority has expired. The resolution revoked and replaced all unexercised authorities previously granted to the directors to allot Relevant Securities, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;
- (b) the Directors were given the general power to allot equity securities (as defined by section 560 CA 2006) for cash as if the pre-emption rights for existing shareholders set out in section 561(1) CA 2006 did not apply to any such allotment. The power is limited to:
- (1) the allotment of equity securities in connection with an offer of equity securities:
    - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary;
  - (2) the allotment (otherwise than pursuant to the powers to allot referred to in paragraph (1) above) of equity securities:

- (i) in connection with, or for the purposes of, the Company's proposed offering or offerings of Ordinary Shares or other equity securities and Admission (which includes the issue of the Placing Shares);
- (ii) the allotment of equity securities pursuant to, or in connection with, any right granted before Admission (whether or not such right is expressed to be conditional on Admission);
- (iii) to the extent (if any) that such an allotment would otherwise be subject to the provisions of section 561(1) CA 2006, for the purposes of, in connection with, or resulting from, the Acquisition, the financing of any Acquisition, or the amendment, restatement, cancellation, forgiveness or other restructuring of all or any part of any debt (or other financial obligation) owed or guaranteed by any company or entity acquired by the Company (or by any subsidiary of the Company), or of all or any part of any debt (or other financial obligation) assumed or entered into or guaranteed by the Company (or by any subsidiary of the Company) in connection with any Acquisition; and
- (iv) up to (and including) a maximum aggregate nominal amount of 500% of the aggregate nominal value of the Ordinary Shares in issue, such nominal value to be calculated as at the close of the first business day following Admission.

The power granted by this resolution will, unless renewed, varied or revoked by the Company prior to or on such date, expire on 16 August 2026 except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this resolution has expired. The resolution revoked and replaced all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) CA 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

- 4.6 The provisions of section 561(1) CA 2006 (to the extent not disapplied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraph 4.5 above.
- 4.7 The Ordinary Shares will, with effect from Admission, be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not currently listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 4.8 Each Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).
- 4.9 The Company has agreed to grant Warrants, conditional on Admission occurring, to subscribe for a total of 3,035,000 Ordinary Shares at an exercise price of 4.5 pence per share to the Company's placing agent, Axis Capital Markets Limited. The Warrants are exercisable for a period of three years from Admission. Further details of the Warrants are set out in paragraph 10.4 below of this *Part VII*.
- 4.10 The Company has agreed to grant Warrants, conditional on Admission occurring, to subscribe for a total of 607,000 Ordinary Shares at an exercise price of 4.5 pence per share to the Company's corporate adviser, Alexander David Securities Limited. The Warrants are exercisable for a period of three years from Admission. Further details of the Warrants are set

out in paragraph 10.4 below of this *Part VII*.

- 4.11 The Company has agreed to grant Warrants, conditional on Admission occurring, to subscribe for a total of 4,249,000 Ordinary Shares at an exercise price of 4.5 pence per share to the Directors. The Warrants are exercisable for a period of three years from Admission. Further details of the Warrants are set out in paragraph 10.4 below of this *Part VII*.
- 4.12 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Placing and, conditional upon exercise, the Warrants, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.
- 4.13 No share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option. As referred to in paragraph 9.17 below of this *Part VII*, the Company intends to put in place an incentive plan following Admission.
- 4.14 The Company does not have in issue any securities not representing share capital nor any shares which are held by or on behalf of the Company itself, and there are no outstanding convertible securities issued by the Company.
- 4.15 The participation (as a percentage) in share capital and voting rights for existing Shareholders before and after the capital increase resulting from the Placing, on the basis that existing Shareholders do not participate in the Placing, are as follows:

	Immediately prior to Admission	Immediately following Admission
Share Capital	100%	17.63%
Voting	100%	17.63%

- 4.16 Shareholders do not have any entitlements to participate in the Placing.
- 4.17 The net asset value per Ordinary Share is as follows:

	Immediately prior to Admission	Immediately following Admission
Net asset value Per Ordinary Share	£0.008	£0.021

- 4.18 The Ordinary Shares may be held in either certificated form or under the CREST system.
- 4.19 Except as disclosed in this paragraph since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.
- 4.20 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.
- 4.21 The ISIN number in respect of the Ordinary Shares is GB00BNK8T635. The Ordinary Shares are and will be created and issued under CA 2006 and are denominated in pounds sterling.
- 4.22 The registrars of the Company are Share Registrars Limited. They will be responsible for maintaining the register of members of the Company.

## **5. Objects of the Company**

The Company's objects and purposes are unrestricted.

## **6. Articles of association**

The rights attaching to the Ordinary Shares, as set out in the Articles contain, amongst others, the following provisions:

### *Votes of members*

- 6.1 Subject to any special terms as to voting or to which any shares may have been issued, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.
- 6.2 Unless the directors determine otherwise, a member of the Company is not entitled to attend a general meeting, or, in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has failed to comply with a notice under section 793 CA 2006.

### *Variation of rights*

- 6.3 If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class but not otherwise.

### *Transfer of shares*

- 6.4 Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 6.5 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid. The directors may refuse to register a transfer if it is not duly stamped, or if it is by a member who has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances permitted by the London Stock Exchange, the directors may refuse to register the transfer of a share in certificated form, provided that their refusal does not disturb the market in the shares.
- 6.6 The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four joint transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

### *Payment of dividends*

- 6.7 Subject to the provisions of CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

### *Unclaimed dividends*

- 6.8 Any dividend unclaimed after a period of 12 years from the date it becomes due for payment will be forfeited and will revert to the Company.

### *Untraced Shareholders*

- 6.9 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent to the relevant member. Notice of the intention to sell must also be given to the FCA in its capacity as UK Listing Authority.

### *Return of capital*

- 6.10 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by CA 2006, be divided amongst the members.

### *Borrowing powers*

- 6.11 Subject to the provisions of CA 2006, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

### *Directors*

- 6.12 No shareholding qualification is required by a director.
- 6.13 The directors are entitled to fees, in addition to salaries, at the rate decided by them, subject to an aggregate limit of £100,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote extra fees to the directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the directors as they agree, or failing agreement, equally. The directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.
- 6.14 No director shall be required to retire before the completion of a Reverse Takeover. At the third (or next subsequent) annual general meeting after an annual general meeting or general meeting at which a director was appointed and which follows the completion of a Reverse Takeover, such director will retire from office. A retiring director is eligible for reappointment.
- 6.15 The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- 6.16 Except as provided in paragraphs 6.17 and 6.18 below, a director may not vote or be counted in the quorum, present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to CA 2006, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- 6.17 In the absence of some other material interest than is indicated below, a director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- (a) the giving of any security, guarantee or indemnity to him in respect of money lent or

obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or sub-underwriting;
- (d) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 6.16 above, in all circumstances;
- (e) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HMRC;
- (f) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and
- (g) any contract, arrangement, transaction or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including the directors.

6.18 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive except in a case where the nature or extent of the interest of such director has not been fairly disclosed.

6.19 The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such director, ex-director, employee or ex-employee.

#### *CREST*

6.20 The directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

#### *Disclosure notice*

6.21 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the

Company's relevant share capital:

- (a) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- (b) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

#### *General meetings*

- 6.22 An annual general meeting must be called by at least 21 clear days' notice, and all other general meetings must be called by at least 14 clear days' notice.
- 6.23 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, to each of the directors and to the auditors.
- 6.24 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.
- 6.25 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 6.26 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- 6.27 The appointment of a proxy must be in any usual form, or such other form as may be approved by the directors and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 6.28 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 6.29 The directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

## **7. Substantial Shareholders**

- 7.1 Except for the interests of those persons set out in this paragraph and in paragraph 9.1 below, the Directors are not aware of the interests of the Directors which, at the date of this document and immediately following Admission, would amount to 3% or more of the Company's issued share capital:



<b>Name</b>	<b>Ordinary Shares as at the date of this document</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Ordinary Shares on Admission</b>	<b>Percentage Of Enlarged Share Capital</b>
Michael Ellwood	1,250,000	11.68%	1,250,000	2.06%
Brian Arthur Basham	1,000,000	9.35%	1,000,000	1.65%

7.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 9 of this *Part VII*, has voting rights different from other holders of Ordinary Shares.

7.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

## **8. The Directors**

8.1 The Directors and their respective functions are as follows:

Michael Ellwood (*Non-Executive Director and Chairman*)

Brian Basham (*Non-Executive Director*)

Alejandro Ciruelos (*Non-Executive Director*)

James Wharton (*Non-Executive Director*)

8.2 The business address of each of the Directors is the Company's registered office.

## **9. Directors' interests in the Company including terms of appointment**

9.1 The interests of the Directors and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this document and immediately following Admission, all of which are beneficial, are:

<b>Name</b>	<b>Ordinary Shares as at the date of this document</b>	<b>Percentage of Existing Ordinary Shares</b>	<b>Ordinary Shares on Admission</b>	<b>Percentage of Enlarged Share Capital</b>
Michael Ellwood	1,250,000	11.68%	1,250,000	2.06%
Brian Arthur Basham	1,000,000	9.35%	1,000,000	1.65%

9.2 Except as disclosed in paragraph 9.1, none of the Directors nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.

9.3 There are no outstanding loans or options granted by the Company to any Director, nor has any guarantee been provided by the Company for their benefit.

9.4 The Company has entered into the following letters of appointment:

(a) an agreement with Michael Ellwood dated 17 August 2021, conditional upon

Admission, pursuant to which Mr. Ellwood was appointed as a non-executive director and chairman of the Company for an annual fee of £24,000, payable monthly in arrears. Mr. Ellwood is also entitled to Warrants as set out in paragraph 10.4 below of this *Part VII*. Mr. Ellwood will be expected to devote at least three days a month to perform his duties for the Company. The appointment is for an initial term of 12 months and, following the initial term, is terminable on 3 months' notice on either side. In any event, the appointment will terminate at the Company's first annual general meeting following a Reverse Takeover. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Ellwood is in material breach of the terms of the appointment;

- (b) an agreement with Brian Basham dated 17 August 2021, conditional upon Admission, pursuant to which Mr. Basham was appointed as a non-executive director of the Company for an annual fee of £12,000 payable monthly in arrears. Mr. Basham is also entitled to Warrants as set out in paragraph 10.4 below of this *Part VII*. Mr. Basham will be expected to devote at least three days a month to perform his duties for the Company. The appointment is for an initial term of 12 months and, following the initial term, is terminable on 3 months' notice on either side. In any event, the appointment will terminate at the Company's first annual general meeting following a Reverse Takeover. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Basham is in material breach of the terms of the appointment;
  - (c) an agreement with Alejandro Ciruelos dated 17 August 2021, conditional upon Admission, pursuant to which Mr. Ciruelos was appointed as a non-executive director of the Company for an annual fee of £12,000 payable monthly in arrears. Mr. Ciruelos is also entitled to Warrants as set out in paragraph 10.4 below of this *Part VII*. Mr. Ciruelos will be expected to devote at least three days a month to perform his duties for the Company. The appointment is for an initial term of 12 months and, following the initial term, is terminable on 3 months' notice on either side. In any event, the appointment will terminate at the Company's first annual general meeting following a Reverse Takeover. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Ciruelos is in material breach of the terms of the appointment; and
  - (d) an agreement with James Wharton dated 17 August 2021, conditional upon Admission, pursuant to which Lord Wharton was appointed as a non-executive director of the Company for an annual fee of £12,000 payable monthly in arrears. Lord Wharton is also entitled to Warrants as set out in paragraph 10.4 below of this *Part VII*. Lord Wharton will be expected to devote at least three days a month to perform his duties for the Company. The appointment is for an initial term of 12 months and, following the initial term, is terminable on 3 months' notice on either side. In any event, the appointment will terminate at the Company's first annual general meeting following a Reverse Takeover. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Lord Wharton is in material breach of the terms of the appointment.
- 9.5 The aggregate remuneration paid and benefits in kind granted to the Directors for the period from incorporation to Admission, under the arrangements in force at the date of this document, amount to £0. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 December 2021 under arrangements that are in force and that will come into effect on Admission will amount to £20,000.
- 9.6 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors. None of the Directors has any commission or profit-sharing arrangements with the Company.
- 9.7 Except as provided for above, the total emoluments of the Directors will not be varied as a result of Admission.

- 9.8 Except as disclosed in this paragraph 9, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.
- 9.9 There are no pension, retirement or similar benefit established by the Company, nor are any such arrangements proposed.
- 9.10 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which, unless otherwise stated, are incorporated in the UK) within the five years prior to the publication of this document:

<b><i>Director/ Senior Manager</i></b>	<b><i>Current Appointments</i></b>	<b><i>Previous Appointments</i></b>
Michael Ellwood	North West Anglia NHS Trust The Chapar Limited Cohiba Communications Limited Dial Partners LLP	Santander U.K. Ltd Revverbank Limited
Brian Basham	Blockchain Analytica Ltd Blockchain Analytics Ltd	Datavalut AI Ltd Radio Beauty Ltd Daygreen Ltd Skin & Tonic London Ltd Vast Resources Plc
James Wharton	BMW Ltd JRF Housing Ltd Cohiba Communications Limited Office for Students	Hume Brophy Communications (UK) Ltd
Alejandro Ciruelos	Fortuna Energy Limited SDCL Devco Limited Relay Holdco Limited Relay Balbeggie Limited Relay Beal Limited Relay Energlyn Limited Relay Feckenham Limited Relay Grangemouth Limited Relay Gravel Limited Relay North Mead Limited Relay Slimbridge Limited Relay Standingfauld Limited	None

Relay Suttieside Battery Limited

Relay Suttieside Limited

- 9.11 Other than the Directors, there are no other members of the Company's administrative, management or supervisory bodies.
- 9.12 Other than as disclosed in this paragraph 9, no Director:
- (a) has had any convictions in relation to fraudulent offences;
  - (b) was, within the past five years, associated with any bankruptcy, receivership or liquidation in their capacity as a member of the administrative, management or supervisory bodies of a company or partnership, or as a senior manager; or
  - (c) been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any company or partnership.
- 9.13 The founders of the Company are Andrew Duckworth, Alice Berry (née Robinson), Michael Ellwood and David MacLean. Alice Berry (née Robinson) and Andrew Duckworth have previously worked together on a number of renewable and clean energy projects. They decided to establish the Company with a view to raising capital to fund an acquisition in the renewable or clean energy sector. Alice and Andrew involved the other founders, Michael Ellwood and David Maclean, at the outset of these discussions given their knowledge of and experience in the energy industry.

Andrew Duckworth and Alice Berry (née Robinson)

Neither Andrew nor Alice carries on functions within the Company but both are shareholders in the Company. The Company has entered into a non-exclusive two-year introduction agency agreement with Palatine Hill Limited ("**Palatine**") pursuant to which Palatine will provide consultancy services and introduce potential acquisition opportunities to the Company. Further information on this agreement can be found below in paragraph 10.6 of this *Part VII: Additional Information*. Duckworth Estate Company Limited and Ford Bridge Farm Ltd are directors and shareholders of Palatine. Andrew is a shareholder, director and a person with significant control of Duckworth Estate Company Limited and Alice is a shareholder, director and person with significant control of Ford Bridge Farm Ltd. Alice is also involved in the administration and management of Palatine.

Palatine is currently a director of UGE (Kent) Limited and a member of Unlimited Green Energy LLP.

Andrew was previously a director of Pendle Capital Limited, Hertford Property Capital Limited (now dissolved) and Nano Lab Ltd (now dissolved).

Michael Ellwood

Michael is engaged by the Company as a non-executive director and chairman and is a shareholder in the Company. There are no activities performed by Michael outside the Company which are significant with respect to the Company. Further details of Michael's engagements both within and outside the Company are outlined in paragraph 1 of *Part II: Directors and Corporate Governance* and paragraphs 9.4 and 9.10 of this *Part VII: Additional Information*.

David MacLean

David does not carry on functions within the Company but is a shareholder in the Company. There are no activities performed by David outside the Company which are significant with respect to the Company.

- 9.14 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.
- 9.15 In the case of those Directors who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under Chapter 2 of Part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. Except as mentioned above and in paragraph 6 of *Part II: Directors and Corporate Governance*, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private interests or other duties.
- 9.16 Other than the Directors themselves, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.
- 9.17 The Company intends to grant options to subscribe for new Ordinary Shares from time to time to incentivise directors, employees and consultants at the discretion of the Directors and subject to the approval of the remuneration committee or, if such committee has not been established at the time, the Board. Options granted to subscribe for new Ordinary Shares in this manner will not: (i) exceed 15 per cent. of the Ordinary Shares in issue from time to time; and (ii) be granted with the exercise price lower than the Placing Price, without the prior approval of the Shareholders ("**Option Plan**"). As at the date of this document, the Company has not granted any options over the new Ordinary Shares. The terms of such options shall be determined at the time of grant. No options have been granted on Admission. A term of the Option Plan shall be that the respective holder of an Option shall not exercise rights under the Option (and require new Ordinary Shares to be issued to such party) to the extent that to do so would result in their interest in Ordinary Shares, or the interest of any Concert Party (as defined in the City Code) of which they are a member, being equal to or greater than 30 per cent. (the threshold under Rule 9 of the City Code above which such individual or Concert Party is required to make a mandatory offer for the outstanding shares of the Company).

## **10. Material Contracts**

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

### **10.1 *Placing letters***

Placing letters have been entered into between the placing agent and each subscriber for shares in the Placing and under such agreement, each subscriber agrees to subscribe for Placing Shares at a price of 3 pence per Placing Share. The placing letters are conditional, amongst other things, on Admission having become effective on or before 8.00 a.m. on 14 September 2021 (or such later date as may be agreed between the Company and the placing agent).

### **10.2 *Axis Capital Engagement Letter and Placing Agreement***

On 15 July 2021, the Company entered into an engagement letter with Axis Capital pursuant to which Axis Capital agreed to act as the Company's broker on an ongoing basis from Admission. Axis Capital is entitled to a fee of £40,000 (exclusive of VAT) per annum for these services. Following Admission, Axis Capital will also be entitled to a broking commission of 6 per cent. of the gross aggregate value of the funds raised in any capital raise and a placing agent fee of 1 per cent. of the gross proceeds of such capital raise (such commission and placing agent fee only being payable in respect of funds directly raised by Axis Capital). In addition, Axis Capital may take part or all of its fee or remuneration in the form of shares or other securities issued by the Company (the value of such shares or securities will be treated as being their market value at the time at which they are issued). In connection with the Placing, Axis Capital has also agreed to act as placing agent in accordance with the Placing Agreement, as further described below.

Under this engagement letter, it has been agreed that Axis Capital will act as the lead broker on the Placing and, if applicable, a Reverse Takeover. During the term of the engagement letter, the Company will need approval from Axis Capital if it decides to introduce other parties for the purpose of raising funds and/or becoming a joint broker, such approval not to be unreasonably withheld or delayed. Pursuant to and on or around the date of this engagement letter, Axis Capital acquired 500,000 new Ordinary Shares and Axis Capital agreed not to sell or otherwise dispose of these shares until completion of the Acquisition. To give effect to this, Axis Capital has entered into a lock-in undertaking as set out in paragraph 10.7 below.

#### ***Placing Agreement***

On 17 August 2021, the Company and Axis Capital entered into the Placing Agreement pursuant to which, subject to certain conditions, Axis Capital has agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares to be issued pursuant to the Placing. The Placing Agreement is conditional upon certain events, including, amongst other matters, Admission occurring on or before 8.00 a.m. on 14 September 2021 or such later date as the Company and Axis Capital agree. The Company has provided customary undertakings and indemnities to Axis Capital.

Pursuant to the Placing Agreement, Axis Capital is entitled to a broking commission of 6 per cent. and a placing agent fee of 1 per cent. of the gross proceeds of the Placing (such commission and placing agent fee only being payable in respect of funds directly raised by Axis Capital), such commission and placing agent fee being £105,000 in aggregate. Axis Capital may take part or all of its fee or remuneration in the form of shares or other securities issued by the Company (the value of such shares or securities will be treated as being their market value at the time at which they are issued). In addition, the Company will pay all reasonable costs and expenses of Axis Capital. Axis Capital is also entitled to Warrants as set out in paragraph 10.4 below.

### 10.3 **Alexander David Engagement Letter**

On 20 June 2021, the Company entered into an engagement letter with Alexander David Securities Limited (“**Alexander David**”) pursuant to which Alexander David agreed to provide corporate finance services to the Company in connection with Admission. The Company has provided customary undertakings and indemnities to Alexander David.

Pursuant to this engagement letter, on 16 July 2021, Alexander David acquired 200,000 new Ordinary Shares and Alexander David agreed not to sell or otherwise dispose of these shares until completion of the Acquisition. To give effect to this, Alexander David has entered into a lock-in undertaking as set out in paragraph 10.7 below.

Under the terms of this engagement letter Alexander David is entitled to pre-Admission fees for provision of corporate finance services as follows (each amount being exclusive of VAT): an engagement fee of £20,000, a submission fee of £5,000 payable on submission of this prospectus to the UKLA and a success fee of £20,000 payable on Admission. Following Admission, Alexander David will be entitled to a retainer fee for provision of on-going corporate finance services of £12,000 (exclusive of VAT) per annum prior to the Acquisition and £36,000 (exclusive of VAT) per annum after the Acquisition. Alexander David is also entitled to Warrants as set out in paragraph 10.4 below.

### 10.4 **Warrant Instruments**

On 17 August 2021, the Company entered into warrant instruments, pursuant to which the Company granted Warrants over in aggregate 7,891,000 new Ordinary Shares which represent an amount equal to 13 per cent. of the Ordinary Shares as at the date of Admission, conditional on Admission occurring, to Axis Capital, Alexander David and the Directors, exercisable for three years from the date of Admission at an exercise price of 4.5 pence per share. One Warrant entitles the relevant holder to subscribe for one Ordinary Share (subject to adjustment following an adjustment event such as a consolidation/sub-division of Ordinary Shares or if the Company in its sole discretion determines that an adjustment should be made) at the exercise price payable in cash in full on subscription. The holder of Warrants is entitled to subscribe for all or part of its specified number of fully paid Ordinary Shares. Every Warrant in respect of which subscription rights have been exercised in full, or which have not been exercised at the end of the subscription period, will lapse and be cancelled. The Warrants will not be admitted to the Official List (by way of a Standard Listing) nor admitted to trading on the London Stock Exchanges’ main market.

### 10.5 **Registrar Agreement**

The Company and the Registrar have entered into an agreement dated 8 June 2021 (the “**Registrar Agreement**”), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar Agreement is for an initial period of twelve months and will continue in force until terminated by either party on not less than six months’ notice. The agreement is subject to immediate termination on the occurrence of certain events, including a material and continuing breach or insolvency. The agreement contains certain customary undertakings and indemnities by the Company in favour of the Registrar.

The Registrar is entitled to receive a quarterly fee for the provision of its services under the Registrar Agreement. The quarterly fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.

The Registrar Agreement is governed by English law.

## 10.6 **Palatine Hill Agreement**

On 6 August 2021 the Company entered into a non-exclusive two-year introduction agency agreement with Palatine Hill Limited (“**Palatine**”) pursuant to which Palatine has agreed to provide consultancy services and to introduce potential acquisition opportunities to the Company. Palatine is entitled to a monthly fee of £3,300 (ex VAT) for its provision of consultancy services. In addition, if the Company acquires a target company or business which Palatine has introduced, then Palatine will be entitled to the payment of commission at four per cent. of the price paid by the Company for the target company or business in question. The Company will satisfy at least 50% of any obligation to pay the commission by issuing shares in the Company to Palatine. The remainder of the commission payable to Palatine will be satisfied, at Palatine’s option, by a cash payment or by the Company issuing further shares.

Palatine is owned by two corporate shareholders, which are also directors of Palatine, Duckworth Estate Company Limited and Ford Bridge Farm Ltd. One of the founders, Andrew Duckworth, is a shareholder, director and a person with significant control of Duckworth Estate Company Limited. Another founder, Alice Berry (née Robinson), is a shareholder, director and a person with significant control of Ford Bridge Farm Ltd.

## 10.7 **Lock-in agreement**

Under a lock-in agreement dated 17 August 2021, each of the Directors, Alexander David, Axis Capital and the existing shareholders has agreed with the Company not to dispose of, and to procure that no party associated with the respective individual/entity disposes of, any interest they hold in the Existing Ordinary Shares and in any additional shares acquired by them prior to the Orderly Market Date, for the period commencing on the date of Admission until the day after completion of the Acquisition, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a locked-in party, disposals to trustees etc.). Following the Acquisition, for a period of 12 months, each such party has undertaken to the Company that they will not dispose of any such interest other than with the prior written consent of both the Company and its broker and will only make such disposals through the Company’s broker.

## 10.8 **Company secretarial agreement**

The Company and MSP Corporate Services Limited (“**MSP**”) have entered into an agreement dated 17 May 2021 (the “**Company Secretarial Agreement**”) to provide company secretarial services. MSP is entitled to receive an annual fee of £2,500 for the provision of its basic services under the Company Secretarial Agreement, plus additional fees at an hourly rate for additional work. The Company Secretarial Agreement is terminable on one month’s notice from either party.

## 11. **Working capital**

The Company is of the opinion that the working capital available to the Company, taking into account the Net Proceeds, is sufficient for the Company’s present requirements, that is, for at least the next 12 months from the date of this document.

## 12. **Litigation**

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) since the Company’s incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.



### **13. Intellectual property**

The Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

### **14. Premises**

The Company does not own any premises or hold any leasehold interests in any properties.

### **15. Employees**

The Company has not had any employees since incorporation.

### **16. Related Party Transactions**

Except with respect to the appointment letters entered into between the Company and each Director, the Company has not been a party to any related party transaction since its incorporation.

### **17. No significant change and narrative statement**

Save for the allotment and issue of the Existing Ordinary Shares, the Placing (the Placing generating gross proceeds received by the Company of £1,500,000), the contingent liabilities assumed by the Company to pay fees under the Registrar Agreement, as set out in paragraph 10.6 of this *Part VII: Additional Information*, the contingent liabilities assumed by the Company to pay fees under the Company Secretarial Agreement, as set out in paragraph 10.8 of this *Part VII: Additional Information*, the Directors' letters of appointment as set out in paragraph 9.4 of this *Part VII: Additional Information* (comprising £60,000 per annum in aggregate) and the expenses of the Company referred to in paragraph 20.3 of this *Part VII: Additional Information* amounting to approximately £272,850 (all of which have caused a significant change in the financial position of the Company due to the Company not having commenced trading), there has been no significant change in the financial position or performance of the Company since the date of the Company's incorporation.

### **18. Mandatory bids and compulsory acquisition rules relating to ordinary shares**

- 18.1 Other than as provided by the City Code and Chapter 28 CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.
- 18.2 The City Code is issued and administered by the Takeover Panel.
- 18.3 The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.
- 18.4 There have been no public takeover bids for the Company's shares.

### ***Mandatory bid provisions***

- 18.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.
- 18.6 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

### ***Squeeze-out***

- 18.7 Under CA 2006, if a “takeover offer” (as defined in section 974 CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

### ***Sell-out***

- 18.8 CA 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## **19. Trend Information**

The Company is a cash shell which has not yet made the Acquisition. As a result, there has been no activity regarding production, sales, inventory and costs and selling prices from which to form a trend.

At the time the Company completes an Acquisition, the Company will be exposed to the trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of that business, and therefore those of the Company. Until such time as the target of the Acquisition is identified, the Company is not able to identify such factors.

## **20. General**

- 20.1 Anstey Bond were appointed as the auditors of the Company on 17 May 2021. Anstey Bond are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of 1 Charterhouse Mews, London, EC1M 6BB.
- 20.2 Anstey Bond which has no interest in the Company, has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name.
- 20.3 The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £272,850 (including irrecoverable VAT).
- 20.4 The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets (if any).
- 20.5 The Company's accounting reference date is 31 March.
- 20.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.
- 20.7 Since incorporation, the Company has not made up any financial statements or published any financial information.
- 20.8 The Placing Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.
- 20.9 The Placing Price represents a premium of 2 pence above the nominal value of an Ordinary Share which is 1 penny.

## **21. Documents available for inspection**

Copies of the following documents may be viewed on the Company's website at [www.netzeroinfrastructure.com/investors](http://www.netzeroinfrastructure.com/investors) or inspected at the offices of Crowell & Moring at Crowell & Moring, Tower 42, 25 Old Broad Street London, EC2N 1HQ during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission:

- 21.1 the Articles;
- 21.2 the consent letter of Anstey Bond LLP;
- 21.3 the consent letter of Axis Capital;
- 21.4 the consent letter of Alexander David Securities Limited;
- 21.5 this document;
- 21.6 the letters of appointment of Directors referred to above in paragraph 9.4 of this Part VII; and

21.7 the material contracts referred to above in paragraph 10 of this Part VII.

## PART VIII

### DEFINITIONS

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

<b>Acquisition</b>	the acquisition by the Company of a target company or business as part of the Company's overall business objective and strategy, as described in <i>Part I: Information on the Company, Investment Opportunity and Strategy</i> of this document.
<b>Admission</b>	the effective admission of the Ordinary Shares to listing on the Official List and trading on the London Stock Exchange's main market for listed securities.
<b>Articles</b>	the articles of association of the Company.
<b>Axis Capital</b>	Axis Capital Markets Limited (company number 08133033), the broker and placing agent of the Company.
<b>Board or Directors</b>	the directors of the Company whose names are set out on page 45 of this document.
<b>CA 2006</b>	the Companies Act 2006.
<b>City Code</b>	the City Code on Takeovers and Mergers published by the Takeover Panel.
<b>clean technology</b>	for the purposes of this document, any material, product, process or service relating to the production, storage or distribution of power that reduces (or is intended to reduce) negative environmental impacts through energy efficiency improvements, the sustainable use of resources or environmental protection activities.
<b>Company</b>	Net Zero Infrastructure PLC, incorporated in England and Wales with registered number 13236308.
<b>Corporate Governance Code</b>	the UK Corporate Governance Code, published by the Financial Reporting Council.
<b>CREST</b>	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).
<b>Disclosure Guidance and Transparency</b>	the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA, as amended from

<b>Rules or DTR</b>	time to time.
<b>Enlarged Share Capital</b>	the issued ordinary share capital of the Company on Admission and immediately following completion of the Placing, comprising the Existing Ordinary Shares and the Placing Shares.
<b>European Economic Area or EEA</b>	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
<b>Existing Ordinary Shares</b>	the 10,700,000 Ordinary Shares in issue at the date of this prospectus.
<b>EU Market Abuse Regulation or EU MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
<b>EU Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority of the United Kingdom Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
<b>FSMA</b>	the Financial Services and Markets Act 2000.
<b>HMRC</b>	HM Revenue & Customs.
<b>IFRS</b>	International Financial Reporting Standards, as adopted by the UK.
<b>Listing Rules</b>	the Listing Rules of the FCA.
<b>London Stock Exchange</b>	London Stock Exchange plc.
<b>Net Proceeds</b>	the funds received by the Company under the Placing less any expenses paid or payable in connection with Admission, the Placing and the setup and initial capitalisation of the Company.
<b>Official List</b>	the Official List maintained by the FCA.
<b>Orderly Market Date</b>	the date falling 12 months from completion of the Acquisition.
<b>Ordinary Shares</b>	ordinary shares of 1 penny each in the capital of the Company, including, where the context requires, the Placing Shares.

<b>Overseas Shareholders</b>	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
<b>Placing</b>	the proposed conditional placing of the Placing Shares on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in this document pursuant to the Placing Agreement.
<b>Placing Agreement</b>	the conditional agreement dated 17 August 2021 between the Company and Axis Capital Markets Limited setting out the terms of the Placing, further details of which are set out in paragraph 10.2 of Part VII.
<b>Placing Price</b>	3 pence per Ordinary Share.
<b>Placing Shares</b>	the 50,000,000 new Ordinary Shares which are proposed to be issued pursuant to the Placing.
<b>Premium Listing</b>	a Premium Listing on the Official List under Chapter 6 of the Listing Rules.
<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA under section 73(A) of FSMA, as amended from time to time.
<b>Registrar</b>	Share Registrars Limited (company number 04715037).
<b>Regulation S</b>	Regulation S promulgated under the Securities Act.
<b>Regulated Information Service or RIS</b>	one of the regulated information services authorised by the FCA to receive, process and disseminate regulator information in respect of listed companies.
<b>Reverse Takeover</b>	a transaction defined as a reverse takeover in Listing Rule 5.6.4R.
<b>Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>Shareholders</b>	holders of Ordinary Shares.
<b>Standard Listing</b>	a standard listing on the Official List under Chapter 14 of the Listing Rules.
<b>subsidiary</b>	has the meaning given to it by section 1159 CA

	2006.
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers.
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>UK MAR</b>	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019.
<b>UK MiFID Laws</b>	<p>(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose Directive 2014/65/EU in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019); and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and</p> <p>(ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019.</p>
<b>UK Prospectus Amendment Regulations 2019</b>	the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234.
<b>UK Prospectus Regulation</b>	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but,



not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)).

**United States, US or USA**

the United States of America, its territories and possessions.

**Warrants**

the warrants granted by the Company, conditional on Admission occurring, to its placing agent, Axis Capital Markets Limited, to its corporate adviser, Alexander David Securities Limited, and to its Directors in respect of 7,891,000 new Ordinary Shares in aggregate, further details of which are set out in paragraph 10.4 of *Part VII*.