

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

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

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

The Existing Ordinary Shares are admitted to trading on AIM. It is expected that First Admission and dealings in the Placing Shares will become effective and dealing for settlement in the Placing Shares will commence on AIM at 8.00 a.m. on 9 March 2021. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission and dealings in the Open Offer Shares will become effective and dealing for normal settlement in the Open Offer Shares will commence on AIM at 8.00 a.m. on 23 March 2021. No application is being made or has been made for the Existing Ordinary Shares or the New Ordinary Shares to be admitted to listing or dealt with on any other recognised investment exchange.

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

Quadrise Fuels International plc

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

Firm Placing of 222,222,222 Ordinary Shares and Open Offer of up to 37,673,598 Ordinary Shares each at a price of 2.7 pence per New Ordinary Share

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

The Open Offer closes at 11.00 a.m. on 22 March 2021. If you are a Qualifying Shareholder and want to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part II of this document and, where relevant, complete and return the Application Form enclosed with this document.

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

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

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

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

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

IMPORTANT INFORMATION

Notice to overseas persons

Subject to certain exceptions, neither this Circular, the Open Offer Entitlements or the Application Form constitutes an offer to sell or the solicitation of an offer to buy Open Offer Shares or any entitlements under the Open Offer in the United States (as defined in Regulation S of the Securities Act). Furthermore, the Placing Shares do not constitute an offer to sell or the solicitation of any offer to acquire any Placing Shares in the United States (as defined in Regulation S of the Securities Act).

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

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

Cautionary note regarding forward-looking statements

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

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

Information to Distributors

Solely for the purposes of paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the Product Governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria

of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the “**Target Market Assessment**”).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Open Offer Shares.

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

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Mike Kirk, <i>Chairman</i> Jason Miles, <i>Chief Executive Officer</i> Mark Whittle, <i>Chief Operating Officer</i> Laurie Mutch, <i>Non-executive Director</i> Philip Snaith, <i>Non-executive Director</i> Dilip Shah, <i>Non-executive Director</i> <i>all of the registered office below</i>
Registered Office	Eastcastle House 27-28 Eastcastle Street London W1W 8DH
Company Secretary	MSP Corporate Services Limited 27-28 Eastcastle Street London W1W 8DH
QFI website	www.quadrisefuels.com
Nominated Adviser	Cenkos Securities plc 6-8 Tokenhouse Yard London EC2R 7AS
Sole Bookrunner and Joint Broker	Shore Capital Stockbrokers Limited Cassini House 57 St James's Street London SW1A 1LD
Joint Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Legal Adviser to the Company as to English Law	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL
Legal Adviser to the Company as to Jersey Law	Bedell Cristin Jersey Partnership 26 New Street St Helier Jersey JE2 3RA
Legal Adviser to Cenkos and Shore Capital	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT

Registrar and Receiving Agent

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	1 March 2021
Announcement of results of the Placing and launch of Open Offer	2 March 2021
Record Date for the Open Offer	1 March 2021
Publication and posting of this Circular and the Application Form	3 March 2021
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 4 March 2021
Publication of Notice of the Open Offer in the London Gazette	4 March 2021
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	as soon as practicable after 8.00 a.m. on 8 March 2021
First Admission effective and dealings in Placing Shares commence on AIM	8.00 a.m. on 9 March 2021
Expected date for CREST accounts credited in respect of Placing Shares	9 March 2021
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 16 March 2021
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 17 March 2021
Latest time for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 18 March 2021
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 22 March 2021
Expected date of announcement of the results of the Open Offer	22 March 2021
Second Admission effective and dealings in Open Offer Shares commence on AIM	8.00 a.m. on 23 March 2021
CREST accounts credited in respect of Open Offer Shares	23 March 2021
Share certificates dispatched for the Placing Shares by	26 March 2021
Share certificates dispatched for the Open Offer Shares by	2 April 2021

Notes:

- (1) References to times in this Circular are to UK time (unless otherwise stated).
- (2) The dates and timing of the events in the above timetable and in the rest of this Circular are indicative only and may be subject to change at the absolute discretion of the Company. If any of the above times or dates should change, the details of the revised times and/or dates will be notified to AIM and, where appropriate, to Shareholders.
- (3) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Circular and, where relevant, complete the accompanying Application Form. If you have any questions relating to this Circular, and the completion and return of the Application Form, please telephone Share Registrars Limited between 9.00 a.m. and 5.30 p.m. (UK time) Monday to Friday on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK.

PLACING AND OPEN OFFER STATISTICS

Issue Price of the Placing Shares and the Open Offer Shares	2.7 p
Number of Existing Ordinary Shares in issue as at the date of this Circular ¹	1,130,207,964
Basis of the Open Offer	1 Open Offer Share for every 30 Existing Ordinary Shares held as at the Record Date
Number of Placing Shares	222,222,222
Number of Ordinary Shares available under the Open Offer	37,673,598
Number of Ordinary Shares in issue on First Admission	1,352,430,186
Number of Ordinary Shares in issue on Second Admission ³	1,390,103,784
Approximate percentage of the Enlarged Share Capital represented by the Placing Shares ³	15.99%
Approximate percentage of the Enlarged Share Capital represented by the Open Offer Shares ³	2.71%
Estimated net cash proceeds of the Placing	£5.5 million
Estimated net cash proceeds of the Open Offer ³	£1.0 million
TIDM for the Ordinary Shares	QFI
ISIN for the Ordinary Shares	GB00B11DDB67
ISIN for Open Offer Entitlements	GB00BMVN4M19
ISIN for Excess Open Offer Entitlements	GB00BMVN4N26

Notes:

- (1) As at the close of business on 2 March 2021, being the last practicable Business Day prior to the publication of this Circular.
- (2) The actual number of Open Offer Shares to be issued under the Open Offer will be subject to rounding down to eliminate fractional entitlements.
- (3) Assuming the maximum number of Open Offer Shares are allotted pursuant to the Open Offer and the issue of the Placing Shares.

PART I

LETTER FROM THE CHAIRMAN

Quadrise Fuels International plc

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

Directors:

Mike Kirk (*Chairman*)
Jason Miles (*Chief Executive Officer*)
Mark Whittle (*Chief Operating Officer*)
Laurie Mutch (*Non-executive Director*)
Philip Snaith (*Non-executive Director*)
Dilip Shah (*Non-executive Director*)

Registered Office:

27-28 Eastgate Street
London
W1W 8DH

3 March 2021

Dear Shareholder,

Firm Placing of 222,222,222 new Ordinary Shares and Open Offer of up to 37,673,598 new Ordinary Shares each at an Issue Price of 2.7 pence per New Ordinary Share

1. Introduction

On 11 February 2021, the Company announced that it had agreed a final issue of Convertible Securities with a nominal value of £537,500 under the Convertible Securities Issuance Deed, to Bergen Global Opportunity Fund LP (“Bergen”), for a cash consideration of £500,000. This funding enabled Quadrise to extend its operations on existing cash resources to mid-2021, and to accelerate both its testing and development work on bioMSAR™ and the early stage work with MSC Mediterranean Shipping Company SA (“MSC”), the latter under the Joint Development Agreement (“JDA”) announced on 21 January 2021. The Bergen cash consideration provided the Company with a strong foundation on which to consider its longer term funding requirements.

On 2 March 2021 the Company was pleased to announce that it had raised gross proceeds of £6.0 million through the Placing of 222,222,222 new Ordinary Shares with institutional and other investors at the Issue Price of 2.7 pence per Placing Share.

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

Therefore, the Company is now making the Open Offer to Qualifying Shareholders of up to 37,673,598 new Ordinary Shares to raise up to, approximately, a further £1.0 million at the Issue Price of 2.7 pence per Open Offer Share on the basis of 1 Open Offer Share for every 30 Existing Ordinary Shares held on the Record Date.

The Placing and Open Offer are expected to raise total gross proceeds of approximately £7.0 million, should the Open Offer be fully subscribed. The Issue Price represents a discount of approximately 5.3 per cent. to the closing mid-market price of 2.85 pence per Existing Ordinary Share on 1 March 2021, being the latest practicable date prior to the announcement of the then proposed Placing and the Open Offer.

The terms of the Placing and the Open Offer are described in this document and, as explained below, the Board believes that the net proceeds of the Placing and the Open Offer, together with the Company’s existing cash resources, secure the Company’s financial position. The Company will thereby be able to continue to operate and advance its business development and project initiatives through to the generation of sustainable cashflows from the progression of its active projects through to commercial operations. The Placing is conditional on, *inter alia*, the Placing and Open Offer Agreement becoming unconditional in all respects in relation to the Placing and not having been terminated in accordance with its terms and First

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

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

Neither the Placing nor the Open Offer are conditional upon Shareholder approval.

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

During 2020 the Group built considerable momentum by implementing its strategy of developing a wider range of MSAR[®] projects and potential commercial opportunities. This momentum has accelerated into 2021 as demonstrated by progress in a number of key projects – most notably in the industrials, upstream oil and gas and marine bunkering markets.

In addition, the Group has made rapid progress in the development of bioMSAR[™], which we believe opens up substantial new market opportunities in the rapidly growing renewable, biofuels market. Even with rapid progress towards a net zero carbon target, consensus forecasts still show fossil fuels as a major part of the energy mix through to 2050, so we see strong growth opportunities for both MSAR[®] and bioMSAR[™]. Quadrise is well positioned to progress these opportunities with our commercial partners in the relevant markets, providing, we believe, firm foundations for the Company's future growth.

The net proceeds of the recently announced successful Placing, together with the Group's existing cash resources, are expected to provide the Company with the funds required to progress the Company's current trial programmes through to commercial revenues in order to achieve sustained income and positive cashflows. The Open Offer to Qualifying Shareholders of up to 37,673,598 Open Offer Shares at the Issue Price of 2.7 pence per Open Offer Share will raise additional funds of up to approximately £1.0 million which will further strengthen the Company's balance sheet whilst providing additional project flexibility.

3. Views of the Board

The Board believes that the net proceeds of the Placing and Open Offer, together with the Company's existing cash resources, will provide the Company with the funds required to begin commercial supply operations and achieve sustained income and positive cashflows.

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

Following the participation in the Placing by the Executive Director of the Company who was not previously a Shareholder, the remaining two Executive Directors of the Company and two of the Non-Executive Directors of the Company intend to subscribe under the Open Offer, in respect of an aggregate of 814,814 Open Offer Shares, with all four of those participating Directors undertaking to subscribe for their entire Open Offer Entitlements (an aggregate of 183,716 Open Offer Shares) and certain of the Directors applying for an aggregate of 631,098 Open Offer Shares under the Excess Application Facility. Further details of the Directors' intended participation in the Open Offer are set out in paragraph 4.1 of Part IV of this document.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice. In particular, we refer you to the risk factors relating to the Group in Part III of this Circular.

4. Information on the Company

QFI has developed MSAR[®] as a lower cost, synthetic heavy fuel oil ("HFO") to help address the global issues of heavy oil oversupply, uneconomic HFO production and poor environmental performance associated with HFO consumption. MSAR[®] offers a unique solution to these issues by reducing oversupply, providing a cheaper manufacturing route and producing a fuel with enhanced combustion and environmental characteristics.

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

MSAR[®] has superior characteristics compared with HFO:

- Producing MSAR[®] allows the refiner to sell all of its distillate products at a higher value, as they no longer need to be used to dilute the residue to create HFO, generating significant increases in refinery economic yields.
- MSAR[®] is provided at a lower price on an energy equivalent basis than HFO, thereby delivering cheaper energy to consumers.
- MSAR[®] is easier to handle and use and can be stored and used at lower temperatures than HFO, reducing overall energy consumption.
- The small particle size (5-10 microns) of the residue in MSAR[®] results in improved combustion properties and engine efficiency, as well as significant reductions in carbon particulates in the exhaust gas that contribute to soot (also called "Black Carbon") emissions that, in turn, contribute to global warming.
- The presence of water in MSAR[®] reduces the combustion temperatures – leading to significant reductions in emissions of nitrogen oxides (NO_x).

New Environmental, Social and Governance Initiatives

Quadris, through its MSAR[®] technology and fuels, has always had strong environmental credentials. However, we realised that during 2020 there was a significant shift in attitudes to the use of sustainable energy, by both industry and society at large. We have, therefore, dedicated significant effort into emphasising the environmental benefits our MSAR[®] and bioMSAR[™] technologies offer, as well as highlighting our social and governance credentials more clearly.

In addition to helping our clients reduce their environmental footprint and decarbonise, and as an integral part of our commitment to supporting the global goal of net-zero carbon emissions by 2050, Quadris aims to be a leader in its field, by committing to be net-zero carbon by 2030.

We fully support the position that renewables should, and will, play an increasing role in meeting the world's energy needs. However, there will be a long transition period, during which fossil fuels will continue to play an important role. Our technology enables this to be done in a manner which minimises the impact on the environment through significantly reducing emissions compared with the "standard" solutions currently being used. We have therefore materially increased our focus on the environmental benefits of our technologies in marketing and investor relations materials and, more recently, created a distinct Environmental, Social and Governance ("ESG") section on our website.

Additionally, we commenced work in 2020 on a sustainable fuel programme, which resulted in bioMSAR[™]:

- Our Research, Development and Innovation ("RDI") team investigated opportunities to reduce emissions of SO_x and CO₂ from MSAR[®] by enabling sustainable fuel sources to be incorporated into MSAR[®] to further enhance its environmental benefits.
- We formally launched bioMSAR[™] in December 2020, following the successful conclusion of initial testing at the Quadris Research Facility ("QRF") during H2 2020. This demonstrated that we could produce bioMSAR[™], at pilot plant scale, blending 40-50 per cent. glycerine, 50-40 per cent. residue and c10 per cent. water and additives. bioMSAR[™] offers substantial (20-30 per cent.) reductions in CO₂ emissions, which is similar to using LNG, but with none of the risks of methane slip (or the need for substantial investment in new LNG infrastructure) whilst enabling the use of existing HFO infrastructure – with minimal modification costs.
- We announced in December 2020 our collaboration agreement with Aquafuel Research Ltd ("Aquafuel"), a British company specialising in renewable power innovation using conventional biofuels and glycerine.

- Combustion testing programmes with industry partners commenced in Q4 2020, with initial work successfully completed, as announced on 1 February 2021. The testing was carried out by Aquafuel on Quadrise's standard Cummins diesel generator and this confirmed bioMSAR™ is viable as a diesel engine fuel. In addition, bioMSAR™ achieved higher efficiency and 20-25 per cent. lower NOx compared to baseline testing on diesel at the prevailing test conditions on a high-speed 4-stroke diesel engine.
- Whilst at an early stage, good progress is being made in developing and promoting projects that offer opportunities for both Aquafuel and Quadrise in a number of markets with high growth opportunities.
- Further third-party testing with Wärtsilä and VTT in Finland during the first half of 2021 will seek to build upon these positive initial results and will incorporate optimisation at various loads on a larger medium speed 4-stroke diesel injector and engine, with further quantification of efficiency and emissions using bioMSAR™.

Other areas of work that are enhancing our ESG credentials include:

- **Exhaust Gas Cleaning Systems** ("EGCS", also termed "Scrubbers") – An agency agreement was signed in July 2020 with Pacific Green Technologies, Inc ("PGT") Group, a company that is becoming a world leader at providing sustainable cleantech solutions for climate change, green energy and emissions control. Their gas scrubbers have applications in the marine, power and industrial sectors that we are developing and, as agent, Quadrise will receive an agency fee based on sales of PGT technology linked to MSAR® projects. The use of MSAR® alongside these solutions enables customers to fund these environmental improvements, whilst ensuring that the local communities are able to benefit from the significant reduction in emissions.
- **JGC** – We are in discussions with JGC and a major diesel engine OEM regarding a new joint initiative for MSAR® to reduce Japanese refinery CO2 emissions using Combined Heat and Power diesel technology to replace residue-fired boilers.

MSAR® Market Background

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

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

The business development and project opportunities discussed below were undertaken during a period of significant change and volatility in the global liquid fuels markets. During the 2019-2020 financial year, positive trends in underlying MSAR® economics persisted for the majority of the period, in part due to the expectations around the shifts in demand due to the upcoming International Maritime Organization ("IMO") 2020 sulphur limits. However, from the start of calendar 2020 through to the end of April 2020 crude oil prices were severely impacted by the combination of the unfolding COVID-19 pandemic and the dispute between the KSA and Russia. Whilst crude oil prices have now mostly recovered, they remain at a discount of circa 10 per cent. overall to the average values seen in 2019. Of more relevance to MSAR® economics, gasoil-fuel oil spreads, which had risen from ~\$200/mt to ~\$350/mt collapsed to below \$100/mt, as fuel oil prices remained uncharacteristically strong and middle distillates weakened due to fundamental shifts in supply and demand. Whilst the recent short-term liquid fuels prices and volatility have negatively impacted MSAR® economics in some markets, in most regions they remain favourable and the longer-term trend is still very positive. Demand for middle distillates is forecast to recover from COVID-19 disruptions and fuel oil supply is expected to increase with greater production and refining of heavier crude oils. The enhanced

environmental performance of MSAR[®] and bioMSAR[™] will, we believe, be of increasing importance to both producers and consumers, alongside its substantial economic benefits. Despite the disruption caused by COVID-19, the use of high-sulphur fuels in combination with scrubbers is, in our view, the de-facto lowest cost solution to meet the IMO 2020 sulphur standard for the maritime sector, and national or World Bank regulations for utilities and industrial consumers. This provides a positive backdrop for Quadrise to work with refiners and fuel consumers to progress MSAR[®] projects, potentially combined with new environmental initiatives.

Project/Business Development Activities

Despite the unprecedented impact of COVID-19 on global economies, we made substantive progress in several areas as summarised below:

Industrial Applications

- **Morocco** – In November 2019, the Company signed a Material Transfer & Cooperation Agreement with a major chemicals group in Morocco. Rapid progress was made with project plans in early 2020, to enable a phase 1 pilot kiln trial to commence at the client's main site ("Site A") in March 2020. Unfortunately, COVID-19 restrictions led to this being postponed; after a Quadrise Pumping and Heating Unit ("PHU") and the MSAR[®] fuel (manufactured at QRF) had been received at the client's site.

Whilst the client's Site A was closed to external visitors and non-essential employees from March 2020, the QFI project team worked closely with the client and our Moroccan agent, to minimise the impact on the overall project timetable. The first action taken by the Quadrise project team was to positively engage with the client and obtain their agreement to bring forward the second phase feasibility study originally planned to have followed the successful completion of the pilot plant trial.

As a result of this decision, the feasibility study commenced in Q2 2020 and the pilot trial was successfully completed in October 2020. Rather than immediately progressing from the pilot trial to the intended commercial trial, (based on the phase 2 feasibility study), as initially planned, the client and the QFI project team, jointly agreed an intermediate stage of an industrial scale trial at another of the client's locations ("Site B"). This strategy will help to reduce the overall programme risk, as this location has more operational flexibility for accommodating the next trial.

As announced on 2 February 2021, the work on the newly planned industrial-scale trial is progressing, with a new PHU (which can be utilised for both the industrial and commercial trials) fabricated and ready for shipment. As the Site B trial requires around 60mt of MSAR[®] fuel, this needs to be manufactured by third parties. Our initial plans for this were impacted by the recent tightening of COVID-19 restrictions in the UK and we are now finalising contingency plans for the fuel to be manufactured and sent directly to site. The joint project team are working with the client's Site B to finalise plans for the industrial trial scheduled to be completed as early as possible in H1 2021 along with the phase 2 feasibility study. QFI will be paid £100,000 for the industrial trial and phase 2 study under existing agreements with the client.

Following the successful conclusion of the industrial trial, the plan is to complete the commercial trial at the main site ("Site A"), which is the major fuel oil consumer, by early/mid H2 2021. Assuming the successful conclusion of these trials, the intention would then be to conclude a commercial supply agreement covering one or more of the client's sites in Morocco.

To recap, the major milestones planned are;

- H1 2021 – industrial scale trial at Site B. Complete phase 2 feasibility studies for the commercial trial at Site A.
 - Early/mid H2 2021 – commercial trial at Site A.
 - Conclude a commercial supply agreement with the client after the successful conclusion of the commercial trial at Site A.
- **Upstream Applications** – Following the signature, in Q1 2020, of a Memorandum of Understanding ("MOU") with Valkor Technologies ("Valkor") to investigate the potential deployment of MSAR[®] technology in Utah, USA, we were delighted to announce on 18 August 2020, a Commercial Trial Agreement ("CTA") with Greenfield Energy LLC ("Greenfield" – a joint-venture between Valkor and

Tomco Energy plc). This covers testing at the Petroteq Oil Sand Plant (“POSP”) located at the Asphalt Ridge Facility in Utah, USA, which is managed by Greenfield.

The first phase of the CTA (“Phase 1”), for which Quadrise is being paid \$150,000, includes:

- Proof of Concept (“POC”) formulation and test work at the QRF using oil samples supplied by Greenfield.
- Loan of Quadrise MSAR[®] commercial production equipment, MSAR[®] test equipment and supply of MSAR[®] additives.
- Supply of specialist services and personnel to assist Greenfield in completing the commercial scale demonstration trial to produce 600 barrels (100mt) of power grade MSAR[®].

The POC formulation and test work was originally scheduled for H2 2020. However, this was reliant on samples being received at QRF. With start-up of the POSP delayed until January 2021, as announced by Tomco in December 2020, this POC work has now been pushed back to Q1 2021. As soon as we have received representative samples at QRF, we would expect the testing and report work to be completed within 3 weeks. The MMU is ready to be sent to the POSP site and we await Greenfield’s confirmation to ship. The trial will then commence once the Quadrise project team is able to gain safe access (under COVID-19 restrictions) to the site.

Pending the successful completion of Phase 1, Quadrise will then work with Greenfield to develop plans for commercial MSAR[®] production facilities capable of treating 10,000 barrels of oil per day (“Phase 2”) and to agree terms for the granting of a conditional MSAR[®] licence to Greenfield once commercial agreements have been signed.

Marine Applications

- We announced on 21 January 2021, that we had signed a JDA with MSC, a world leader in container shipping and cruise lines. We are now, through the JDA, undertaking the preparatory work to enable LONO trial(s) aboard MSC container shipping vessel(s).
 - During Q1 2021, the planning and preparatory work will be undertaken to enable a LONO trial(s) of Marine MSAR[®] to take place on a vessel with a MAN ME engine, and potentially on a vessel with a Wärtsilä/Win GD Flex engine.
 - During Q2 2021, we will be working to procure the equipment for fuel production, and the vessel(s) fuel booster system(s) and to commence the process of preparing the vessel(s) and the fuel production site to enable the commencement of the LONO trial(s) in the second half of 2021.
 - H2 2021 will see the active commencement of the trial on the vessel(s), with all the preparatory and commissioning work having been completed for both fuel production and on-vessel storage and use of MSAR[®]. Once the initial MSAR[®] fuel has been loaded and the on-board systems commissioned, the vessel(s) will then be bunkering Marine MSAR[®] throughout the LONO trial(s) which is / are currently expected to be of 4,000-hour duration. The details of the LONO process and relevant inspections and milestones will be agreed between the parties during the initial phase of the work under the JDA.
 - As we have previously highlighted, we continue to have discussions with other owners and operators in the marine market, relating to potential trials and commercial roll-out of MSAR[®] and bioMSAR[™] more widely in the sector. However, ensuring the successful conclusion of the trial work with MSC and progressing this to commercial supply contracts will be our primary focus in the short-term.
- As noted previously, there remains a general consensus that scrubbers alongside the use of high-sulphur fuels is the lowest cost solution for operators; though scrubber installation activity was lower than expected during 2020, because of the impact of COVID-19 on shipyard/drydock availability and scrubber manufacturing.
- We had previously indicated that we were evaluating an opportunity to establish or link with a physical bunker fuel supplier, to provide a supply network for high sulphur fuels in parallel with MSAR[®] for LONO

testing and subsequent commercial supply. With the bunker market adversely impacted by COVID-19, this work was paused. However, this is a market opportunity that we will continue to review, albeit it is not considered a high priority at this time. As noted previously, any decision to enter this market would be alongside trusted counterparties who can manage the commodity price risk, provide the working capital requirements and counterparty credit facilities and manage the logistics of a physical bunkering operation.

Power Applications, Refinery Refuelling, & Co-Development Opportunities

Middle East

During 2020 we undertook a major profile-raising initiative in the Middle East through the publication of a White Paper (in English and Arabic) in August, which demonstrated the benefits that the adoption of MSAR® technology and fuels could provide to the region. In addition, we updated our website, so that most of it is now available in Arabic, including our animated video. These activities have been very well received and through targeted use of social media we have significantly raised the profile of Quadrise in the region amongst key decisions makers. Targeted activities will continue in support of our direct business development activities in the key market of the Kingdom of Saudi Arabia.

- **Kingdom of Saudi Arabia** – Quadrise management and our local partners Al Khafrah Holding Group (“AKHG”) attended a meeting in Riyadh in March 2020 alongside representatives from the major power utility and a major boiler OEM to discuss resuming the planned 400MWe boiler trial using in-Kingdom MSAR® manufacture. Following this positive meeting, further progress has been made with the OEM and utility, but it will not be possible to advance further until all stakeholders are aligned. We are continuing to work through AKHG, and directly, to seek the best route to the other stakeholders, as the benefits remain very significant. However, the structure and heavily subsidised nature of the fuel and power markets in KSA means that many of the benefits are delivered at a Kingdom level, rather than at the producer/consumer level that would be the case in competitive markets, and as a result there remain material hurdles to ensuring that all stakeholders are aligned and engaged.
- **Kuwait** – During 2020 there has been no material progress to report, and as a result this project is not currently a high priority market for QFI.

South & Central America

Subsequent to the profile-raising activities in the Middle East, we published an America’s White Paper (in Spanish and English) in December 2020, which demonstrated the benefits that the adoption of MSAR® technology and fuels could provide to the region. In addition, we updated our website, so that most of it is now available in Spanish, including our animated video. As was the case with those activities in the Middle East, through targeted use of social media we have significantly raised the profile of Quadrise in the region amongst key decisions makers. Targeted activities will continue in support of our direct business development activities in the key markets:

- **Ecuador (Freepoint Commodities)** – This is an excellent example of how Quadrise’s longstanding business development experience can lead to project opportunities progressing very rapidly from a “standing start”. QFI and Freepoint jointly met with senior management of the national oil company in Ecuador in early January 2020 to review an exciting MSAR® opportunity for refinery refuelling, leading to domestic power generation and export opportunities that would reduce energy costs and emissions for the country. This is a refinery well known to Quadrise, as we had worked on a project there several years earlier, that would, however, have required very significant investment and working capital. Following the initial meeting, a three-person team from Quadrise visited the refinery and the adjacent power utility in early March 2020. Whilst rapid progress was made during the first half of 2020, during the second half of 2020, there was very limited progress, primarily driven by the differing positions of the national oil company management and the government on the future structure of the oil industry within Ecuador. Once the future structure is agreed, Quadrise will be in a position to continue its discussions, as MSAR® technology has the opportunity to add significant value, irrespective of the organisational structure of the industry.
- **Mexico (Redliner & Freepoint Commodities)** – MSAR® opportunities in Mexico are wide-ranging and include upstream, refinery refuelling, domestic power generation and fuel exports that also reduce imports. Our principal activities are with our agents Redliner, who have been progressing opportunities

with the national oil company and have successfully engaged with stakeholders at very senior levels. Despite this, as a result of delays by the client in concluding a non-disclosure agreement that has prevented the essential sharing of information, we have not been able to undertake the techno-economic study for multiple refineries as planned. Whilst this is frustrating, it is not unusual in this market and we continue to work with Redliner to progress activities as there is a clear economic rationale. Most recently MSAR® briefings were submitted directly by Redliner to the Energy Secretary and key Directors (Upstream and Refining) of the national oil company.

Further discussions with the major independent power project developer, who is supportive of MSAR® fuel's economic and environmental advantages for new build power projects in the region, are pending progress with the national oil company.

- **Nouryon** – Positive discussions with Nouryon regarding business collaboration opportunities between Quadrise, Nouryon and related companies within the Carlyle Group have continued, with updates expected during 2021.

Other

There are no material updates to report on opportunities with the European Oil Major, the European Refiner, Bitumina, API Poly-GCL or Maersk Line.

Delivery of Key Business Objectives

Our broad spread of activities came to the fore in 2020, with material progress achieved across several core markets. As a result, we have continued to deliver on our key objectives; to rebuild shareholder confidence and demonstrate that their long-term support continues to be justified.

With the funding put in place during autumn 2019, supplemented with the final tranche of funding from Bergen in February 2021, we secured our ability to pursue our business development activities through to mid-calendar 2021. This provided a firm foundation to enable the funds raised from the Placing and Open Offer to enable a clear pathway to commercial revenues and profitability.

Response to the COVID-19 Pandemic and Cost Reduction Actions

COVID-19 Mitigations – Throughout 2020 we put in place pragmatic and measured initiatives to protect our staff, their families and the business; ensuring that we could continue to operate. QRF remained operational throughout the year, following COVID-19 guidelines with no direct impact on planned testing and operational support activities.

Whilst our London office briefly reopened during the summer of 2020, most staff continue to work effectively from home – and this remains the plan in the short-term. This has had limited impact on our activities, with very effective use being made of in-country agents/representatives, together with web-based conferencing communications to initiate new agreements. We worked effectively with our clients in Morocco and Utah throughout this process, to actively manage any potential impacts on overall project timetables.

Despite the global disruption caused by COVID-19, Quadrise has continued to progress business development activities on multiple fronts, and the levels of engagement with partners, prospective clients and project stakeholders have generally increased. We believe that this is a result of the economic and environmental advantages that MSAR® offers being more widely known in the market and that these advantages are even more crucial now. The most recent and clear confirmation of our success in this regard is that the discussions with MSC were conducted almost entirely on-line (after some initial face to face meetings during Q1 2020), prior to being concluded and announced on 21 January 2021.

Cost Reduction Actions – We continue to operate with a small but strong leadership team at Quadrise. Mindful that all our activities are currently funded directly from cash reserves, we have always had a keen eye on costs, and acted early, ahead of the general lockdown to have a further close review of our cost base. As a result, we took the decision to exercise the break clause in the lease at our current London Office, enabling the Company to locate to lower cost and more flexible premises from the end of Q1 2021. More recently, we were able to secure an even earlier exit from the lease on very favourable terms and we formally left the office on 5 February 2021. With current restrictions in place, we will continue to operate our London-based team remotely, though with a plan to secure new, flexible, accommodation during 2021.

We utilised the furlough scheme for a small number of our London and QRF based staff as appropriate and we restructured staffing levels and overall costs to maximise the use of remaining cash reserves. In addition, two non-executive directors left the business in 2020 and were not replaced, further reducing the overall cost of the board. It was a combination of these actions that enabled the Company to extend its period of operation on current cash reserves from 31 December 2020 (as announced at the time of completing the fundraising in October 2019) to mid-Q2 2021, and most recently to mid-2021, with the recent and final £500,000 funding from Bergen.

RDI and Operations Activities

Research, development and innovation (“RDI”) activities remain a core function and underpin our technology-led offering, with QRF our hub for these activities. During 2020, preparing for the trial in Morocco was the main activity in Q1 and included the design, fabrication and commissioning of the PHU, testing of a bespoke in-house designed burner tip and production of the fuel for the pilot plant trial at Site A. All of which was completed on time, allowing the equipment and fuel to be available on site as planned, before the COVID-19 lockdown prevented trial commencement.

The ability to utilise QRF to produce relatively small volumes of MSAR[®] fuel in 1m³ IBCs has proved to be instrumental in our work to progress the project in Morocco, though for the next industrial scale trials we will be using a third party to produce the approximately 60t of MSAR[®] required and this will be supplied in ISOTANKS.

Testing of the oil samples from Greenfield will be a priority (once they have been received), ahead of planned on-site trial activities in Utah in H1 2021. Despite the delays in receiving the samples, QRF progressed all the necessary work to ensure that test equipment is adequately prepared for the challenges of working in the very cold winter conditions in Utah which is ready to be shipped, once we have received confirmation that Greenfield is ready to accept it at the POSP site.

Alongside this, the RDI team have completed initial testing and scoping for a new programme of work at QRF to further improve the environmental performance and credentials of MSAR[®] using sustainable and renewable fuel sources. Of particular note was the initial positive progress made on the incorporation of glycerine alongside water and residue to create bioMSAR[™] which was formally launched in December 2020. We are now working on further testing with industry partners during 2021. The initial testing with Aquafuel on a high-speed diesel generator was announced on 1 February 2021, following the announcement of a collaboration agreement with Aquafuel on 18 December 2020. Further testing with Wärtsilä and VTT in Finland is scheduled for H1 2021, and we are at an early stage in reviewing the opportunities for bioMSAR[™] testing to be included as part of the active trial programmes in Morocco, Utah and importantly with MSC who are early adopters of biofuels.

Outlook – Current trading and prospects

The Quadrise team has been able to build on the platform created in 2019 with additional significant momentum achieved during 2020 which has accelerated in 2021, despite the COVID-19 pandemic.

2021 will be a very busy year as we ramp-up our activities across all of our active projects in the industrial, upstream and marine markets, alongside the continued testing and development of our new renewable fuel, bioMSAR[™]. In all of these projects, we have built in contingencies relating to the potential impact of continuing controls and restrictions relating to COVID-19. Whilst there can be no certainty on how and when restrictions will be eased – based on our most up to date plans, we feel confident that we can manage any downside risks appropriately.

- We have already put contingency plans in place relating to the manufacture of fuel for the industrial trial in Morocco at Site B by a third party, that will ship the fuel directly to Morocco.
- The PHU that will be used for both the industrial trial at Site B and the subsequent commercial trial at Site A in Morocco has been fabricated and is ready to be sent to Morocco.
- The work on Site A where non-essential access (even for their own staff) is tightly controlled, is planned in the second half, when COVID-19 restrictions are highly likely to have eased materially.

- Early-stage work on the MSC trial is focused on planning, so we are not anticipating any material change to the timing of these activities. This significantly reduces the risk of the operational elements being impacted, as they are expected to be implemented in the second half of the year.
- Pending receipt of samples from Greenfield, we can complete the confirmatory testing and issue the report to the client within three weeks. This is the critical path item for the test programme, as the MMU and ancillary equipment is ready to be sent to Utah, once Greenfield confirm they are ready to receive this on-site.
- The test is of very limited duration, with a planned 600 barrels (100mt) of MSAR® being produced. We expect the test to be completed within 1 week of being able to commission the MMU on site.
- One of the JV partners in Greenfield, Tomco, has been able to gain regular access to the site for its UK-staff throughout the current restrictions, so we do not anticipate that this will adversely impact our plans.
- Much of the development and testing activity for bioMSAR™ is to be carried out at third-party dedicated test facilities and at QRF and we do not expect these activities will be materially impacted by COVID-19 restrictions.

It is important to emphasise that we take our responsibilities to ensure that all of our colleagues remain safe very seriously. This will always be our main priority when assessing project programmes and our current planning and contingencies fully take this into account.

We regard continued progress in the above projects as being instrumental to building momentum which will then significantly improve engagement with key stakeholders in the Middle East and Central and South America.

We know that being able to deliver good newsflow will be as important as ever and we have invested significant further effort into our PR/IR activities to support this. With White Papers published on the Middle East and the Americas markets and enabling the bulk of our website to be available in Arabic and Spanish, we have raised our profile significantly in these markets. This has been further supported by a more comprehensive and consistent approach to the use of social media to supplement and enhance our formal announcements via RNS. We will also continue to use a broad spread of routes to engage with shareholders, including interviews with Proactive Investors and the use of Investor Meet Company to provide regular updates and Q&A sessions for our substantial and loyal retail shareholder base.

The funding will enable Quadrise to progress its active projects and their planned migration to commercial contracts – providing a clear path to sustainable commercial revenues. It also supports our business development activities to enable progress in key markets such as the Middle East and Central and South America.

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

5. Financial information

Audited accounts for the Group for each of the three financial years ended 30 June 2020, 30 June 2019 and 30 June 2018 are available on the Company's website www.quadrisefuels.com.

As at 30 June 2020, the Group's audited cash balance was approximately £2.4 million and the recently announced Placing provides the Company with the funds required to progress current active programmes through to the successful conclusion of the relevant trials/tests, the negotiation and implementation of commercial supply contracts, and the generation of sustainable positive cashflows.

6. Principal terms of the Placing and Open Offer

Placing

On 1 March 2021, the Company announced that pursuant to the Placing and Open Offer Agreement, 222,222,222 Placing Shares had successfully been conditionally placed with institutional and other investors at the Issue Price, thereby raising gross proceeds of approximately £6.0 million. The Placing is conditional on, *inter alia*, the Placing and Open Offer Agreement becoming unconditional in all respects in relation to the Placing and not having been terminated in accordance with its terms and First Admission. Further details of the Placing and Open Offer Agreement are set out in paragraph 5.19 of Part IV of this document.

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

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

Open Offer

Qualifying Shareholders are invited to apply for Open Offer Shares under the Open Offer at the Issue Price of 2.7 pence per Open Offer Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

1 Open Offer Share for every 30 Existing Ordinary Shares

held at the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held. Open Offer Entitlements will be rounded down to the nearest whole number of Open Offer Shares. The Issue Price represents a discount of: 5.3 per cent. to the closing mid-market price of 2.85 pence per Existing Ordinary Share on 1 March 2021 as derived from the AIM Appendix to the Official List of the London Stock Exchange on 1 March 2021, being the last practicable date prior to the announcement of the Open Offer.

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

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

If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and Shore Capital may agree that Shore Capital should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that Shore Capital would be successful in so procuring any subscribers for such shares.

The Open Offer is subject to the satisfaction, *inter alia*, of the following conditions on or before 23 March 2021, or such later date as the Company and Shore Capital may agree:

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

Accordingly, in the event that these conditions are not satisfied, or, if applicable, waived, by 23 March 2021 (or such later time as Shore Capital may in its absolute discretion determine provided that such time does not extend beyond 5.00 pm on 30 April 2021) the Open Offer will not proceed. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of Open

Offer Shares. Any fractional entitlement to Open Offer Shares will be disregarded in calculating Open Offer Entitlements.

Whilst Qualifying Shareholders with a shareholding of less than 30 Existing Ordinary Shares on the Record Date will not receive an Open Offer Entitlement, such Qualifying Shareholders will be able to apply for Open Offer Shares under the Excess Application Facility.

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

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

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

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

7. Use of proceeds

During 2020 the Group built considerable momentum in implementing its new strategy of developing a wider range of MSAR[®] project and commercial opportunities. This momentum has accelerated into 2021. We have demonstrated staged progress in a number of key markets for the Group – most notably in the industrials, upstream oil and gas and marine bunkering markets. In addition, we have made rapid progress in the development of bioMSAR[™] which we believe opens up substantial new market opportunities, giving Quadris access to a rapidly growing market for biofuels. With even the most optimistic of forecasts still seeing fossil fuels as a major part of the energy mix through to 2050, we see strong growth opportunities for both MSAR[®] and bioMSAR[™]. We are well positioned to progress these opportunities with our commercial partners in the relevant markets, providing, we believe, firm foundations for the Company's future growth.

The net proceeds of the Placing, together with the Company's existing cash resources, are expected to provide the Company with the funds required to progress the Company's current trial programmes through to commercial revenues in order to achieve sustained income and positive cashflows. Additional funds of up to approximately £1.0 million to be raised pursuant to the Open Offer will further strengthen the Company's balance sheet whilst providing additional project flexibility.

8. Action to be taken

In respect of the Open Offer

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

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

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

If you are a Qualifying Non-CREST Shareholder, you will receive an Application Form. If you are a Qualifying Non-CREST Shareholder and wish to participate in the Open Offer, you should carefully read the Application Form accompanying this Circular which gives details of your Open Offer Entitlement. If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement, or both your Open Offer Entitlement and any Excess Open Offer Entitlement in respect of which, subject to satisfaction of the terms and conditions set out in this Circular and the Application Form, any application for your Open Offer Entitlement must be satisfied in full), you should complete the enclosed Application Form in accordance with the procedure set out at paragraph 3 of Part II of this Circular and on the Application Form itself and send the Application Form in the accompanying prepaid envelope along with the appropriate remittance to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 22 March 2021, having first read carefully Part II of this Circular and the contents of the Application Form.

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

Application has been made for the Open Offer Entitlements and Excess Open Offer Entitlements of Qualifying CREST Shareholders to be admitted to CREST. If you are a Qualifying CREST Shareholder, you will not receive an Application Form. You will instead receive a credit to your account in CREST in respect of your Open Offer Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part II of this Circular. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 3.2 of Part II of this Circular.

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

Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claim Processing Unit.

Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable entitlement and cannot be traded.

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

9. Taxation

A summary general guide to current UK tax legislation is provided at paragraph 6 of Part IV of this Circular. Any person who is in any doubt as to their tax position, or is subject to tax in any jurisdiction other than the UK, is strongly advised to obtain independent tax advice regarding their own tax position and should not rely on the summary provided herein for specific tax advice as to their particular situation.

10. Settlement and dealings

Application has been made for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings will commence on 9 March 2021. Application will also be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings will commence on 23 March 2021. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 12 of Part II of this Circular.

11. Overseas Shareholders

In accordance with section 562(3) of the Act, the offer to Shareholders who have no registered address in an EEA State and who have not given to the Company an address in an EEA State for the service of notices,

will be made by the Company causing a notice to be published in the London Gazette on 4 March 2021 stating where copies of this document and the Application Form may be obtained or inspected on personal application by or on behalf of such Qualifying Shareholders. Any person with a registered address, or who is resident or located, in the United States or any of the Restricted Jurisdictions or any other jurisdictions where the extension and availability of the Open Offer would breach any applicable law who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

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

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

12. Further Information

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

Yours faithfully

Mike Kirk
Chairman

PART II

DETAILS OF THE PLACING AND OPEN OFFER

1. Introduction

As explained in Part I of this Circular, the Company proposes to raise up to a maximum of approximately £1.0 million by way of an Open Offer of up to a maximum of 37,673,598 Open Offer Shares at the Issue Price.

2. The Placing

Shore Capital have, pursuant to the Placing and Open Offer Agreement, conditionally placed the Placing Shares with institutional investors at the Issue Price.

The Placing will be effected by way of a placing of new Ordinary Shares in the Company for non-cash consideration. Shore Capital will subscribe for ordinary shares and redeemable preference shares in Four (Jersey) Limited, a wholly owned subsidiary of the Company, for an aggregate amount approximately equal to the net proceeds of the Placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to Placees in consideration for the transfer of the ordinary shares and redeemable preference shares in Four (Jersey) Limited, that will be issued to Shore Capital. At the conclusion of this process Four (Jersey) Limited will be a wholly owned subsidiary of the Company and its principal assets will be cash reserves approximately equal to the net proceeds of the Placing.

A summary of the principal terms of the Placing and Open Offer Agreement is set out in paragraph 5.19 of Part IV of this Circular.

3. Structure of the Placing

The Placing has been structured using a cash box structure, which is expected to have the effect of providing the Company with the ability to realise distributable reserves approximately equal to the net proceeds of the Placing less the nominal value of the Placing Shares issued by the Company.

The Board has consulted with the Company's major shareholders, ahead of proceeding with the Placing, who have endorsed this strategy.

The Company and Shore Capital have agreed to subscribe for ordinary shares in Four (Jersey) Limited. Monies received from Placees taking up Placing Shares will be paid to an account with Shore Capital. Shore Capital (acting as principal), will apply the monies in such account to subscribe for redeemable preference shares in Four (Jersey) Limited.

The Company will allot and issue the Placing Shares to those persons entitled to them in consideration for Shore Capital transferring its holdings of ordinary shares and redeemable preference shares in Four (Jersey) Limited to the Company. Accordingly, instead of receiving cash consideration for the issue of Placing Shares, following completion of the Placing, the Company will own the entire issued share capital of Four (Jersey) Limited, whose principal assets will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing. The Company will then be able to access those funds by redeeming the redeemable preference shares it holds in Four (Jersey) Limited, or, alternatively, during any interim period before redemption, by procuring that Four (Jersey) Limited lends the amount to the Company.

Accordingly, by taking up or purchasing Placing Shares under the Placing and submitting a valid payment in respect thereof, a Placee instructs Shore Capital to hold such payment on behalf of Shore Capital and: (i) to the extent of a successful application under the Placing, to apply such payment on behalf of Shore Capital solely for Shore Capital to subscribe (as principal) for redeemable preference shares in Four (Jersey) Limited; and (ii) to the extent of an unsuccessful application under the Placing, to return the relevant payment without interest to the applicant.

4. The Open Offer

The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out herein and, where relevant, in the Application Form, and subject to the Articles, for Open Offer Shares at the Issue Price, free from all expenses, payable in cash in full on application. The Issue Price represents a discount of 5.3 per cent. to the closing mid-market price of 2.85 pence per Existing Ordinary Share as derived from the AIM Appendix to the Official List of the London Stock Exchange on 1 March 2021, being the last practicable date prior to the announcement of the Open Offer on 1 March 2021.

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

If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and Shore Capital may agree that Shore Capital should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that Shore Capital would be successful in so procuring any subscribers for such shares.

The Open Offer is being made and communicated to Shareholders pursuant to section 561 and section 562 of the Act. No allotment shall be made of any Open Offer Shares under the Excess Application Facility other than in compliance with section 561(1)(b) of the Act.

The Open Offer will be communicated to Shareholders outside the EEA by means of a notice in the London Gazette published on 4 March 2021, details of which are provided in paragraph 8 of this “Part II – Details of the Placing and Open Offer”.

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

1 Open Offer Share for every 30 Existing Ordinary Shares

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

If Qualifying Shareholders do not take up all of the Open Offer Shares, the Company and Shore Capital may agree that Shore Capital should use their reasonable efforts to procure subscribers for such Open Offer Shares at the Issue Price. There is no guarantee that this will occur or that Shore Capital would be successful in so procuring any subscribers for such shares.

Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant’s risk and without interest) within 14 days by way of cheque. The action to be taken in relation to the Open Offer is described in paragraph 3 below.

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

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

The Open Offer is conditional, *inter alia*, on the Placing and Open Offer Agreement becoming or being declared unconditional in all respects in relation to the Open Offer (save in respect of Second Admission) and not being terminated before Second Admission, and on Second Admission becoming effective. It is expected that Second Admission will take place on 23 March 2021. If such conditions are not fulfilled, application monies are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant’s risk) by post as soon as practicable after that date. Any interest earned on the application monies will be retained for the benefit of the Company.

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

Completed Application Forms, accompanied by full payment, should be returned by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 22 March 2021.

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

The Open Offer Shares will represent approximately 2.71 per cent. of the Enlarged Share Capital (assuming First Admission takes place and full take up of the Open Offer Shares under the Open Offer).

The Open Offer is not conditional upon Shareholder approval.

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

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

If you are in any doubt as to the action you should take, or the contents of this Circular, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

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

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

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

5.1 Qualifying Non-CREST Shareholders

(a) General

Subject to paragraph 8 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form will show the number of Existing Ordinary Shares registered in your name on the date of this Circular. It also shows the number of Open Offer Shares for which you may apply pursuant to your Open Offer Entitlement (on an initial *pro rata* basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your Open Offer Entitlement should you wish to do so. Qualifying Non-CREST Shareholders who take up their Open Offer Entitlements in full may also apply for additional Open Offer Shares by completing Boxes 3 and 4) on the Application Form relating to your Excess Open Offer Entitlement.

Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim. If the total number of Open Offer Shares applied for by all Qualifying

Shareholders exceeds 37,673,598, applications for Open Offer Shares will be scaled back *pro rata* to the number of additional Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility (or at the discretion of the Directors). The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders. **The Application Form represents the right to apply for Open Offer Shares and is not a document of title and cannot be separately traded.**

(b) *Market claims*

Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 8.00 a.m. on 4 March 2021. Application Forms may be split up to 3.00 p.m. on 18 March 2021.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 4 March 2021, being the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his or her broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying Non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Excluded Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2 below.

(c) *Application procedures*

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, so as to arrive no later than 11.00 a.m. on 22 March 2021. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.

If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Receiving Agent, on the Company’s behalf (but only with the agreement of Cenkos), may elect to accept Application Forms and remittances after 11.00 a.m. on 22 March 2021 in respect of those bearing a post mark before that date and time. The Receiving Agent may also (on behalf of the Company but only with the agreement of Cenkos) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Receiving Agent, on behalf of the Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 22 March 2021 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares applied for and undertaking to lodge the relevant Application Form in due course but, in any event, within two Business Days.

(d) *Payments*

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

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

(e) *Effect of application*

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

- (i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than that contained in this Circular, and you accordingly agree that no person responsible solely or jointly for this Circular or any part of it shall have any liability for any such information or representation not so contained; and
- (iii) represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim.

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

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to completion of the Application Form by Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, telephone 01252 821390 or, if telephoning from outside the UK, on +44 1252 821390 between 9.00 a.m. and 5.30 p.m. Calls to the Share Registrars' number are charged at the standard geographic rate and will vary by provider. Calls to the Share Registrars' number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Share Registrars Limited cannot provide advice on the merits of the Open Offer nor given any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who take up their Open Offer Entitlements in full may apply to acquire Excess Shares under the Excess Application Facility, further details are set out in paragraph 6 of this Part II.

5.2 **Qualifying CREST Shareholders**

(a) *General*

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

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

If for any reason the Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 8 March 2021 or such later time as the Company (with the agreement of Shore Capital) may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this Circular will be adjusted as appropriate and the provisions of this Circular applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

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

(b) *Market Claims*

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

Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

(c) *USE instructions*

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

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

- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.
- (d) *Content of USE instructions in respect of the Open Offer Entitlement*
- The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
 - (ii) the ISIN of the Open Offer Entitlement. This is GB00BMVN4M19;
 - (iii) the participant ID of the accepting CREST member;
 - (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
 - (v) the participant ID of the Receiving Agent. This is 7RA36;
 - (vi) the member account ID of the Receiving Agent. This is RECEIVE;
 - (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (d)(i) above;
 - (viii) the intended settlement date. This must be on or before 11.00 a.m. on 22 March 2021; and
 - (ix) the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 22 March 2021.

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 22 March 2021 in order to be valid is 11.00 a.m. on that day.

- (e) *Content of USE instruction in respect of Excess Open Offer Entitlements*
- The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
- (i) the number of Excess CREST Open Offer Entitlements for which application is being made;
 - (ii) the ISIN of the Excess CREST Open Offer Entitlements. This is GB00BMVN4N26;
 - (iii) the CREST participant ID of the accepting CREST member;
 - (iv) the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;
 - (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA36;
 - (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RECEIVE;

- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Open Offer Entitlements referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 22 March 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 22 March 2021.

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 22 March 2021 in order to be valid is 11.00 a.m. on that day.

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

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 22 March 2021.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with CREST, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 17 March 2021, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 16 March 2021, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 22 March 2021.

- (g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 22 March 2021 will constitute a valid application under the Open Offer.

- (h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member

concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 22 March 2021. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings).

(l) *Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

(j) *Effect of a valid application*

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

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular and subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 67, 70 and 93 (Depository Receipts) or Section 96 (Clearance Services) of the Finance Act 1986;
- (v) confirm that in making such application he or she is not relying on any information in relation to the Company other than that contained in this Circular and agrees that no person responsible solely or jointly for this Circular or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agrees that having had the opportunity to read this Circular, he will be deemed to have had notice of all the information concerning the Company contained therein; and
- (vi) represent and warrant that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

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

The Company and Shore Capital may in their discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II);
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.
- (l) *Lapse of the Open Offer*
- In the event that the Open Offer does not become unconditional by 8.00 a.m. on 23 March 2021 or such later time and date as Shore Capital and the Company may agree, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

6. Excess Application Facility

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

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete Boxes 3 and 4 on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 3.2 of this Part II for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all. Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST.

It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 8 March 2021. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 8 March 2021. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

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

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

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

For Qualifying Non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand by appointment only (during normal business hours only) to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, UK so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 22 March 2021. For Qualifying CREST Shareholders, the relevant CREST instructions must have been settled as explained in this Circular by no later than 11.00 a.m. on 22 March 2021.

7 Money Laundering Regulations

7.1 Holders of Application Forms

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

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

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

If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.

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

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

- (i) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non- European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Turkey, the United States of America and, by virtue of their membership of the Gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority. In order to confirm the acceptability of any written assurance referred to above or any other case, the applicant should contact the Receiving Agent;
- (iii) if (an) Application Form(s) in respect of relevant shares is/are lodged by hand by appointment only by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address; and
- (iv) third party payment will not be accepted.

7.2 **Open Offer Entitlements in CREST**

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

8. **Overseas Shareholders**

8.1 **General**

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect

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

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

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the agent or nominee of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6. The Company, Shore Capital and the Receiving Agent reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.

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

8.2 **United States**

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

No Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Unless otherwise agreed by the Company and Cenkos at their discretion, any person completing an Application Form or applying for Open Offer Shares will be required to represent that such person (i) is not located in the

United States or any other Excluded Jurisdiction; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Open Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless (a) the instruction to exercise was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) it has investment discretion over such account or (B) it is an investment manager or investment company that it is acquiring the Open Offer Shares in an “off shore transaction” within the meaning of Regulation S (as promulgated under the Securities Act); and (iv) is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any Excluded Jurisdictions or any other jurisdiction referred to in (ii) above.

9. Notice in the London Gazette

In accordance with section 562(3) of the Act, the offer to Shareholders who have no registered address in an EEA State and who have not given to the Company an address in an EEA State for the service of notices, will be made by the Company causing a notice to be published in the London Gazette on 4 March 2021 stating where copies of this document and the Application Form may be obtained or inspected on personal application by or on behalf of such Qualifying Shareholders. Any person with a registered address, or who is resident or located, in the United States or any of the Restricted Jurisdictions or any other jurisdictions where the extension and availability of the Open Offer would breach any applicable law who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

However, in order to facilitate acceptance of the offer made to such Qualifying Shareholders by virtue of such publication, Application Forms will also be posted to Overseas Shareholders who are Qualifying Non-CREST Shareholders with certain exceptions. Such Shareholders, if it is lawful to do so, may accept the offer either by returning the Application Form posted to them or subject to surrendering the original Application Form sent to them by obtaining a copy thereof from the place stated in the notice and returning it in accordance with the instructions set out therein. Similarly, Open Offer Entitlements and Excess Open Offer Entitlements are expected to be credited to stock accounts in CREST of Qualifying CREST Shareholders who are Overseas Shareholders (within certain exceptions).

10. Waiver

The provisions of paragraphs 8 and 9 of this “Part II – Details of the Placing and Open Offer” and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of paragraphs 8 and 9 of this “Part II – Details of the Placing and Open Offer” supersede any terms of the Open Offer inconsistent herewith. References in paragraphs 8 and 9 of this “Part II – Details of the Placing and Open Offer” to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of 8 and 9 of this “Part II – Details of the Placing and Open Offer” shall apply to them jointly and to each of them.

11. Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

12. Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that the Open Offer Shares will be admitted to trading on AIM and that dealings will commence on 23 March 2021. For Qualifying CREST Shareholders (who hold their Existing Ordinary Shares in certificated form) definitive share certificates for the Open Offer Shares are expected to be dispatched by first class post by 2 April 2021. For Qualifying Non-CREST Shareholders who hold their Existing Ordinary Shares in uncertificated form, it is expected that the relevant CREST account will be credited on the day of Second Admission. Notwithstanding any other provision of this Circular, the Company reserves the right to issue any Open Offer Shares in certificated form. This right is only likely to be exercised in the event of any

interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Open Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

13. Times and dates

The Company reserves the right to amend or extend the closing time of the Open Offer from 11.00 a.m. on 22 March 2021 and all related dates set out in this Circular. In such circumstances, the Company shall make an announcement on an RIS.

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

14. Governing law and jurisdiction

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

15. Further Information

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

PART III

RISK FACTORS

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

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

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

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

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

In particular:

Requirement for further funds

The Company's existing cash balances will allow the Company to continue to operate and advance its business development initiatives at current levels of expense until mid-2021.

Net proceeds from the Placing and Open Offer will be used to strengthen the Group's balance sheet and will provide the Company with additional funding in pursuing its business development plans and will enable the Company to deliver its current commercial-scale trials and tests and to progress these to negotiated commercial supply agreements that will enable the Company to reach the point of positive cash flow from operations. It will also enable the Company to progress other project opportunities in key markets.

The Group's operations, including its operational performance and the impact on its customers and suppliers, may be impacted by the spread of the coronavirus/COVID-19

The ongoing COVID-19 (coronavirus) pandemic, and measures by governments in all the Group's operating markets to restrict economic and business activity in response, have had (and continues to have) a significant impact on the Group's operations. The impact of the coronavirus pandemic on the Group's business is likely to vary materially by geographic location, in part dependent on the time taken to contain the virus. In particular, the COVID-19 pandemic has already affected, and may continue to adversely impact the Group's project and business development activities. Material delays to the announced project timetables as a result of the pandemic may lead to a further decline in the Group's share price and its market capitalisation. The remedial actions undertaken by the Group to mitigate the impact, such as its continued tight control of costs and its operational contingency, may fail to provide sufficient benefit.

The COVID-19 pandemic has disrupted and may continue to disrupt the Group's operations, for example by requiring quarantines of its employees in response to governmental or health authority advice.

In certain countries, the movement of individuals may continue to be restricted by government authorities going forward, and this may impact the ability of the Group's employees to work. The Group's client-based operational projects are not capable of being operated or managed in the medium to long-term with the majority of its employees working remotely or by video, or tele-conference and any such prolonged restrictions on movement or travel may therefore have a significant adverse impact on the Group's business, financial condition and results of operations.

Furthermore, even once COVID-19 conditions begin to improve and the initial quarantine guidelines are reduced or lifted, the Group may not be able to regain its operational momentum. For example, the Group's suppliers may have shut down their manufacturing during the quarantines and may be unable to supply the Group's products in a timely manner or at all. Furthermore, there may be future waves of COVID-19 or similar diseases that lead to additional quarantines with comparable or even stricter limitations on activity and movement which could have a significant adverse impact on the Group's business, financial condition and results of operations.

It is not possible to predict accurately the duration of the current market conditions resulting from the pandemic, or the timing or strength of any future recovery of the economies in the Group's countries of operation. It is also not possible to provide any assurances that current market conditions and the relevant economies will not weaken further or that the new strategy and the measures the Group has implemented to address the current market conditions will be sufficient.

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

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

No profit to date

The Group has incurred aggregate losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. Since the Group intends to continue investing in the various projects described in this document, the Directors anticipate making further losses until at least the financial period ending 30 June 2022. There can be no certainty that the Group will achieve or sustain profitability or achieve or sustain positive cash flow from its activities.

Reliance on third parties

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

Termination of an arrangement (whether formal or informal) with a third party, a change in the terms of a third party contract or a supplier experiencing technical difficulties could result in the Company's access to services being restricted or interrupted, which in turn may have an adverse effect on the Company's business, prospects, results of operations and financial condition.

The Company's objectives may not be fulfilled

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

Technological risk

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

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

Market risk

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

Feedstock sourcing

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

Commercial risks

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

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

Competition risks

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

Joint venture parties and contractors

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

Insurance risks

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

Although the Board intends that the Group and/or its partners and counterparties should carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances, the

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

Intellectual property risks

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

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

Environmental risks

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

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

Currency risk

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

Corporate and regulatory formalities

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

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

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

Attraction and retention of key employees

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

Debt financing

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

- limit the Group's ability to pay dividends or require it to seek consent for the payment of dividends;
- increase the Group's vulnerability to general adverse economic and industry conditions;
- require the Group to dedicate a portion of any cash flow to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- limit the Group's flexibility in planning for, or reacting to, changes in its business and its industries.

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

Suitability of Ordinary Shares as an investment

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

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

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 22 March 2021, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly.

Market information and nature of Ordinary Shares

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

General

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

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

Share Price Volatility and Liquidity

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

Dividends

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

Taxation

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

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

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

2. SHARE CAPITAL

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

	<i>Issued and fully paid</i>	
	£	Number
Ordinary Shares as at the Record Date	£11,302,079.64	1,130,207,964
Expected Ordinary Shares at Second Admission	£13,901,037.84	1,390,103,784

In addition, the Company has granted options to subscribe, in aggregate, for a total of 42,750,000 new Ordinary Shares at prices ranging between 3.56 pence and 35.16 pence per share which are exercisable up to specified dates up to 21 August 2030.

3. ARTICLES OF ASSOCIATION

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

4. DIRECTORS' INTERESTS

4.1 As at 2 March 2021, being the last practicable date prior to the publication of this Circular, the interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 to 257 of the Act) in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this Circular and as they are expected to be upon completion of the Open Offer are as follows:

<i>Director</i>	<i>At the date of this Circular</i>		<i>At First Admission</i>		<i>At Second Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares on First Admission</i>	<i>Percentage of Enlarged Share Capital on First Admission</i>	<i>Number of Ordinary Shares on Second Admission¹</i>	<i>Percentage of Enlarged Share Capital on Second Admission¹</i>
Mike Kirk	784,323	0.07%	784,323	0.06%	858,397	0.06%
Jason Miles	3,759,664	0.33%	3,759,664	0.28%	4,130,034	0.30%
Mark Whittle	–	–	129,629	0.01%	129,629	0.01%
Laurie Mutch	491,263	0.04%	491,263	0.04%	676,448	0.05%
Philip Snaith	476,262	0.04%	476,262	0.04%	661,447	0.05%
Dilip Shah	170,000	0.02%	170,000	0.01%	170,000	0.01%

¹ Assuming full take-up under the Open Offer

4.2 As at 2 March 2021 (being the latest practicable date prior to the publication of this Circular), the Directors held the following Options:

<i>Director</i>	<i>Number of Options</i>	<i>Exercisable up to</i>	<i>Exercise price per new Ordinary Share</i>
Mike Kirk	3,000,000	01 April 2024	12.5p
	3,000,000	27 June 2029	7.5p
	1,261,756	21 August 2030	7.5p
	738,244	21 August 2028	7.5p
Jason Miles	5,000,000	01 April 2022	35.16p
	1,500,000	22 March 2024	12.13p
	3,551,122	27 June 2029	7.5p
	1,448,878	27 June 2027	7.5p
	5,000,000	21 August 2028	7.5p
Philip Snaith	2,000,000	27 June 2027	7.5p
Laurence Mutch	3,500,000	01 April 2022	35.16p
	2,000,000	27 June 2027	7.5p
Dilip Shah	500,000	01 April 2022	35.16p
	500,000	27 June 2027	7.5p
Mark Whittle	500,000	25 November 2023	18.09p
	500,000	25 July 2026	3.56p
	1,000,000	13 May 2029	7.5p
	3,000,000	21 August 2030	7.5p

5. MATERIAL CONTRACTS

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

- 5.1 Representation Agreement dated 27 February 2019 between QFI and Younes Maamar which is to be implemented in two phases. For Phase One, Younes Maamar will assist QFI in obtaining a Memorandum of Understanding (“MOU”) with Office National de l’Electricite et de l’Eau Potable (“ONEE”) to trial MSAR[®] at one of their facilities. The parties are to work together to find ways to progress further MSAR[®] projects in Morocco and Africa. Any new projects with companies are to follow a similar structure and name as Phase One A (Phase One B, C, D, etc). The Phase Two scope of work will depend on the success of the Phase One work as it relates to agreements to commence MSAR[®] engineering studies or trials for Company(s), commercial MSAR[®] production or supply agreements for Company(s) and local sales support to expedite and assist the management of such agreements. The Agreement will expire 6 months from execution if Younes Maamar has not identified companies that are interested in proceeding to Phase Two.
- 5.2 Memorandum of Agreement dated 28 May 2019 between QFI and Al Khafrah Holding Group (“Al Khafrah”). QFI plans to sell MSAR[®] technology licenses, chemicals, equipment and related specialist services to potential Clients in conjunction with MSAR[®] use in the Kingdom of Saudi Arabia (“KSA”), referred to as “Project” or “Projects”. The parties agree to promote Projects in KSA that result in shared profits generated from the sales of MSAR[®] Consulting and MSAR[®] Contracts. The parties recognise that a KSA registered joint venture company (“JVCo”) may be formed for commercial sales of MSAR[®] technology licenses, equipment and chemicals (“MSAR[®] Sales Contracts”). Prior to the formation of a JVCo, QFI may conclude MSAR[®] Sales Contracts with Clients and separately provide interim specialist MSAR[®] consulting, testing and process optimisation services under contracts (“MSAR[®] Consulting Services”). The Project is to be undertaken on a phased basis. Phase 1 (prior to JVCo formation) is in relation to MSAR[®] Consulting Services which is to scope studies and activities to enable a Proof of Concept demonstration, followed by the Demonstration. MSAR[®] Sales Contracts (by JVCo) are to be

broken down into two further phases – Phase 2 is for the Commercial Engineering, Procurement and Construction (“EPC”), equipment sales, additive supplies and supply of MSAR® Consulting Services and maintenance services. Phase 3 is for In-Kingdom Total Value-Added Programme (“IKTVA”) projects.

- 5.3 Memorandum of Understanding dated 8 May 2019 between QFI and Aleph Commodities Ltd and Hawakin Regional Trading Company whereby QFI wish to implement MSAR® technology and fuel projects in Kuwait (the Proposed Transaction). The parties will jointly evaluate the economic and technical feasibility of projects in Kuwait which will utilise Quadrise technology and evaluate commercial structures to facilitate the Proposed Transaction. Aleph Commodities Ltd and QFI have signed a Service Agreement dated 25 February 2019, whereby Aleph Commodities Ltd will provide certain services relating to the Proposed Transaction. Hawazin Regional Trading Company has signed an agreement dated 23 April 2019 with QFI to represent its interests in Kuwait.
- 5.4 Memorandum of Understanding dated 13 August 2019 between Merlin Energy Resources Ltd and QFI whereby the parties are to discuss and promote certain cooperative upstream heavy oil projects. The parties are to work together to pursue commercial arrangements involving the application of MSAR® technology to upstream heavy oil assets, where any profits would be shared by the parties. The parties are to study in more detail selected MSAR® project opportunities and it is their intention to work together to jointly investigate and undertake any MSAR® projects.
- 5.5 Memorandum of Understanding (“MOU”) dated 18 July 2018 between QFI and Freepoint relating to cooperation between the parties in relation to the pursuit of commercial arrangements involving the production and supply of MSAR® fuel to producers and consumers by utilising MSAR® technology, additives and services coupled with Freepoint’s marketing, trading, logistics and financial services capabilities. Under this MOU, the parties plan to jointly investigate and pursue selected MSAR® project opportunities in the Americas, with a number of identified counterparties, and in Asia on an exclusive basis with the goal of entering into commercial agreements for MSAR® production and supply arrangements with fuel producers and consumers.
- 5.6 Memorandum of Agreement dated 30 November 2017 between QFI and JGC whereby JGC will act as QFI’s exclusive partner to work with prospective producers and consumers of MSAR® in Japan, Colombia, Peru and elsewhere on a case-by-case basis to jointly develop commercial MSAR® projects.
- 5.7 Co-Marketing and Project Development Agreement between the Company and Freepoint dated 29 November 2018 (the “Co-Marketing and Project Development Agreement”) under which the parties will jointly progress projects involving the commercialisation of MSAR® technology and/or fuel with prospective customers on a target list. The parties will coordinate the specific marketing and project development activities through a jointly established steering committee. The contract sets out how the parties will cooperate in the use of the Company’s MSAR® technology, additives and services, and Freepoint’s marketing, trading, logistics and financial services, to enable production, sale and consumption of MSAR® emulsion fuel for MSAR® projects to the prospective customers on the target list and will work together to enter into licences and term supply contracts with prospective customers for the production and commercialisation of MSAR®.
- 5.8 A Framework MSAR® Licensing, Engineering, Equipment and Additive Supply Agreement between the Company and Freepoint dated 16 July 2018 which enables Freepoint to build, own and operate MSAR® manufacturing facilities at several sites to produce MSAR® fuel in conjunction with the projects set out in the Co-Marketing and Project Development Agreement. Under this contract, the Company licences to Freepoint the patent rights and technical MSAR® information required in order to own and operate these manufacturing facilities. This agreement also describes the framework for the chemical, equipment and engineering services that will be supplied by the Company to Freepoint for the manufacture and supply of MSAR®.
- 5.9 Exclusive Global Collaboration and Emulsifiers Sales Agreement between QIL and Nouryon Surface Chemistry AB dated 7 October 2019, in which the parties agree to collaborate for the purpose of administering jointly held intellectual property, allocating ownership of jointly developed intellectual property and the commercialisation of MSAR® technology using Nouryon products to supply MSAR® projects.

- 5.10 Memorandum of understanding (“MOU”) and MSAR® Pilot Test Programme (“MTP”) with a European multinational integrated oil and gas company (the “Major”) dated 27 November 2018. Further to this MOU, QFI and the Major intend to work together to discuss, promote and develop specific business development opportunities to identify potential MSAR® clients for one of the Major’s European refineries (the “Refinery”), to develop a focused high level MSAR® fuel market assessment for the Refinery and to pursue and obtain a feasibility study agreement from a potential MSAR® fuel client for the consumption of MSAR® produced at the Refinery during 2019.
- 5.11 The Bergen Agreement. Pursuant to this deed a total of £2.5 million of interest free unsecured funding was provided to the Company by the Investor in two tranches by the issue to the Investor of convertible securities with a nominal value of an aggregate of £2.8 million, convertible into Ordinary Shares. The initial tranche of £2.15 million of convertible securities was issued by the Company on 30 August 2019. On 10 February 2021, the second and final tranche of £0.5 million of convertible securities was issued by the Company pursuant to the agreement.
- 5.12 A warrant instrument dated 29 August 2019 in relation to the issue of 4.9 million warrants to the Investor, initially exercisable at 5.78 pence per Ordinary Share, subject to anti-dilution and exercise price reduction provisions.
- 5.13 Memorandum of understanding between QFI and Valkor Technologies LLC dated 18 February 2020, under which the parties will collaborate to test MSAR® technology on the heavy oil product of Valkor’s oil sands facility in Utah, USA and to consider licencing MSAR® technology to Valkor on an exclusive basis for hydrocarbons produced from oil sands in Utah, USA.
- 5.14 Agency Agreement between QIL and Energy & Petroleum Consultants Ltd (“EPC”) dated 9 July 2020, under which EPC are to provide consultancy services to assist QIL in developing business opportunities for QIL with related energy companies in the Central and South America, and Caribbean regions.
- 5.15 Agency Agreement between QFI and Pacific Green Technologies Inc (“PGTK”) dated 27 July 2020, under which PGTK appoints QFI as its non-exclusive marketing representative for introducing certain emissions control technologies and related services, on terms and to qualified purchasers acceptable to PGTK, and to authorize QFI to provide certain services relating to such marketing efforts.
- 5.16 Commercial Trial Agreement between QIL and Greenfield Energy LLC (“Greenfield”, a joint venture between Valkor and AIM-listed TomCo Energy plc) dated 17 August 2020, under which the parties have planned a phased implementation of MSAR® that covers (i) a commercial trial of MSAR® technology at the Petroteq Oil Sands Plant located in the Asphalt Ridge Facility in Utah, USA, that is managed and operated by Greenfield, (Phase 1) with a commercial value to QFI of US\$150,000; and (ii) the development of commercial MSAR® plants of up to 10,000 barrels of oil per day (Phase 2) located at Utah facilities owned or operated by Greenfield.
- 5.17 A collaboration agreement between QFI and Aquafuel Research Ltd (“Aquafuel”) dated 17 December 2020, under which the parties will work together to jointly develop and promote Aquafuel Power Solutions, bioMSAR® projects and commercial joint projects, that may also incorporate glycerine supply, across various applications and regions.
- 5.18 Joint Development Agreement between QIL and MSC Shipmanagement Limited (“MSC”) dated 20 January 2021, under which the parties will carry out an MSAR® Operational Trial on commercial container vessels in the MSC global fleet, commencing in 2021 with, subject to further agreement, subsequent commercial rollout upon success. Initial activities under the agreement (“Initial Activities”) will include project initiation, definition, high-level scoping and feasibility activities of the overall trial. The Initial Activities are to be completed within three months. Contingent on the outcome of the Initial Activities, the parties will progress and define the project roadmap during Q2 2021 in preparation for the execution of one or more trials commencing in H2 2021 on representative commercial vessels in MSC’s global fleet (Phase 1). Upon the completion and success of Phase 1, and subject to further agreement between the parties, the agreement envisages subsequent commercial roll-out across the MSC global fleet (Phase 2).

Agreements relating to the Placing and Open Offer

5.19 A Placing and Open Offer Agreement dated 1 March 2021 made between the Company (1) Shore Capital (2) and Cenkos (3) pursuant to which and conditional upon, *inter alia*, admission of the Placing Shares taking place on or before 8.00 a.m. on 9 March 2021, or such later date (being not later than 30 April 2021) as the Company and Shore Capital may agree, Shore Capital has agreed to use its reasonable endeavours to procure subscribers at the Issue Price for the Placing Shares. Under the terms of the Placing and Open Offer Agreement the Company has agreed to pay to (i) Cenkos a corporate finance fee and (ii) Shore Capital a commission equal to five per cent. of the monies raised in the Placing.

The Placing and Open Offer Agreement contains warranties from the Company in favour of Cenkos and Shore Capital in relation to, *inter alia*, the accuracy of the information in this document, certain financial information and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos and Shore Capital in relation to certain liabilities it may incur in respect of the Placing and the Open Offer. Shore Capital has the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given to Cenkos and Shore Capital in the Placing and Open Offer Agreement, the failure of the Company to comply with any of its obligations under the Placing and Open Offer Agreement, the occurrence of a force majeure event or a material adverse change in (amongst other things) the financial or political conditions in the United Kingdom (which in the opinion of Shore Capital, acting in good faith, adversely affects, or makes it inadvisable to proceed with, the Placing), any circumstance arising giving rise to a claim under the indemnity or a material adverse change in respect of the Company or the Group (taken as a whole) (which would make it impractical or inadvisable to proceed with the Placing).

5.20 In connection with the Placing, the Company, Shore Capital and Four (Jersey) Limited have entered into: (i) a subscription and transfer agreement; and (ii) a subscription and option agreement (together the "Subscription and Transfer Agreements"), each dated on or around the date of this Circular, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in Four (Jersey) Limited.

Under the terms of the Subscription and Transfer Agreements:

- (a) the Company and the Shore Capital will acquire ordinary shares in Four (Jersey) Limited and enter into certain put and call options in respect of the ordinary shares in Four (Jersey) Limited subscribed for by Shore Capital that are exercisable if the Placing does not proceed;
- (b) Shore Capital will apply monies received or due from Placees under the Placing, to subscribe for redeemable preference shares in Four (Jersey) Limited to an aggregate value equal to such monies, after deduction of the amount of certain commissions and expenses; and
- (c) the Company will allot and issue the New Ordinary Shares to those persons entitled to them in consideration of Shore Capital transferring its holding of redeemable preference shares and ordinary shares in Four (Jersey) Limited to the Company.

Accordingly, instead of receiving cash as consideration for the issue of New Ordinary Shares, at the conclusion of the Placing the Company will own the entire issued share capital of Four (Jersey) Limited whose only assets will be: (i) its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing; and (ii) an intercompany balance due to it from the Company as a result of Four (Jersey) Limited agreeing (pursuant to the Subscription and Transfer Agreements) to pay certain costs and expenses on behalf of the Company. Placees and Qualifying Shareholders are not party to these arrangements and so will not acquire any direct right against Shore Capital pursuant to these arrangements. The Company will be responsible for enforcing the obligations of Shore Capital and Four (Jersey) Limited under these arrangements.

6. UNITED KINGDOM TAXATION

The following information is given in summary form and as a general guide only, based on UK tax legislation and, where relevant, current HM Revenue & Customs ("HMRC") practice, on 2 March 2021. Such legislation and practice is liable to change (in some cases with retrospective effect). **In particular, this paragraph 6 does not take account of any measures announced in the UK Budget on 3 March 2021 which may**

affect the information it contains. No action should be taken on the basis of the information given here without obtaining specific advice from an appropriate professional adviser.

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

The statements below do not constitute advice to any Shareholder or potential investor on their tax position, and may not apply to certain classes of Shareholder (such as persons carrying on a trade in the United Kingdom, or holding the shares as trustees, or insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of New Ordinary Shares and, as mentioned, does not reflect any measures announced in the UK Budget on 3 March 2021. Any Shareholder or potential investor should obtain advice from their own investment or taxation adviser before acquiring Open Offer Shares.

6.1 ***Inheritance tax relief***

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

6.2 ***Taxation of dividends***

Income tax

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

For residents of England who are individuals, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income would still count towards the basic, higher and additional rate thresholds). Dividends received above £2,000 in a tax year are taxable at 7.5 per cent, 32.5 per cent and 38.1 per cent for basic rate, higher rate and additional rate taxpayers, respectively.

Corporation tax

With certain exceptions (including for traders in securities), a holder of New Ordinary Shares that is a company resident (for taxation purposes) in the United Kingdom and receives a dividend paid by the Company, should generally not be subject to tax in respect of the dividend.

6.3 ***Taxation of chargeable gains***

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

6.3.2 A relief known as 'investors' relief' may be available to certain shareholders disposing of shares in unquoted trading companies (AIM is not regarded as a recognised stock exchange for this purpose) provided that various conditions are satisfied, including that the shareholder has subscribed for the shares in question and the shares are held for a minimum of three years prior to disposal. If applicable, the relief reduces the rate of capital gains tax to 10 per cent on up to £10 million worth of lifetime gains (in addition to business asset disposal relief lifetime limits).

6.3.3 A UK resident corporate Shareholder disposing of its shares in the Company may be liable to corporation tax on any chargeable gains at the usual rates of corporation tax applicable to it (currently 19 per cent). In computing the chargeable gain liable to corporation tax, the

Shareholder should be entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

- 6.3.4 Under current HMRC practice, the subscription by a Shareholder for shares under the Open Offer up to their Open Offer Entitlement may be treated as a reorganisation of share capital for the purposes of UK taxation of chargeable gains. To the extent that it is so treated, the shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the new shares were offered, and the cost of acquisition of the new shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a Shareholder for shares under the Open Offer in excess of their minimum entitlement should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HM Revenue & Customs practice mentioned above will be followed, particularly where an open offer is not made to all holders.

6.4 **Stamp duty and SDRT**

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

Shareholders and/or potential investors who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser.

7. LITIGATION

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

8. GENERAL

- 8.1 The total cost and expenses payable by the Group in connection with the Placing and Open Offer are estimated to amount to approximately £160,000 (excluding VAT).
- 8.2 Save as disclosed in this Circular, and save as notified by the Company via an RIS, there has been no significant adverse change in the financial or trading position of the Group since 30 June 2020, the date to which the final results have been prepared, as announced on 5 October 2020.

9. AVAILABILITY OF THIS DOCUMENT

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

Dated: 3 March 2021

DEFINITIONS AND GLOSSARY

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

“Act”	the Companies Act 2006, as amended
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules, which will take place in two stages at the time of First Admission and Second Admission
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (as updated from time to time)
“AkzoNobel”	Akzo Nobel Surface Chemistry AB
“Application Form”	the application form to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
“Articles”	the articles of association of the Company
“Australia”	the Commonwealth of Australia, its states, territories and possessions
“Bergen Agreement”	the convertible securities issuance deed entered into between the Company and the Investor dated 22 August 2019 and more particularly described in paragraph 5.11 of Part IV of this Circular
“bioMSAR™”	bioMSAR™ technology (patent pending) blends glycerine with water and residues to create bioMSAR™ fuel
“Canada”	Canada, its provinces, territories and all areas subject to its jurisdiction and any political sub-division thereof
“Cenkos”	Cenkos Securities plc, acting in its capacity as the Company's nominated adviser
“certificated form” or “in certificated form”	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
“Circular”	means this document;
“Company”, “QFI” or “Quadrise”	Quadrise Fuels International plc
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
“CREST Manual”	the rules governing the operations of CREST as published by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Second Admission

“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular;
“Excess Open Offer Entitlement(s)”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular;
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
“Excluded Jurisdiction”	each of Australia, Canada, Japan, the Republic of South Africa and the United States and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
“Existing Ordinary Shares”	the 1,130,207,964 Ordinary Shares in issue at the date of this Circular, all of which are admitted to trading on AIM
“FCA”	the Financial Conduct Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part IV of FSMA
“First Admission”	the admission to trading on AIM of the Placing Shares, which is expected to take place on 9 March 2021
“Freepoint”	Freepoint Commodities LLC
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company, its existing subsidiaries and subsidiary undertakings
“HFO”	Heavy fuel oil
“HMRC”	HM Revenue & Customs
“IHT”	Inheritance tax
“IMO”	International Maritime Organisation, the United Nations’ specialised agency responsible for improving maritime safety and preventing pollution from ships
“Investor”	Bergen Global Opportunity Fund, LP
“Issue Price”	2.7 pence per Open Offer Share and Placing Share
“Japan”	Japan, its cities and prefectures, territories and possessions

“JDA”	the Joint Development Agreement between the Company and MSC announced on 21 January 2021
“JGC”	JGC Corporation
“KSA”	Kingdom of Saudi Arabia
“London Stock Exchange”	London Stock Exchange plc
“Mærsk”	A.P. Moller-Mærsk A/S
“Marine MSAR®”	Marine Multiphase Superfine Atomised Residue, the oil refinery technology supplied by the Company
“micron”	a unit of length equal to one millionth of a metre
“MMU”	MSAR® Manufacturing Unit
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“MSAR®”	a registered trademark belonging to Quadrise Limited, a wholly-owned subsidiary of QIL, which stands for Multi-Phase Superfine Atomised Residue, and is the name applied to the oil in water emulsion fuel produced using the Nouryon technology licensed to QIL
“MSC”	MSC Shipmanagement Limited of Cyprus (“MSC”), a 100 per cent. subsidiary of MSC Mediterranean Shipping Company SA
“New Ordinary Shares”	together the Open Offer Shares and the Placing Shares
“Nouryon”	formerly Akzo Nobel
“NOx”	the term for mono-nitrogen oxides
“Official List”	the official list of the FCA
“Open Offer”	the conditional offer to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price, as described in this Circular
“Open Offer Entitlements”	entitlements to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
“Open Offer Shares”	the 37,673,598 Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
“Options”	the options granted to Directors and others to subscribe for or acquire Ordinary Shares, details of which are set out in paragraph 4.2 of Part IV of this Circular
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Placee”	such persons who have agreed to subscribe for Placing Shares pursuant to the Placing

“Placing”	the conditional placing by Shore Capital of the Placing Shares with institutional and other investors pursuant to the Placing and Open Offer Agreement announced on 1 March 2021
“Placing and Open Offer Agreement”	the agreement dated 1 March 2021 between the Company, Shore Capital and Cenkos, details of which are set out in paragraph 5.19 of Part IV of this document
“Placing Shares”	the New Ordinary Shares to be issued pursuant to the Placing
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made in accordance with EU Prospectus Regulation 2017/1129 in relation to offers of securities to the public and admission of securities to trading on a regulated market
“QIL”	Quadris International Limited, a wholly-owned subsidiary of the Company
“Qualifying CREST Shareholders”	Qualifying Shareholders who hold their Shares in CREST
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders who hold their Shares in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the Record Date (other than certain Overseas Shareholders who are resident in, or are citizens of, an Excluded Jurisdiction)
“Receiving Agent” or “Share Registrars”	the Company’s registrars, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR
“Record Date”	the record date for the Open Offer being 1 March 2021
“RIS”	Regulatory Information Service
“Second Admission”	the admission to trading on AIM of the Open Offer Shares, which is expected to take place on 23 March 2021
“Securities Act”	United States Securities Act of 1933
“Shareholders”	holders of Ordinary Shares
“Shore Capital”	Shore Capital Stockbrokers Limited, joint broker to the Company and placing agent in respect of the Placing
“Subscription and Transfer Agreements”	the subscription and transfer agreement and the subscription and option agreement, each entered into between the Company, Shore Capital and Four (Jersey) Limited on 1 March 2021
“uncertificated” or “in uncertificated form”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“USE”	Unmatched Stock Event
“USE Instructions”	an Unmatched Stock Event instruction in CREST

