

# Press Release

26 October 2021

NOT FOR RELEASE, PUBLICATION, TRANSMISSION, DISTRIBUTION OR FORWARDING, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, THE COMMONWEALTH OF AUSTRALIA, ITS TERRITORIES AND POSSESSIONS, EACH PROVINCE AND TERRITORY OF CANADA, JAPAN, SWITZERLAND AND THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

PLEASE SEE THE IMPORTANT INFORMATION AT THE END OF THIS ANNOUNCEMENT.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT. NOTHING HEREIN SHALL BE CONSTRUED AS ANY OFFER, INVITATION OR RECOMMENDATION TO PURCHASE, SELL OR SUBSCRIBE FOR ANY SECURITIES IN ANY JURISDICTION AND NEITHER THE ISSUE OF INFORMATION NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH, OR ACT AS AN INDUCEMENT TO ENTER INTO, ANY INVESTMENT ACTIVITY.

ANY DECISION TO PURCHASE, SUBSCRIBE FOR, OTHERWISE ACQUIRE, SELL OR OTHERWISE DISPOSE OF SECURITIES MENTIONED HEREIN MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 (AS IT FORMS PART OF THE LAWS OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED FROM TIME TO TIME) ("UK MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF UK MAR.

## Proposed Fully Underwritten US\$275 Million Firm Placing and Placing and Open Offer

Petrofac Limited (the "**Company**" or "**Petrofac**") today announces a proposed issuance of equity, by way of a Firm Placing, Placing and Open Offer (together, the "**Capital Raise**") in order to create a long-term, sustainable capital structure.

The Company intends to raise gross proceeds of approximately US\$275 million (£200 million), through the issuance of, in aggregate, up to 173,597,412 ordinary shares in the capital of the Company (the "**New Shares**"), at an issue price of 115 pence per New Share (the "**Issue Price**"). The Issue Price represents a discount of 27.2 percent to the closing share price of 158 pence on 25 October 2021.

**Petrofac Limited**, *Contact through:* Petrofac Services Limited, 2nd Floor, 117 Jermyn Street, London SW1Y 6HH, UK  
Tel +44 20 7811 4900 Fax +44 20 7811 4901

1

## Key Highlights

- The US\$275 million Capital Raise is part of a wider refinancing plan (the “**Refinancing Plan**”) announced today, comprising:
  - US\$500 million bridge financing facility expected to be replaced or refinanced by way of a public bond issuance, expected to be launched later today;
  - US\$180 million new revolving credit facility;
  - AED\$185 million (US\$50 million) new bilateral facility; and
  - an amendment of a US\$50 million existing bilateral term loan facility.
- Proceeds from the Capital Raise will be used, alongside the Refinancing Plan and available cash reserves to:
  - Pay, in January and February 2022, the US\$106 million (£77 million) penalty imposed in relation to the SFO investigation; and
  - Repay existing indebtedness.
- These actions will extend Petrofac’s debt maturities and strengthen the Company’s platform to execute its strategy.
- The Capital Raise will be effected by way of a Firm Placing of US\$138.0 million (£100.2 million) and a Placing and Open Offer of US\$137.0 million (£99.4 million).
- Ayman Asfari has irrevocably committed to invest at least US\$38 million in the Capital Raise and to vote in favour of the corresponding resolutions at the General Meeting.
- All directors in addition to Mr Asfari have committed to invest in the Company, in connection with the Capital Raise at the Issue Price.

Petrofac Chairman René Médori said: “Support from all our shareholders and debt providers in the refinancing plan will provide the company with a stable platform from which to grow and look to the future with confidence. I welcome the continuing support of our largest shareholder and fellow Board member Ayman Asfari, as Petrofac moves on to the next chapter of its history.”

Sami Iskander, Group Chief Executive of Petrofac, said: “Petrofac has a tremendous opportunity over the coming years to grow and re-establish itself as one of the world’s leading providers of critical services to the energy industry. Following a quieter period during the pandemic, we see activity in our markets increasing significantly at a time when the full potential of our business has been unlocked – in recent years we have refocused on compliance, rebased our cost competitiveness, and now we are re-energised under a new team and a new strategy. The

completion of the financing will cement a fantastic platform from which I am confident that we will deliver significant shareholder value over the coming years.”

Ayman Asfari said: “I am pleased to support today’s fund raise which, after more than four difficult years, puts the company squarely back on the path to recovery. I look forward to Sami and his leadership team restoring Petrofac to its greatest potential.”

The Firm Placing and Placing are being conducted by way of an accelerated bookbuild process (the “**Bookbuild**”), which will be launched immediately following this announcement (the “**Announcement**”) and is subject to the terms and conditions set out in the appendix to this Announcement (which forms part of this Announcement) (the “**Appendix**”).

Goldman Sachs International (“**Goldman Sachs**”) and J.P. Morgan Securities plc (“**J.P. Morgan**”) are each acting as Joint Bookrunner, Joint Underwriter and Joint Global Coordinator (together the “**Joint Bookrunners**”) to Petrofac in connection with the Capital Raise. J.P. Morgan is acting as Sole Sponsor to Petrofac in connection with the Capital Raise.

## **Background to and reasons for the Capital Raise**

Petrofac is a leading provider of services to the global energy industry, with a 40-year track record of designing, building, managing, and maintaining energy infrastructure. The Group has particular expertise in engineering, procurement and construction of major facilities for the oil & gas and renewables sectors, in addition to a strong operations and maintenance focused business operating in the UK North Sea and internationally.

In May 2017 the Serious Fraud Office (“**SFO**”) announced an investigation into Petrofac. The investigation concluded on 4 October 2021, when Southwark Crown Court imposed a penalty of £77 million in relation to seven historic offences of failing to prevent former Petrofac employees from offering or making payments to agents in relation to projects awarded between 2012 and 2015, contrary to Section 7 of the UK Bribery Act 2010. All employees involved in the charges have left the business and the Court and the SFO acknowledged Petrofac’s corporate reform through its transformation of the Company’s leadership, personnel, compliance and assurance processes.

Under new leadership, Petrofac has continued to prioritise ethical business conduct and a comprehensive governance regime. Following his appointment as Chief Executive on 1 January

2020, Sami Iskander developed a new strategy based on best-in-class delivery, returning the Company to growth and generating superior returns. This strategy was communicated on 20 April 2021 at Petrofac's full year results, and encompassed the Company's plans for growth in its traditional core oil & gas markets alongside an accelerated focus on new energies, particularly in those segments aligned to Petrofac's core capabilities, in offshore wind, carbon capture and storage, waste-to fuels/energy and hydrogen.

The resolution of the SFO investigation is expected to unlock significant opportunities for Petrofac. The Company has identified an annual addressable market growing to US\$105 billion by 2025 with a bidding pipeline of US\$46 billion of opportunities scheduled for award by the end of 2022, including US\$7 billion of opportunities in new energies. Contract awards are expected to accelerate in 2022, following a period of underinvestment by the industry during the COVID-19 pandemic and supported by a stronger commodity price environment.

The Directors believe Petrofac's refreshed leadership, improved systems and clear strategy leave it well positioned to pursue material opportunities in both core markets and new energies, positioning the group to deliver growth and superior returns. Petrofac's strategy aims to deliver revenues of US\$4-5 billion (with more than 20% from new energies), consistent premium margins and a strong balance sheet with a net cash position over the medium term. This strategy is expected to deliver significant shareholder value creation.

The Refinancing Plan will create a long-term, sustainable capital structure for the Company with appropriate leverage and a maturity profile that supports its strategic plan.

### **Comprehensive Refinancing Plan To Deliver The Company's Strategy**

In connection with the Capital Raise, the Company is implementing a comprehensive Refinancing Plan to create a sustainable long-term foundation for the Company to execute its strategy from. In addition to the Capital Raise, the Refinancing Plan comprises: (i) a US\$500 million bridge financing facility which the Company expects to replace or refinance by way of public bond issuance, (ii) a US\$180 million new revolving credit facility, (iii) a AED\$185 million (US\$50 million) new bilateral facility, as well as (iv) amendment of an existing US\$50 million bilateral term loan facility.

The Company intends to use the proceeds of the Capital Raise, in combination with the proceeds from the bridge facility (or the public bonds which replace or refinance it), the new bilateral facility

and available cash reserves in order to pay, in January and February 2022, the £77 million penalty imposed by the Southwark Crown Court in relation to the SFO Investigation and to repay indebtedness under its existing revolving credit facility (US\$546 million), an existing bilateral term loan (US\$90 million), and its commercial paper issued under the CCFF (£300 million). Had the Capital Raise taken place as at the last balance sheet date, being 30 June 2021, adjusted for the draw down on the revolving credit facility which increased by US\$196 million between June 2021 and September 2021, the effect on the balance sheet would have been to decrease Petrofac's pro forma net debt to US\$172 million. In the same period cash increased by US\$3 million, however cash increase is not included in the pro forma net debt.

The Refinancing Plan aims to deliver the Company's key objectives of:

- reducing indebtedness;
- diversifying the Company's sources of capital by accessing the debt capital markets; and
- extending the maturity profile of the Petrofac's financing arrangements, providing the Company with long-term certainty, flexibility, balance sheet strength, improved liquidity, and ultimately an appropriate capital structure to deliver its strategy.

The Directors believe that successful delivery of the Company's strategy, together with the implementation of the Refinancing Plan, will enable Petrofac to grow its businesses and generate increased surplus cash flow with a view to further deleveraging the Company, while providing a platform for the Company to resume dividend payments in the future. The Petrofac Board, having carefully considered the available alternatives, believes that the Refinancing Plan is the best solution available to support delivery of the Company's strategy.

## Highlights of the Capital Raise

The Company proposes to raise aggregate gross proceeds of approximately US\$275 million through the issuance of, in aggregate, 173,597,412 New Shares, at the Issue Price comprising:

- 87,119,226 New Shares through a Firm Placing, raising gross proceeds of approximately US\$138.0 million at the Issue Price (the "**Firm Placing Shares**"). The Firm Placing Shares are not subject to clawback and are not part of the placing and open offer; and
- Up to 86,478,186 New Shares through a Placing and an Open Offer, raising gross proceeds of approximately US\$137.0 million at the Issue Price ("**Open Offer Shares**").

Under the Open Offer, Qualifying Shareholders will have an entitlement of one New Shares for every four existing ordinary shares held.

The Firm Placing and Placing are fully underwritten and are being conducted by way of an accelerated bookbuild process, which will be launched immediately following this Announcement and is subject to the terms and conditions set out in the Terms and Conditions to this Announcement.

The Capital Raise is conditional upon, amongst other things, shareholder approval for the issue of New Shares.

Shareholders who do not acquire New Shares in the Open Offer will experience dilution in their ownership of approximately 33.5 percent and shareholders who take up their Open Offer Entitlement in full will experience a dilution of approximately 16.8 percent as a result of the Capital Raise and Director Subscriptions.

### **Director Commitments**

Ayman Asfari, Non-Executive Director, and family hold in aggregate approximately 19% of the shares in the Company. Mr Asfari and family have provided an irrevocable commitment to invest at least US\$38 million into the Capital Raise, which they intend to achieve through participation in both the Firm Placing and the Open Offer. Mr Asfari and family's ultimate participation may increase from this level but will not exceed the pro-rata entitlement related to their aggregate shareholding

Ayman Asfari and family's participation in the Capital Raise is a related party transaction and is of sufficient size to require independent shareholder approval.

In addition, all directors other than Mr Asfari, have committed to invest in the Company, in connection with the Capital Raise at the Issue Price, pursuant to a direct subscription with the Company for the purchase of additional shares (the "**Director Subscriptions**").

Mr Sami Iskander, who does not currently hold any shares in the Company following his appointment as CEO earlier in the year, has committed to subscribe for shares at the Issue Price for an aggregate price of £250,000.

All other directors have committed to subscribe for shares at the Issue price, at a minimum, pro-rata to their shareholdings acquired by virtue of their position as directors or as employees of the Company. In aggregate, 308,673 shares are expected to be issued by the Company to the directors.

Each director is a related party of the Company. However, due to the size of the individual subscription relative to the Company's market capitalisation, the Director Subscriptions are exempt from the rules regarding related party transactions.

### **Publication of Prospectus**

A combined circular and prospectus setting out the full details of the Capital Raise and related party transaction and a notice of the General Meeting (the "**Prospectus**") is expected to be published later today and will, following publication, be made available, subject to certain exceptions, on the Company's website, [www.petrofac.com](http://www.petrofac.com).

Any capitalised terms used but not otherwise defined in this announcement have the meaning given to them in the Prospectus.

The Capital Raise has been fully underwritten by the Joint Bookrunners, subject to the conditions set out in the Sponsor and Placing Agreement.

### **Ends**

### **For further information contact:**

**Petrofac Limited**  
**+44 (0) 207 811 4900**

Jonathan Yarr, Head of Investor Relations  
[jonathan.yarr@petrofac.com](mailto:jonathan.yarr@petrofac.com)

Alison Flynn, Group Director of Communications and Sustainability  
[alison.flynn@petrofac.com](mailto:alison.flynn@petrofac.com)

The person responsible for arranging the release of this announcement on behalf of Petrofac is Alison Broughton, Company Secretary.

**Tulchan Communications Group**  
**+44 (0) 207 353 4200**  
**[petrofac@tulchangroup.com](mailto:petrofac@tulchangroup.com)**

Martin Robinson  
[petrofac@tulchangroup.com](mailto:petrofac@tulchangroup.com)

**Goldman Sachs**  
**+44 (0) 207 774 1000**

Bertie Whitehead  
Chris Pilot  
Tom Hartley

**J.P. Morgan**  
**+44 (0)20 7742 4000**

Edmund Byers  
Barry Weir  
Will Holyoak

#### **Indicative abridged timetable**

Record Date for entitlements under the Open Offer	6.00 p.m. on 25 October 2021
Announcement of the results of the Firm Placing and Placing	26 October 2021
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 11 November 2021
General Meeting	10.00 a.m. on 12 November 2021
Announcement of the results of the General Meeting and Capital Raise	12 November 2021
Admission and commencement of dealings in respect of New Shares	15 November 2021

#### **Capital Raise statistics**

Number of Shares in issue on 25 October 2021	345,912,747
--	-------------



Number of Firm Placing Shares to be issued by the Company pursuant to the Firm Placing	87,119,226
Number of Open Offer Shares to be issued by the Company pursuant to the Placing and Open Offer	86,478,186
Number of Subscription Shares to be issued by the Company pursuant to the Director Subscriptions	308,673
Aggregate number of New Shares to be issued by the Company pursuant to the Capital Raise and the Director Subscriptions	173,906,085
Enlarged Share Capital immediately following completion of the Capital Raise and the Director Subscriptions	519,818,832
New Shares as a percentage of Enlarged Share Capital immediately following completion of the Capital Raise and the Director Subscriptions	33.5%
Open Offer Entitlement	1 New Shares for every 4 existing shares
Issue Price	£1.15 (US\$1.58)
Discount of the Issue Price to the Closing Price of £1.58 (US\$2.18) per Share on the Reference Date	27.2%
Estimated fees, costs and expenses in connection with the Capital Raise	US\$16 million
Estimated net proceeds of the Capital Raise receivable by the Company	US\$259 million

## NOTES TO EDITORS

### Petrofac

Petrofac is a leading international service provider to the energy industry, with a diverse client portfolio including many of the world's leading energy companies.

Petrofac designs, builds, manages and maintains oil, gas, refining, petrochemicals and renewable energy infrastructure. Our purpose is to enable our clients to meet the world's evolving energy needs. Our four values – driven, agile, respectful and open – are at the heart of everything we do.

Petrofac's core markets are in the Middle East and North Africa (MENA) region and the UK North Sea, where we have built a long and successful track record of safe, reliable and innovative execution, underpinned by a cost effective and local delivery model with a strong focus on in-country value. We operate in several other significant markets, including India, South East Asia and the United States. We have approximately 8,500 employees based across 31 offices globally.

Petrofac is quoted on the London Stock Exchange (symbol: PFC).

For additional information, please refer to the Petrofac website at [www.petrofac.com](http://www.petrofac.com)

## IMPORTANT INFORMATION

This announcement (the "**Announcement**") does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction.

Any offer to acquire the Company's securities pursuant to the proposed Capital Raise referred to in these materials will be made, and any investor should make his, her or its investment, solely on the basis of information that will be contained in the Prospectus to be made generally available in the United Kingdom in connection with such Capital Raise. When made generally available, copies of the Prospectus may be obtained at no cost from the Company or through the website of the Company.

This Announcement and the information contained in it is not for publication, release, transmission, distribution or forwarding, in whole or in part, directly or indirectly, in or into the United States, Commonwealth of Australia, its territories and possessions, each province and territory of Canada, Japan, Switzerland and the Republic of South Africa or any other jurisdiction in which it would be unlawful to do so (together, the "**Excluded Territories**"). This Announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy, acquire or subscribe for shares in any of the Excluded Territories. This Announcement has not been approved by the London Stock Exchange plc (the "**London Stock Exchange**"). Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

The securities mentioned herein (the "**Securities**") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the applicable securities laws of any state or other jurisdiction of the United States. The Securities may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in the United States absent registration under the Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the Securities in the United States. Subject to certain limited exceptions, Application Forms have not been, and will not be, sent to, and Open Offer Entitlements have not been, and will not be, credited to the CREST account of, any Qualifying Shareholder with a registered address in the United States. None of the Securities, the Application Forms, this announcement or any other document connected with the Capital Raise has been or will be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States, or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of any of the documents or other information related thereto. Any representation to the contrary is a criminal offence in the United States.

There will be no public offering of securities in the Excluded Territories, which includes any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name, J.P. Morgan Cazenove) ("**J.P. Morgan**") or Goldman Sachs International ("**Goldman Sachs**"), or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

J.P. Morgan and Goldman Sachs are each authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority. Each of J.P. Morgan and Goldman Sachs (together, the "**Joint Bookrunners**") is acting solely for the Company and no one else in connection with the Capital Raise or any other matter

referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to the Capital Raise and/or any other matter referred to in this Announcement. Any prospective purchaser of the shares in the Company is recommended to seek its own independent financial advice.

Save for the responsibilities and liabilities, if any, which may be imposed on each of J.P. Morgan and Goldman Sachs by FSMA or by the regulatory regime established under FSMA, neither J.P. Morgan nor Goldman Sachs nor any of their respective affiliates accepts any duty, liability or responsibility whatsoever for the contents of the information contained in this Announcement, including its accuracy, completeness or verification, or for any other statement made or purported to be made by or on behalf of J.P. Morgan or Goldman Sachs or any of their respective affiliates in connection with the Company, the Securities or the Capital Raise to any person who is not their client in connection with this Announcement, any statements contained herein or otherwise. J.P. Morgan, Goldman Sachs and each of their affiliates accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whatsoever, whether direct or indirect, whether arising in tort, contract, under statute or otherwise (save as referred to above) in respect of the use of this Announcement or any statements or other information contained in (or omitted from) this Announcement. No representation or warranty, express or implied, in relation to the contents of this Announcement is made or purported to be made by J.P. Morgan, Goldman Sachs or any of their respective affiliates as to the accuracy, completeness, sufficiency of the information contained in this Announcement.

The distribution of this Announcement and/or the offering of the Securities in certain jurisdictions may be restricted by law. No action has been taken by the Company or J.P. Morgan or Goldman Sachs or any of their respective affiliates that would permit an offering of the Securities in any jurisdiction or result in the possession or distribution of this Announcement or any other offering or publicity material relating to Securities in any jurisdiction where action for that purpose is required. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company, J.P. Morgan and Goldman Sachs to inform themselves about, and to observe, such restrictions.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which may occur in the future, are beyond the Company's control and could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it, nor do they intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Securities. Any investment decision to buy Securities in the Capital Raise must be made solely on the basis of publicly available information, which has not been independently verified by J.P. Morgan or Goldman Sachs.

The information in this Announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction or disclosure of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. This Announcement does not constitute a recommendation concerning any investor's options with respect to the Capital Raise. Any decision to participate in the Capital Raise must be made solely on the basis of the Prospectus published by the Company. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice. Neither the

content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

#### Information to Distributors

Solely for the purposes of the product governance requirements contained within of Chapter 3 of the FCA Handbook Production 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 Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the New Shares may decline and investors could lose all or part of their investment; (b) the New Shares offer no guaranteed income and no capital protection; and (c) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Capital Raise. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; 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 New Shares.

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

## APPENDIX I

### DEFINITIONS

<b>Admission</b>	admission of the New Shares to (i) the Official List and (ii) trading on the London Stock Exchange's main market for listed securities
<b>Application Form</b>	the application form to be issued to Qualifying Non-CREST Shareholders (other than to certain Overseas Shareholders) for use in connection with the Open Offer
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>Firm Placing</b>	the firm placing of the Firm Placing Shares, as described in this announcement
<b>General Meeting</b>	the general meeting of the Company to be held at 10.00 a.m. on 12 November 2021 at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ
<b>Joint Bookrunners</b>	J.P. Morgan and Goldman Sachs
<b>Open Offer</b>	the invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders only, the Application Form)
<b>Open Offer Entitlement</b>	a Qualifying Shareholder's entitlement to subscribe for one Open Offer Shares for every four Existing Shares held by them pursuant to the Open Offer

<b>Placing</b>	the conditional placing of the Open Offer Shares as described in this announcement
<b>Qualifying Shareholders</b>	Shareholders (other than in respect of treasury shares) on the register of members of the Company at the Record Date
<b>Qualifying CREST Shareholders</b>	Qualifying Shareholders holding Shares in uncertificated form
<b>Qualifying Non-CREST Shareholders</b>	Qualifying Shareholders holding Shares in certificated form
<b>Sponsor and Placing Agreement</b>	has the meaning given to it in Appendix III to this announcement

## APPENDIX II

### LETTER FROM THE CHAIRMAN

#### Proposed Firm Placing and Placing and Open Offer

##### 1 Introduction

Petrofac has today announced a proposed capital raise by way of a Firm Placing and Placing and Open Offer to raise gross proceeds of approximately US\$275 million (£200 million) as part of a Refinancing Plan to extend its debt maturities and strengthen the Group's platform to execute its strategy.

87,119,226 New Shares will be issued through the Firm Placing and 86,478,186 New Shares will be issued through the Placing and Open Offer on the basis of one New Share for every four Existing Shares.

The Issue Price of £1.15 (US\$1.58) per New Share represents a 27.2% discount to the Closing Price of £1.58 (US\$2.18) per Existing Share on the Reference Date. The Issue Price (and the discount) has been set by the Directors following their assessment of the prevailing



market conditions and anticipated demand for the New Shares. The Board, having taken appropriate advice from its advisers, believes that the Issue Price (including the discount) is appropriate in the circumstances.

The Capital Raise has been fully underwritten by the Joint Bookrunners, on the terms and subject to the conditions set out in the Placing Agreement.

The purpose of this Announcement is to explain the background to and reasons for the Capital Raise, to summarise the key terms and conditions of the Firm Placing and Placing and Open Offer and to explain why the Board considers the Capital Raise to be in the best interests of the Group and Shareholders as a whole, and to seek your approval of the Resolutions to be proposed at the General Meeting.

The Capital Raise is conditional on, among other things, the passing of the Resolutions by Shareholders at the General Meeting, which is scheduled to take place at 10:00 a.m. on 12 November 2021. The Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each of the Directors intends to do in respect of their own beneficial holding of Shares.

## **2 Background to and Rationale for the Capital Raise**

### **2.1 Background to the Capital Raise**

Petrofac is a FTSE-listed leading international service provider to the energy industry, with a diverse customer portfolio spanning Europe, MENA and Asia. Petrofac provides a comprehensive suite of services for energy infrastructure assets across the full asset lifecycle from design and construction to management and maintenance. Petrofac is also accelerating its focus on new energies and is pursuing rapid growth in those segments where its core capabilities and transferable skills can immediately create value, namely offshore wind, carbon capture and storage, waste-to-fuels/energy and hydrogen.

Petrofac has a track record spanning more than 40 years. It has delivered over 200 major projects, with 16 major projects currently ongoing. It currently operates 31 offices in 29 countries, fields 8,499 employees, with procurement spend over US\$1.3 billion in 2020. In 2020, Petrofac ranked as number 20 in Engineering News-Record's list of top 250

international contractors worldwide, and secured first place in Refining and Petrochemicals Middle East magazine's Top 30 EPC Contractors listing.

Petrofac is led by a newly appointed CEO with more than 30 years' international experience in both oilfield services and upstream exploration and production. He brings to Petrofac a set of systems and practices derived from the largest and most successful companies in the energy sector. He is supported by a new CFO with almost a decade at Petrofac, spanning a number of roles including most recently as Group Treasurer and Head of Tax, Insurance and Risk.

Petrofac's new management team is driving a series of initiatives to further embed the Group's culture and technical performance. A new "One Petrofac" operating model is being deployed globally to clearly define the Group's values, policies and behaviours, so that customers worldwide experience consistent delivery and service quality. The Group has also created a collaborative technical organisation called "1tec", which brings together its technical experts in a series of "Functions" such as proposals, engineering, supply chain and quality assurance, to ensure that best practices are developed and shared effectively across the organisation and that Petrofac's teams across the globe deliver world class performance in every location.

Petrofac targets a global energy market that is expected to reach an annual spend of approximately US\$850 billion by 2025, based on the Group's market analysis. In aggregate, the addressable market for Petrofac is expected to exceed US\$100 billion by 2025 (excluding opportunities within the UAE, Saudi Arabia and Iraq, which Petrofac expects to re-enter over time). An estimated US\$70 billion within this addressable market is expected to be spent annually by 2025 in Petrofac's core business segments, namely upstream, refineries and petrochemicals, where Petrofac believes that it has a compelling customer proposition and an enviable track record. A further US\$20 billion is expected to be spent in those new energies markets where the Group is accelerating its efforts, namely offshore wind, carbon capture and storage, waste-to-fuels/energy and hydrogen by 2025. And finally, operating expenditure for upstream and new energies infrastructure, where Petrofac believes that it can deploy its operations and maintenance capabilities, is expected to grow to US\$15 billion per annum by 2025.

The Directors believe that Petrofac's recently refreshed leadership and systems, and its clear strategy, leave it well positioned to pursue material opportunities in both core markets and

new energies, positioning the group to deliver solid growth and superior returns. The Group has secured revenue of approximately US\$1.5 billion for the six months ending 31 December 2021, which comprises approximately US\$1.0 billion from E&C and approximately US\$0.5 billion from EPS, and of approximately US\$1.6 billion for the year ending 31 December 2022, which comprises approximately US\$0.9 billion from E&C and approximately US\$0.7 billion from EPS. In the medium term, execution of Petrofac's strategy aims to deliver revenues of US\$4–5 billion (with more than 20% from new energies), consistently premium margins and a strong balance sheet with a net cash position.

On 24 September 2021, the Company announced that it had entered a plea agreement with the SFO. Pursuant to the plea agreement, the Company entered guilty pleas to seven counts of historical offences of failing to prevent bribery by former employees, contrary to section 7(1) of the Bribery Act 2010. Taken together, these seven counts involved five former Group employees. Under the terms of the plea agreement, the Company pleaded to failure to prevent these former employees from offering or making payments to agents who intended to obtain or retain business and/or an advantage in the conduct of business, in relation to 10 projects (including variation orders and extensions) in Iraq, Saudi Arabia and the UAE in the period from 2011 to 2017. The Company and the SFO's representations to the Court outlined instances of failure of the Company's compliance systems and oversight structures during that period to identify and prevent instances of bribery by employees of the Group. In particular, attempts were made by these former employees to conceal their misconduct. No members of the Company's current Board of Directors were implicated in the plea agreement agreed with the SFO. Since these events, the Company has engaged in an extensive programme to enhance its corporate governance framework. This includes both changes to executive management and the departure of the relevant employees named in the pleas from the Group, as well as the continued enhancement of the Group's compliance systems and oversight structures to prevent these types of behaviour in the future. The SFO and the Court have recognised that the Group has undergone extensive corporate reform in recent years and continues to put in place a robust compliance programme. On 4 October 2021, Southwark Crown Court handed down a sentence imposing a fine of £77 million on the Company (comprising a confiscation order of £22.8 million payable by 3 January 2022, a fine of £47.2 million payable by 14 February 2022 and an order to reimburse SFO costs in the amount of £7 million also payable by 14 February 2022) (the "**SFO Fine**"). In determining the penalty, the Court and the SFO acknowledged the Company's extensive corporate reform through its transformation of its leadership, personnel, compliance and assurance processes.

In addition, the strengthening of the Company's compliance programme, due diligence function and ongoing, independent third-party scrutiny of compliance arrangements was noted and it was acknowledged that serious attempts have been made by the Company to improve its corporate culture and address the issues.

The Directors are not aware of any further criminal investigations or proceedings being taken, or planned to be taken, against the Group in relation to these incidents. Subject to payment of the penalty in accordance with the terms set out above, the SFO Investigation as it relates to the Company and its subsidiaries is now closed.

The SFO Investigation into past issues caused significant damage to the Group, including to its order intake, financial position, customer relationships and reputation. Although the Group has engaged in an extensive programme of corporate reform since the time of these events, and has in recent years taken a number of steps to further bolster its compliance programme, the SFO Investigation negatively affected a number of customer relationships and trading activity. In 2019, customers in Iraq and Saudi Arabia suspended Petrofac from bidding on new contracts, while allowing the Group to execute pre-existing contracts, followed by a UAE customer in 2020. Iraq, Saudi Arabia and the UAE accounted for 27% of total revenue in the period 2015-2019, prior to the first suspension, and revenue from these countries decreased to 12% in 2020. Other existing and prospective customers sought better terms during this time, when Petrofac's bargaining power was constrained, and it became difficult to attract and retain key personnel. In addition, the Group has incurred the SFO Fine in respect of which it has recognised a US\$106 million payable on its balance sheet as at 30 June 2021. Each of these factors, along with the allocation of significant resources, both internally as a result of management time and externally through advisers, had a substantial impact on the Group's revenue and profitability. Furthermore, it became more challenging for the Group to secure long-term financing.

These challenges were compounded in 2020 when the COVID-19 pandemic brought major disruption to the energy sector and a rapid deterioration in market conditions which, for Petrofac, led to project delays and increased costs. The sharp decline in oil prices in 2020 put both national and international oil companies under financial pressure, with many taking steps to reduce costs and protect their balance sheets. This resulted in deferred capital spending and a scarcity of new project awards. Petrofac also experienced slower payments and a more challenging commercial environment in which to settle contractual claims.

Resolution of the SFO Investigation removes many of the uncertainties that have influenced order intake, financial position, customer relationships and reputation, as well as constraints that have limited Petrofac's ability to win work, compete with peers, retain key talent and deliver its strategy, and as a result is expected to instill confidence in existing and potential customers in the Group's ability to undertake major projects in the coming years. It also presents a critical opportunity to re-engage with key customers in the Group's traditional markets. Consequently, the Petrofac Board believes the long-term fundamentals of the business are strong with its addressable market expected to exceed US\$100 billion by 2025. Petrofac has outlined its strategy to provide **best-in-class delivery** to customers through consistent execution, to **return to growth** by targeting attractive opportunities in its core markets and the very strong growth anticipated in new energies, and to deliver **superior returns** with a balanced approach to risk, generating premium margins and supported by a strong balance sheet.

The Board believes that this strategy, as set out in detail below, provides a credible and sustainable route to deliver long-term value for shareholders and other stakeholders. However, the terms of the SFO resolution including the payment of the penalty, combined with the current level of indebtedness and the terms and maturity profile of its existing financing arrangements, materially constrain the Group's ability to implement its strategy. The Petrofac Board believes that additional steps are required to accelerate deleveraging of the Group's balance sheet and to transition to a long-term, sustainable capital structure appropriate to the size of the Group and its strategy.

Accordingly, the Petrofac Board has, following engagement with a group of its core lending banks and other stakeholders, developed a Refinancing Plan, as defined below, to strengthen its capital base and financial position. The Refinancing Plan will deleverage the Group's balance sheet, extend the maturity profile of the Group's financing arrangements and strengthen the Group's capital structure. This will increase the financial flexibility and stability of the Group and improve the credit perception of Petrofac with customers, partners and suppliers. The Petrofac Board believes that this will, in turn, enable the Group to pursue its strategy more effectively and enhance long-term shareholder value.

## 2.2 *The Refinancing Plan*

Petrofac's existing lending facilities comprise: (i) a syndicated revolving credit facility of US\$610 million maturing on 2 June 2022 (the "**Existing Revolving Credit Facility**"); (ii) a

bilateral term loan of the equivalent of US\$90 million, from Abu Dhabi Commercial Bank (the “**Existing ADCB Term Loan Facility**”), maturing on 1 April 2022; (iii) a bilateral term loan of US\$50 million (the “**Existing RAK Term Loan Facility**”), from The National Bank of Ras Al-Khaimah (P.S.C.) (“**RAK Bank**”), maturing on 31 October 2023; (iv) £300 million of commercial paper, issued under the Covid Corporate Finance Facility (the “**CCFF**”) due to be repaid on 31 January 2022; and (v) an US\$8 million overdraft facility that is drawn and is to be repaid.

The “**Refinancing Plan**” includes the following components:

- the raising of gross proceeds of US\$275 million (£200 million) by way of the Firm Placing and Placing and Open Offer (US\$259 million after deduction of estimated expenses, including underwriting commissions);
- the establishment of a US\$500 million bridge financing facility, which matures on 26 October 2022, with an option (at the Company’s election, and without requiring the lenders’ consent) to extend the maturity by six months (the “**Bridge Facility**”), and which is expected either to be: (a) drawn in full and subsequently refinanced by way of a public bond issuance prior to its maturity; or (b) replaced prior to being drawn down by way of a public bond issuance, in either case following the closing of the Capital Raise;
- the establishment of an AED185 million (US\$50 million) new term loan facility with ADCB, maturing 24 months following its utilisation date (the “**New ADCB Facility**”);
- the amendment of the US\$50 million Existing RAK Term Loan Facility (as amended, the “**Amended RAK Facility**”, maturing 1 November 2023); and
- the establishment of a US\$180 million revolving credit facility, maturing 26 October 2023 (the “**New Revolving Credit Facility**”).

The Company intends to use the proceeds of Firm Placing and Placing and Open Offer, in combination with the proceeds from the Bridge Facility, the New ADCB Facility and available cash reserves in order to pay, in January and February 2022, the £77 million in penalties and fees imposed by the Southwark Crown Court in relation to the SFO Investigation and to repay indebtedness under its existing revolving credit facility (US\$546 million), its existing term loan with ADCB (US\$90 million), its commercial paper under the CCFF (£300 million) and an existing overdraft facility (US\$8 million), as well as estimated fees and expenses in connection with its refinancing plan (US\$36 million).

Petrofac entered into the Bridge Facility, the New Revolving Credit Facility, the New ADCB Facility and the Amended RAK Facility on 26 October 2021. The effectiveness of the Refinancing Plan, however, is contingent on completion of the Capital Raise, which is conditional on the Resolutions having been passed by Shareholders at the General Meeting.

### **2.3 Assessment of the Refinancing Plan**

The Refinancing Plan aims to deliver the Group's key objectives of:

- reducing indebtedness, taking into account the resolution of the SFO resolution, including the payment of the SFO Fine;
- diversifying the Group's sources of capital by accessing the debt capital markets in order to replace the Bridge Facility or to refinance borrowings under the Bridge Facility prior to its maturity; and
- extending the maturity profile of the Group's financing arrangements, providing the Group with long-term certainty, flexibility, balance sheet strength, improved liquidity, covenant headroom and ultimately an appropriate capital structure to deliver its strategy.

The Refinancing Plan will also facilitate, and allow the Group to focus its efforts on, the implementation of its strategy. The Directors believe that successful delivery of the Group's strategy, together with the implementation of the Refinancing Plan, will enable Petrofac to grow its businesses and generate increased surplus cash flow with a view to further deleveraging the Group, while providing a platform for the Group to resume dividend payments in the future. The Petrofac Board, having carefully considered the available alternatives, believes that the Refinancing Plan is the optimal solution available to support delivery of the Group's strategy, and has confidence in being able to issue the proposed public bonds on market-competitive terms.

Petrofac closed 2020 with US\$1.1 billion of liquidity and ample covenant headroom. The Refinancing Plan provides sufficient operating liquidity over the coming years based on Petrofac's internal forecasts. Petrofac expects to continue to deliver and transition to a net cash position in the medium term.



### 3 The Group's Strategy and Key Strengths

#### 3.1 Market Outlook

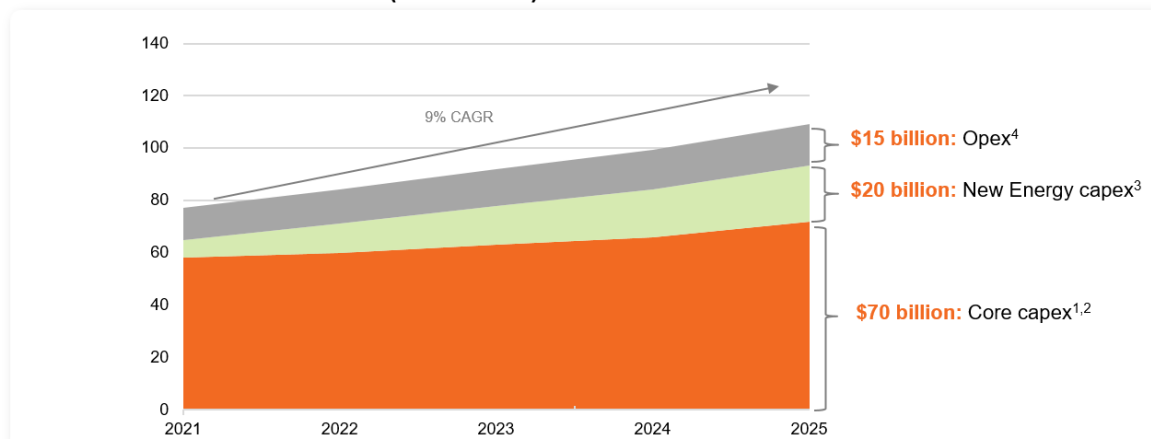
Global energy demand growth is underpinned by population growth, with an increase of 2 billion people expected by 2050, together with increasing levels of prosperity in emerging economies which are urbanising quickly and improving their access to energy.

There are a range of different scenarios, considering the aggregate views of the IEA, OPEC and other commentators, for future energy demand depending on government policies, speed of recovery from the COVID-19 pandemic and environmental targets. However, in all scenarios, absolute energy demand is expected to increase in the period to 2050. Renewables are expected to grow most rapidly, but all forms of energy will be required for the foreseeable future and oil and gas are expected to constitute a considerable proportion of the total energy supply for the foreseeable future in all scenarios.

Based on the Group's market analysis, it expects that worldwide capital investment in all forms of energy will grow to approximately US\$850 billion by 2025. In aggregate, the addressable market for Petrofac is expected to exceed US\$100 billion by 2025 (excluding opportunities within the UAE, Saudi Arabia and Iraq, which Petrofac expects to re-enter over time). In the period up to 2025, Petrofac is focused on three compelling addressable markets that align closely with its core capabilities and track record. Firstly, capital expenditure on upstream, refining and petrochemicals, where Petrofac has a compelling customer proposition and a strong track record of project execution, is expected to rise to approximately US\$70 billion per annum by 2025. The MENA region upstream capex forecast is expected to grow at 10% CAGR 2021-2025 (Source: Rystad). Secondly, opportunities within new energies (comprising offshore wind, carbon capture and storage, waste-to-fuels/energy and hydrogen), where Petrofac is accelerating its efforts, are expected to grow to approximately US\$20 billion per annum by 2025. Thirdly, operating expenditure for upstream and new energies infrastructure, where Petrofac believes that it can deploy its operations and maintenance capabilities, is expected to grow to US\$15 billion per annum by 2025.



### Petrofac Addressable Markets (US\$ billion)



Source: Group market analysis

Notes:

- (1) Core (upstream and refinery) and adjacent (petrochemical) sectors excluding UAE, Saudi and Iraq.
- (2) Top 5 countries by aggregate addressable market 2021-25 are Algeria, Oman, Kuwait, India and Russia.
- (4) Opex for upstream and new energies.

## 3.2 Key Strengths

### 3.2.1 Leading international service provider and trusted partner to the energy industry with long-standing customer relationships

Petrofac is a trusted partner to a diverse portfolio of customers, providing services covering every stage of the project lifecycle from conception to completion, and able to offer flexible commercial models. The Group has operations in 29 countries with 16 major projects ongoing and 8,499 employees worldwide.

The Group has long and deep customer relationships with international and national oil companies. Its E&C division has a 40-year track record in designing and building major energy infrastructure projects with over 200 major projects delivered. It has a particularly strong presence in the MENA region where it has, for example, built 70% of the gas infrastructure in Oman and built infrastructure in Kuwait that supports 35% of the country's oil production. These positions have supported revenues of US\$25 billion in E&C MENA operations between 2014 and 2020.

Petrofac has a reputation for having an exceptional EPC capability in the market. The Group's 40% market share in operations and maintenance in the UK is a testament to its market-leading capabilities and service offering. In 2020, Petrofac secured first

place in Refining and Petrochemicals Middle East magazine's Top 30 EPC Contractors listing, which cited the Group's operational delivery, its strong safety record and its digitalisation programme.

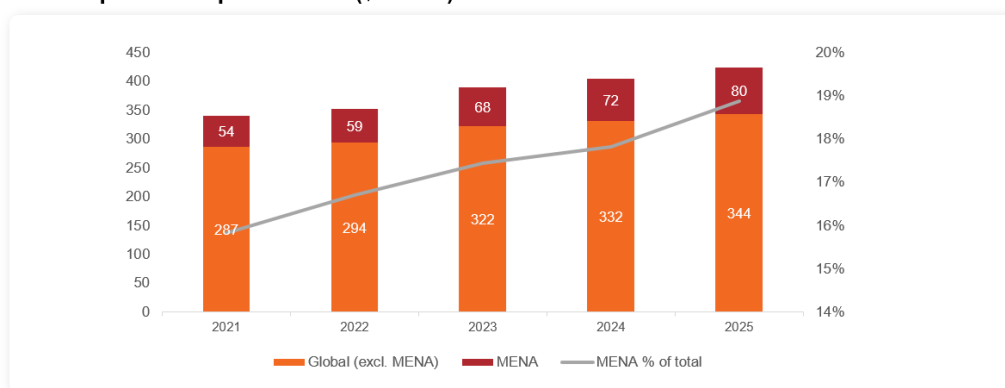
### 3.2.2 Strategic positioning in attractive core markets with addressable spend expected to rise by 40% by 2025

Petrofac has a leading presence in key regions, including MENA, which has some of the lowest marginal costs of oil and gas production in the world, as well as the UK North Sea, which benefits from resilient spending throughout the cycle. The Group is resilient to cyclical downturns in the oil and gas industry given the breadth of its diversification and this will increase as it builds expertise and expands into new energies.

The Group is well-positioned as the oil and gas sector emerges from the COVID-19 pandemic. Its core markets in MENA are likely to be the first to recover and to remain the most resilient. Upstream capex in the MENA region is expected to grow at 10% CAGR 2021-2025 (Source: Rystad) providing long term tailwinds for the Group.

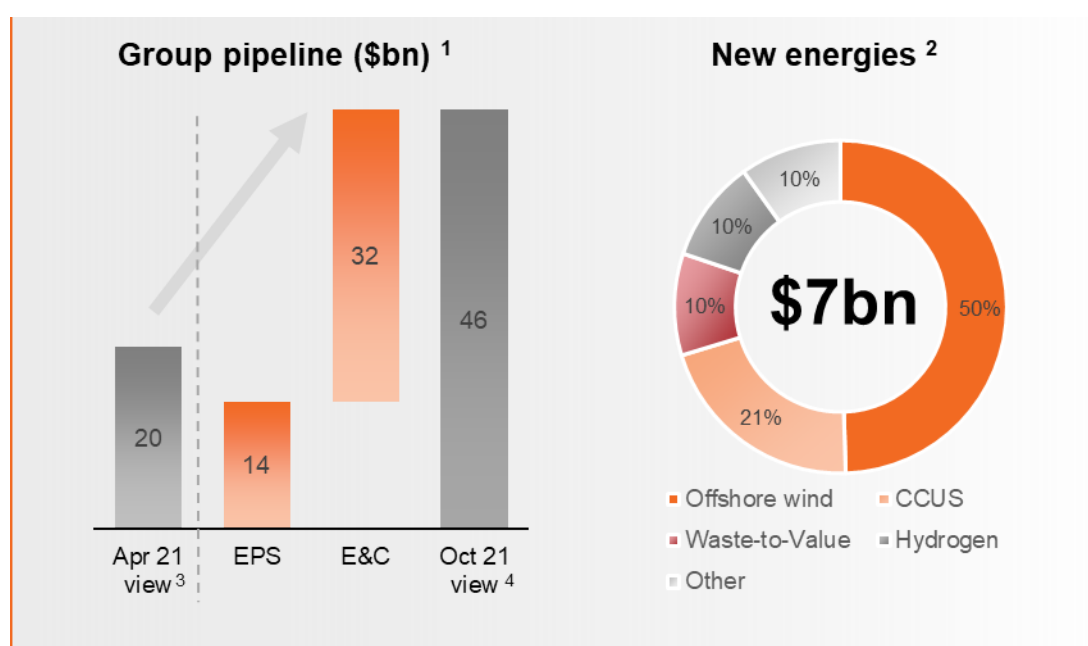
MENA region to grow at 10% CAGR 2021-2025

Global upstream capex forecast (\$ billion) <sup>1</sup>



Petrofac has been successfully diversifying its bidding pipeline into geographies beyond core markets, including India, South-East Asia, the Commonwealth of Independent States, Europe and the United States, where Petrofac has demonstrable track records. It has addressable markets that are expected to grow to US\$105 billion per annum by 2025 (excluding opportunities within the UAE, Saudi Arabia and Iraq,

which Petrofac expects to re-enter over time), including US\$70 billion in core capital expenditure (comprising upstream and refinery and adjacent (petrochemical) sectors), US\$20 billion in new energies and US\$15 billion in operating expenditure. Petrofac has a Group pipeline of US\$46 billion scheduled for award to the industry by the end of 2022, which comprises US\$32 billion in E&C and US\$14 billion in EPS. The large addressable market in 2022 supports Petrofac's recovery trend and includes a fast-growing pipeline of new energies projects, which currently comprises US\$7 billion of opportunities in offshore wind, carbon capture and storage, hydrogen and waste-to-value.

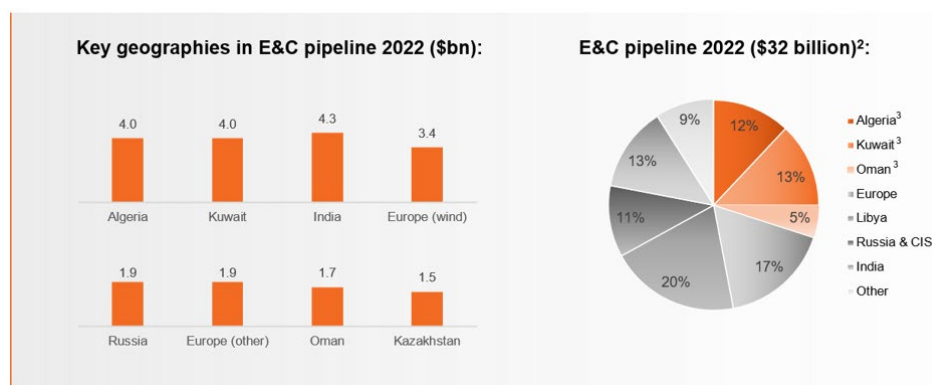


1. Opportunities scheduled for award to the industry by the end of 2022. The Group bidding pipeline excludes opportunities in UAE, Saudi Arabia and Iraq
2. New energy opportunities are contained within E&C and EPS pipelines
3. For 8 months to December 2021
4. For 14 months to December 2022

In E&C, the US\$32 billion pipeline is underpinned by its core MENA addressable markets in Algeria, Kuwait and Oman, where it has had a long-standing presence and its differentiated local delivery model and strong in-country-value makes it particularly competitive.

In growth geographies, such as India, it is currently executing multiple EPC contracts and has in-country centres of excellence for engineering. It has a successful track record of execution in Russia and Kazakhstan and has recently secured its first project in Libya, where there is significant growth potential.

The Group has already secured revenue of US\$1.0 billion from E&C for the six months ending 31 December 2021 and approximately US\$0.9 billion for the year ending 31 December 2022.



1. The bidding pipeline includes E&C opportunities scheduled for award to the industry by end of 2022. Excludes opportunities in UAE, Saudi Arabia and Iraq

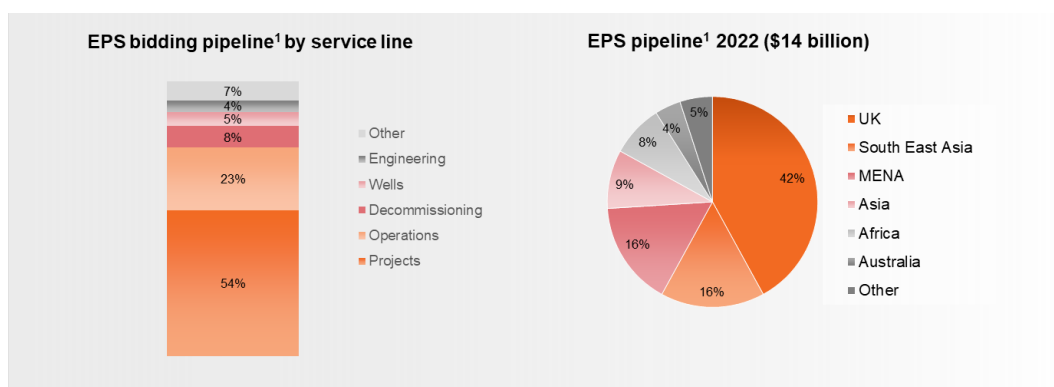
2. Core E&C geographies comprise Algeria, Kuwait and Oman

Furthermore, the Company is anticipating significant upside potential upon return to markets in Saudi Arabia, Iraq and the UAE.

The EPS business unit has demonstrated its resilience to the downturn delivering a book-to-bill of 1.0x in 2020, one of the most challenging years in the history of the industry, and is on course to do the same in 2021.

The Group has already secured revenue of approximately US\$0.5 billion from EPS for the six months ending 31 December 2021 and approximately US\$0.7 billion from EPS for the year ending 31 December 2022.

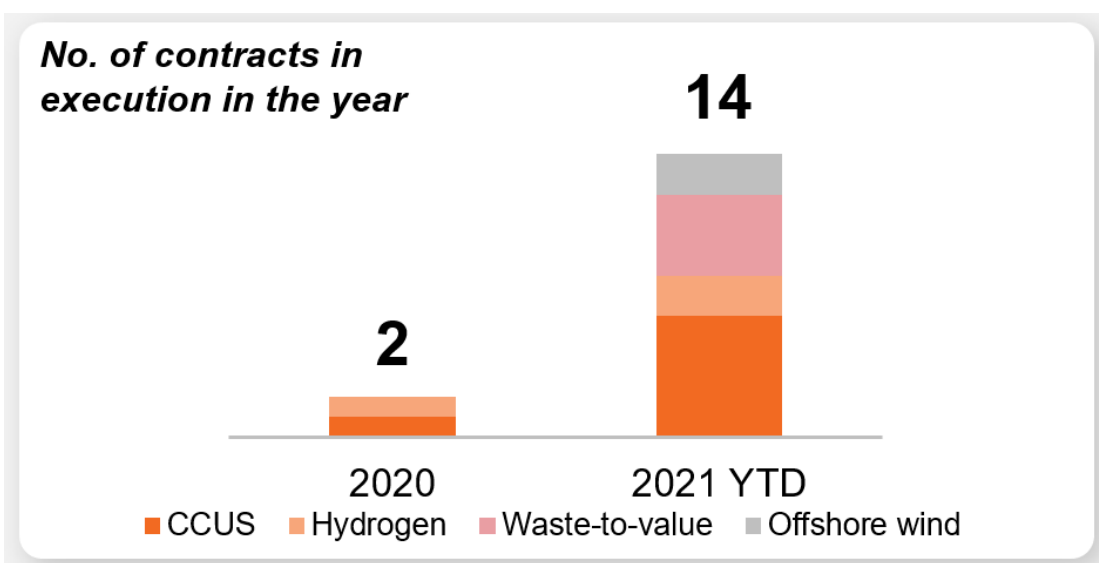
As discussed above, it has a diverse US\$14 billion pipeline, with over 50% of the opportunities outside its core market in the UK. For the six months ended 30 June 2021, 50% of the revenue share of the EPS business was from its core market in the UK with 50% from non-UK EPS markets.



1. The Group bidding pipeline excludes opportunities in UAE, Saudi Arabia and Iraq

In addition, there has been a strong improvement in the Group's track record of supporting new energy projects across a wide range of different technologies where, within the EPS segment, activity in new energy has increased significantly with 14 contracts secured in 2021 to date compared with two contracts in 2020.

#### Growth in new energy contracts (growth shown for EPS segment)

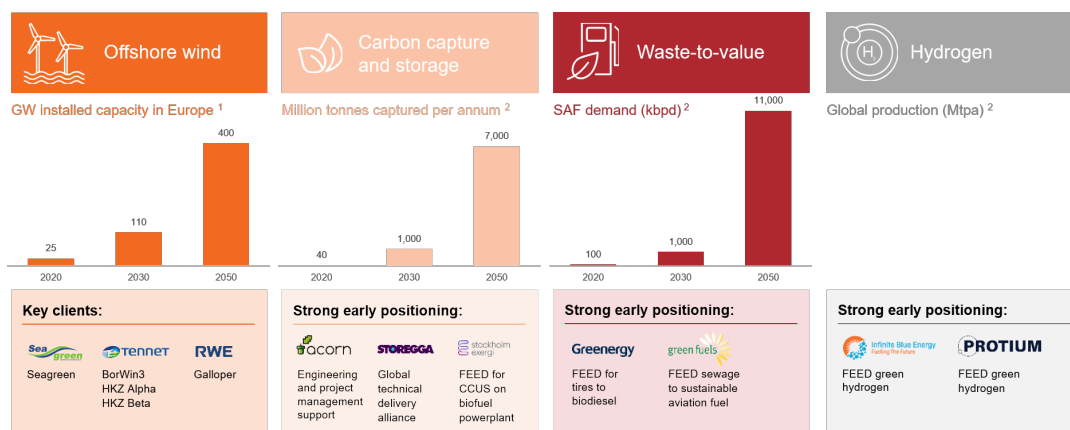


### 3.2.3 Future-ready and well positioned to leverage existing capabilities to deliver growth within the energy transition

The energy transition has been at the core of Petrofac's future strategy in terms of expansion into new energies and building capabilities, as well as subject matter expertise that enables the transition of its customers. Petrofac is building expertise in segments that offer attractive near to long-term growth prospects and has already

established a strong position in key high-growth sectors such as offshore wind, carbon capture and storage, hydrogen production, and waste-to-value.

Over US\$3 billion of offshore wind opportunities are already in the pipeline scheduled for award to the industry by the end of 2022, with a projected new energies addressable market of US\$20 billion by 2025, based on the Group's market analysis.



1. Source: Wind Europe. 25GW installed capacity in 2020 growing to 400GW in 2050

2. Carbonomics, Goldman Sachs

Petrofac has a 10-year track record in offshore wind and a leading position in EPC for substations, with growing expertise in emissions reduction, CCUS, blue and green hydrogen and waste-to-value. The Company is able to deploy experienced resources familiar with engineering, construction, operations and maintenance across the full array of its target new energies markets. Life-of-asset service offering, a technology-neutral approach and flexible commercial models provide additional competitive differentiation.

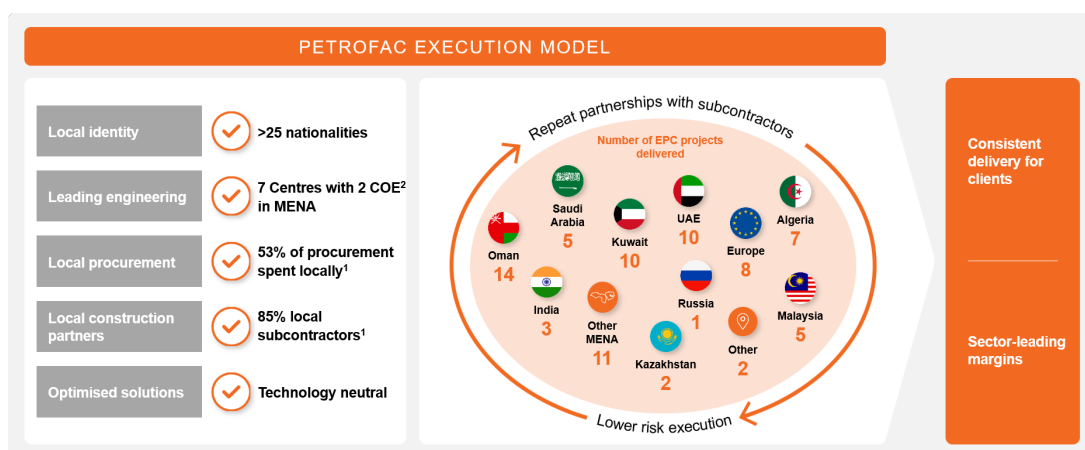
Strategic alliances formed with project developers and technology providers across CCUS, hydrogen and waste-to-fuels further boost capabilities and the depth of service offering. The Group's new energies strategy is driven by a strong leadership team with an exceptional track record in the energy services industry. The leadership team is fully equipped to enable Petrofac to become a leader in energy transition services across its targeted high-growth sectors.

### 3.2.4 Strong competitive position with sector-leading margins

Petrofac has a long track record of delivering differentiated margins. The Group's strong local delivery capability de-risks execution of contracts enabling it to provide best-in-class execution. It is the only tier 1 EPC company with centres of excellence for engineering in the Middle East.

Petrofac has a solid local identity in more than 25 nationalities globally. Its diversity offers a high level of cultural alignment to its customers, which they value, and forges stronger and enduring relationships.

Historically, the Company has delivered consistent premium margins to clients through strong local delivery underpinned by local procurement and working with local

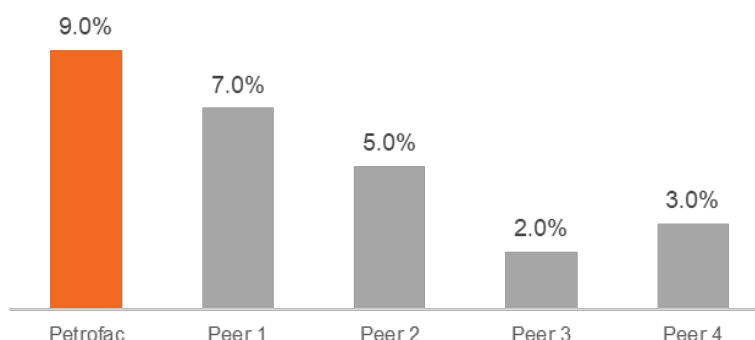


construction partners. In 2020, 53% of procurement spend was carried out locally and involved 85% of local subcontractors as construction partners.

1. For the financial year 2020
2. COE denotes centres of excellence

Over the last 10 years Petrofac's average E&C EBIT margin has been 9% which was markedly higher than the sector peers.

### Petrofac EBIT margin vs peers (2010-2020)<sup>1</sup>



<sup>1</sup> Average EBIT margin 2010-2020. Comparison of E&C margins with closest comparable European peers' E&C divisions

The Company's strategy is to enhance its best-in-class delivery by simplifying the organisation and delivering to one global Petrofac standard, ensuring predictable and consistent execution. It has a highly cost-competitive structure underpinned by ongoing cost-saving measures, and is further improving efficiency through organisational simplification, investment in digitalisation and increasing automation.

### 3.2.5 Committed to minimising environmental impact of energy industry and driving greater diversity

Petrofac is committed to reducing the environmental impact of operations targeting Net Zero Scope 1 and 2 emissions by 2030. The Company is fully compliant with Task Force on Climate-Related Disclosures ("TCFD") and has a Carbon Disclosure Project ("CDP") rating of B. It is furthermore working to influence its supply chain partners to set their own emission reduction targets.

At a divisional level, Petrofac is committed to achieving Net Zero in its EPS business by 2025, while E&C and PM304 producing asset in Malaysia will do so by 2030. Work is underway to assess the Group's Scope 3 emissions baseline as it looks to decarbonise its supply chain; and it will set emissions reductions targets grounded in climate science through the Science Based Target Initiative.

The Company has also demonstrated an increased focus on diversity and inclusion, including through the setting of ambitious new diversity targets, and the appointment of its first Global Head of Diversity and Inclusion. The Company aims to expand diversity of workforce with the objective of 30% of women in senior roles by 2030. As



measured per the Hampton Alexander methodology, the Group has successfully increased senior women in leadership roles from 8% in 2019 to 24% in June 2021. The Group has been recognised for its commitment to sustainability, having achieved an AA sustainability rating from MSCI in March 2021.

### **3.2.6 Capital-light business, with strong focus and track record of cost discipline**

Petrofac has a disciplined approach to capital allocation and bidding with a focus on maintaining a strong balance sheet and returning to a net cash position. The Company's recent divestments in non-core assets accelerated the transition to a capital-light business, enabling lower capital expenditure in the E&C and EPS businesses (2.7% of EBITDA in the six months ended 30 June 2021) and high free cash flow generation as Petrofac returns to growth.

The successful refinancing of all near-term maturities, through the Refinancing Plan, will reinforce Petrofac's balance sheet and liquidity position enabling it to be at an optimal position to benefit from the expected market recovery. The Company has introduced multiple cost-reduction measures to reduce overhead and project support costs, while preserving core capabilities. The Company is on track to deliver more than US\$250 million cost savings relative to pre-pandemic levels.

### **3.2.7 Reinforced compliance structure**

The Group's commitment to the highest level of ethical and effective governance is supported by a culture of integrity, transparency, and trust. The Group's compliance framework utilises a three lines of defence approach, with each line forming a feedback loop that informs improvement: leadership & people, processes & controls, and assurance. There is a strong alignment between management incentives and ESG performance metrics, with ESG performance metrics making up on average 40% of senior leadership incentives. Over the last several years, the Group has strengthened its cultural focus on ethical conduct, supported by a well-developed, independently-audited compliance and governance regime committed to best-in-class compliance systems and practices. MSCI's ESG ratings upgraded the Group to "AA" in March 2021, denoting industry leadership, with the Group's "robust business ethics policies driving the upgrade" and rating the Group's business ethics policies

“strong” relative to peers, its corporate governance practices as “leading those of peers” and highlighting improvement since 2020.

The Company has established a Board Compliance & Ethics Committees which oversees and upholds implementation of principles and rules relating to compliance and ethics and provide assurance to Petrofac’s shareholders that policies and standards are both adequate and effective.

The changes implemented have led to the creation of a highly qualified compliance leadership team based in Sharjah, including new Group General Counsel, Chief Compliance Officer and Investigations Director and dedicated officers in major operating hubs.

Furthermore, the Company has made significant investments in new technologies with new confidential reporting tools and externally hosted due diligence screening tools and has established an independent compliance investigations team.

The Company’s implementation of an independent review and subsequent regular audit process reporting directly to the Compliance & Ethics Committee adds additional layers to and further strengthened its compliance structure.

A revised Code of Conduct was launched in January 2020, with mandatory eLearning training for employees and third parties who work with the Group to ensure that expected standards and behaviours are understood and enacted.

With the new compliance structure implemented, Petrofac has established a Zero tolerance approach to Code of Conduct breaches, retaliation, victimisation and bullying and harassment.

### **3.2.8 Reinvigorated management team with demonstrable expertise**

The appointment of a new CEO, Sami Iskander, with more than 30-years of international experience in both oilfield services and upstream exploration and production companies immensely strengthens the Company’s leadership. Sami is supported by a new CFO, Afonso Reis e Sousa, with almost a decade at Petrofac, in

a number of roles including most recently as Group Treasurer and Head of Tax, Insurance and Risk. The new leadership team has a wealth of experience in the sector and is well positioned to lead the transformation of the Company and has established clear values to underpin the Group's purpose and societal licence to operate, which govern how Petrofac functions. Clearly defined behavioural expectations set by the Petrofac Board for those that work for and with the Group support a culture of superior performance coupled with high standards of ethical business conduct.

### 3.3 **Strategy**

As announced in April 2021 at its full year results, the Group's strategy is underpinned by three overarching objectives: best-in-class delivery, returning to growth and generating superior returns.

#### Best-in-class delivery

Best-in-class delivery requires an optimal execution structure supported by technology, lean, efficient processes, and local, customer-focused delivery to a global standard where quality and value are independently assured, and risks mitigated.

#### Simplify the organisation

Petrofac is simplifying its organisation, creating a streamlined structure supported by technology and efficient processes. This includes the establishment of a collaborative technical organisation 1tec, which brings together the Group's technical experts in a series of "Functions" such as proposals, engineering, supply chain and quality assurance, to ensure that best practices are developed and shared effectively across the Group and that Petrofac's teams across the globe deliver world class performance in every location.

This efficient and digitally enabled organisation is also expected to further enhance the Group's cost competitiveness, leaving it well positioned to rebuild its Backlog when the market recovers and to consistently deliver premium margins for shareholders.

### Global capability, location execution

The enhanced organisational structure, with 1tec as its backbone, will aim to ensure that projects are executed to one global standard in all countries in which Petrofac operates, via a local, customer focused delivery system. This local delivery model is expected to bring the Group closer to its customers and deepen Petrofac's understanding of the markets in which it operates, which will further de-risk execution and enhance profitability.

At the same time, Petrofac will continue to maximise in-country value (measured by the value of local expenditure on goods and services), a source of competitive advantage, by investing in new local leadership with the mandate to build strong and resilient businesses, underpinned by supply chains, in key markets. For reference, Petrofac's in-country-value expenditure in 2020 was 53% on non-joint venture projects and significantly higher in certain core geographies. When submitting bids for new work, in-country-value is a key metric evaluated by customers and Petrofac's success rate in winning tenders confirms that it is a market leader on this front.

### Digitally enabled

Petrofac has invested, and continues to invest, heavily in its digital capability which, coupled with technical expertise, enhances productivity and provides optimal solutions to customers while driving greater consistency and cost reduction across portfolios.

For example, in December 2020, Petrofac's work to digitalise its operations and maintenance delivery was recognised with a prestigious award from Oil & Gas UK, the leading representative body for the offshore energy industry in the UK. Combining digital twin and mobile technologies with the Group's proprietary software, BuildMETM, Petrofac has digitalised its inspection processes. Proven across more than 4,000 North Sea inspections, the approach has driven a 200% improvement in productivity.

The Group has also made significant investments in its internal systems to increase automation and drive efficiency. These investments have already improved the

Group's productivity, and will be an important lever in maximising the Group's cost competitiveness when pursuing future contract awards.

### Strategic partnerships

Petrofac has a number of successful strategic partners, which allow customers to benefit from combined expertise as well as delivering higher in country-value.

In NES, Petrofac is forming strategic partnerships with both developers and technology providers. These customer-centric relationships not only facilitate the development of projects now, but also enhance the Group's ability to pursue future opportunities.

For example, Petrofac has formed a global technical delivery alliance ("TDA") with Storegga, which has the potential to be the first industrial-scale carbon capture and storage project in the UK. The TDA combines Petrofac's world class engineering, project delivery and operational expertise with Storegga's project development capability, supporting fast-track delivery of critical net zero infrastructure both in the UK and internationally.

### Technology neutral

In addition, as a technology-neutral service provider, Petrofac will continue to leverage its subject matter experts to offer optimal bespoke solutions to customers, without being limited by the need to deploy any particular in-house technologies.

This not only enables the Group to provide optimal solutions to its customers, but it also maximises the market opportunities available to Petrofac. This is particularly relevant for the new energies segment where there is a wide array of new technologies, each of which is limited to specific niches within particular sub-sectors. For instance, the Group estimates that there are around 1,000 large industrial sites suitable for carbon capture in Europe alone, which will all require bespoke solutions to suit each producer's exhaust volumes, CO<sub>2</sub> gas percentage, and the physical layout of its facilities. A wide range of technologies will be required to provide solutions across this heterogeneous opportunity set, and Petrofac's technology-neutral approach ensures that it can serve the entirety of this market.

### *Return to growth*

Petrofac's focus on return to growth will be supported by improving customer centricity, becoming closer to both existing and new customers to drive growth in core markets, pursue growth opportunities in selective new markets, and accelerate the Group's expansion into new energies.

### Customer-centric approach

The Group has long-standing customer relationships in its core addressable geographies, such as Oman, Algeria and Kuwait, where it has demonstrated a continuous presence, a commitment to building local supply chains, and a reputation for strong delivery and execution. To further enhance its influence and performance in these key countries, Petrofac is appointing dedicated country managers to continuously engage with customer executive management teams and local authorities and to deepen its understanding of local suppliers and subcontractors.

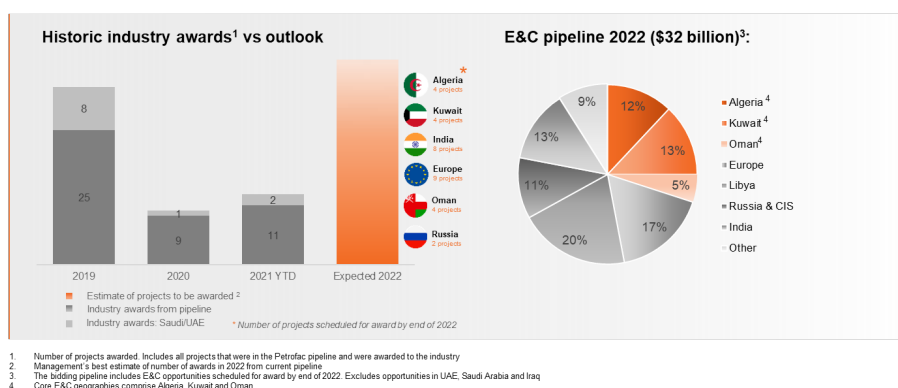
In Petrofac's growth geographies (as described below), it is appointing local business development leaders based in country, to engage with potential customers, establish Petrofac as a credible service provider and develop a pipeline of new opportunities.

### Rebuild the Backlog

Petrofac aims to re-build its Backlog by leveraging its extensive track record and targeting opportunities in its growing addressable core and growth markets, which it believes are well placed for a robust recovery. The Directors also believe that the Group's decisive action to cut costs, in combination with efficiencies it has gained through simplifying the organisation, leave Petrofac well positioned for a strong recovery across its operations.

The Group is expected to enter a period of strong growth in project awards once the pandemic pressure eases. The Group intends to capitalise on its strong 2022 bidding pipeline, which benefits from a large and growing addressable market, including new energies. As discussed in “— *Key Strengths*” above, the Group's E&C pipeline is exposed to the most attractive growth markets in MENA (Algeria, Kuwait and Oman)

which constituted 65% of the Group's MENA E&C revenue from 2014 to 2020 and where the Company maintained historical win rates of 30-50% from 2015 to 2021. The Group experienced a sharp decline in awarded contracts in 2020 and the year to date in 2021, caused by the COVID-19 pandemic and oil price crash, the degree of which has not been experienced in recent history. As a result and with the oil price recovery, management believes that there will be a sustained recovery with a significant increase in awards in 2022.



The E&C pipeline is well complemented by the robust US\$14 billion EPS pipeline, which has proven its resilience during the pandemic.

### Selective growth in new geographies

As well as executing projects in its core markets, Petrofac will target opportunities across the wider MENA region, as well as other growth markets, such as Russia, India, Libya and Kazakhstan. These opportunities will be pursued in a disciplined way, consistent with Petrofac's conservative bidding approach. For example, when Petrofac entered the EPC market in India in 2018, it secured a small refinery project with a value of US\$135 million. Similarly, it has recently entered Libya with a c.US\$100 million EPC contract having built a close relationship with the NOC through the delivery of several front-end engineering and design ("FEED") contracts. This measured approach enabled Petrofac to develop a deep knowledge of local markets and supply chains before bidding on larger projects.

### Leverage capabilities in new energies

Building on its extensive experience, Petrofac will target opportunities within new energies, namely offshore wind, carbon capture and storage, waste-to-fuels/energy and hydrogen. In aggregate, these opportunities are expected to represent US\$20 billion by 2025 based on the Group's market analysis.

The Directors believe that Petrofac's capability and track record in engineering, construction, operations and maintenance leave it well-equipped to deliver an array of projects across the new energy industries. Petrofac already has a 10-year track record in offshore wind and is currently executing three EPC contracts for offshore substations in Europe. Furthermore, it is pursuing a substantial pipeline of over US\$3 billion of offshore wind opportunities scheduled for award to the industry by the end of 2022. While the other target sectors are less mature, rapid growth is expected, based on the Group's market analysis. Consistent with its strategy, in the first half of 2021 Petrofac secured 14 contracts covering carbon capture, utilisation & storage ("CCUS"), blue and green hydrogen and waste-to-fuels. These early-stage concept and FEED contracts have the potential to develop into material project awards, leveraging Petrofac's differentiated life-of-asset customer offering.

### *Superior returns*

The Group has established a new value assurance framework that will capture and address key risks and drive consistent execution across the Group's portfolio in order to further enhance its ability to deliver strong, consistent margins while maintaining the flexibility of an asset-light business model.

The Group believes that this approach, and the key components of the framework set out below, are supported by a prudent financial policy, which is expected to support its aim of returning to an investment grade rating profile over the medium-term.

### Enhanced risk management framework

Petrofac is implementing and embedding the "One Petrofac" operating model into the Group's operations, which includes an enhanced "Value Assurance" framework. A Value Assurance team will provide independent, objective oversight during the



preparation of proposals and during the execution of projects and operations. This team will participate in formal reviews at specific milestones throughout the project life cycle to help assess the quality of Petrofac's efforts and to identify key risks that require mitigation. They will not have financial performance objectives but rather will focus entirely on best-in-class performance across the entire lifespan of Petrofac's projects, from conception to completion.

#### Deliver premium margins, consistently

Petrofac has a strong reputation for operational excellence and earning differentiated margins. By standardising its execution practices via 1tec and deploying an independent Value Assurance team, the Directors believe that Petrofac will reduce risk during execution and return to delivering consistent sector-leading margins.

#### Capital-light business model

Over recent years, Petrofac has transitioned back to its core activities, providing services to infrastructure assets in the energy sector, including growing demand within new energies, and has largely divested its non-core and capital-intensive Integrated Energy Services portfolio. This asset-light business model is highly cash flow generative and as the business returns to growth and premium margins, Petrofac will be well placed to deliver attractive returns for shareholders.

#### Maintain strong balance sheet

Over the medium term, the Group intends to return to a net cash position. Maintaining a strong balance sheet is a key component of the Group's strategy and will enable it to reinstate a sustainable dividend over time. The successful refinancing of all near-term maturities, through the Refinancing Plan, will deleverage the Group's balance sheet, extend the maturity profile of the Group's financing arrangements and strengthen the Group's capital structure. This will increase the financial flexibility and stability of the Group and improve the credit perception of Petrofac.

### *Financial implications*

The Petrofac Board firmly believes that successful implementation of the strategies outlined above will result in a growing, profitable business with premium margins underpinned by strong cost competitiveness and consistent execution, resulting in a strong balance sheet.

In the medium-term the Board is targeting:

- Group revenue of US\$4-5 billion;
- New energies contributing more than 20% of revenue or approximately US\$1 billion;
- EBIT margins of 6-8%; and
- Net cash position enabling Petrofac to reinstate a sustainable dividend over time.

## **4 Use of Proceeds**

The Group intends to use the net proceeds from the Capital Raise of US\$259 million (£188 million), in combination with: (i) the proceeds of a bridge financing facility in the amount of US\$500 million; (ii) a new ADCB facility in the amount of AED185 million (US\$50 million); and (iii) cash available on its balance sheet, in order to pay, in January and February 2022, the £77 million in penalties and fees imposed by the Southwark Crown Court in relation to the SFO Investigation and to repay indebtedness under its existing revolving credit facility (US\$546 million), its existing term loan with ADCB (US\$90 million), its commercial paper under the CCFF (£300 million) and an existing overdraft facility (US\$8 million), as well as estimated fees and expenses in connection with its refinancing plan (US\$36 million). Taken together, these actions will extend the Group's debt maturities and strengthen the Group's platform to execute its strategy.

## **5 Current Trading and Prospects**

Since 30 June 2021, the Group's trading and financial performance has remained steady and in line with expectations, with E&C Business Performance Net Margin for the year expected to be in line with 2020 and EPS Business Performance Net Margins expected to be 5-6% for full-year 2021.

Backlog has developed as expected, with E&C Backlog reducing modestly as a result of the Group's execution of ongoing projects in recent months, partially offset by the award to deliver the Erawin Field Development Project Phase 1 Early Production Facilities project with Zallaf Libya Oil & Gas Exploration and Production Company in a contract valued at over US\$100 million. In EPS, Backlog has remained stable, with new order intake broadly in line with revenue during the period since 30 June 2021, reflecting new awards by Tatweer Petroleum to support its gas distribution network in Bahrain and by Petronas in Malaysia. In EPS, the Group expects a book-to-bill for full-year 2021 (and beyond) of at least 1x.

In the third quarter of 2021, the Group experienced an increase in net debt to US\$371 million (excluding US\$127 million IFRS 16 lease liabilities) as at 30 September 2021, representing gross debt of US\$1,209 million and cash and short-term deposits of US\$711 million, from US\$188 million as at 30 June 2021 (excluding US\$141 million IFRS 16 lease liabilities). High cash collections in late June reduced net debt from approximately US\$290 million as reported in the Group's trading update on 24 June to US\$188 million at 30 June before normalising in the third quarter. The increase in net debt in the third quarter was in line with the Company's expectations, albeit exacerbated by timing of receipts on certain projects and a low number of new awards in the E&C division during the quarter.

Against the backdrop of volatile trading conditions and the prolonged impact of the COVID-19 pandemic on the sector, the Group's outlook for the macro operating environment continues to improve for the coming months and years. Brent oil prices reached new highs in the third quarter of 2021, and this rally is forecast to continue in the coming months, with year-end Brent projected by industry sources to reach \$90 boe. The Group expects to secure at least one large E&C project over the remainder of 2021, and it has observed an increase in bidding activity that is expected to continue in the coming months. Furthermore, the Group has received positive feedback from clients following the resolution of the SFO Investigation in October 2021. Order intake in EPS is expected to be strong in the remainder of 2021, and this momentum is expected to continue into 2022.

As this information is preliminary and in some cases refers to future periods, it is subject to change, and those changes could be material.

## 6 Financial Impact of the Capital Raise

Had the Capital Raise taken place as at the last balance sheet date, being 30 June 2021, adjusted for the draw down on the revolving credit facility which increased by US\$196 million between June 2021 and September 2021, the effect on the balance sheet would have been to decrease Petrofac's pro forma net debt to US\$172 million. In the same period cash increased by US\$3 million, however cash increase is not included in the pro forma net debt.

## 7 Principal Terms of the Firm Placing and Open Offer

The Company is proposing to raise proceeds of approximately US\$259 (£188 million) (net of fees, costs and expenses) by way of:

- (i) a Firm Placing of 87,119,226 Firm Placing Shares, to raise gross proceeds of US\$138.0 million (£100.2 million); and
- (ii) a Placing and Open Offer of 86,478,186 Open Offer Shares, to raise gross proceeds of US\$137.0 million (£99.4 million),

(together, the "**Capital Raise**"), in each case at the Issue Price of £1.15 (US\$1.58) per New Share. The New Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Shares, including for dividends.

The Capital Raise is being fully underwritten by the Joint Bookrunners, subject to certain customary conditions in the Placing Agreement. The Capital Raise is conditional on, among other things, the Resolutions having been passed by Shareholders at the General Meeting. A cash box structure will be used for the issue of the Firm Placing Shares and the Open Offer Shares. The Board has considered the best way to structure the proposed equity capital raise in light of the Group's current financial position. The decision to structure the equity capital raise by way of a combination of a Firm Placing and a Placing and Open Offer takes into account a number of factors, including the total net proceeds to be raised. The Board believes that the Firm Placing will enable the Company to satisfy demand from potential new investors as well as current Shareholders wishing to increase their equity positions in the Company. The Board have sought to balance the dilution to existing Shareholders arising from the Firm Placing with the need to bring in substantial investors with guaranteed commitments to ensure the success of the Capital Raise. As a result, 49.8% of the New Shares being issued will be available to existing Shareholders through the Open Offer on a pro rata basis.

### *Offer Price*

The Issue Price of £1.15 (US\$1.58) per New Share represents a 27.2% discount to the Closing Price of £1.58 (US\$2.18) per Existing Share on the Reference Date. The Issue Price (and the discount) has been set by the Directors following their assessment of the prevailing market conditions and anticipated demand for the New Shares. The Board, having taken appropriate advice from its advisers, believes that the Issue Price (including the discount) is appropriate in the circumstances.

### *Firm Placing*

The Company proposes to issue 87,119,226 Firm Placing Shares to Firm Placees at the Issue Price, on a non-pre-emptive basis. The Firm Placing will not be subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders.

### *Placing and Open Offer*

Under the Open Offer, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares pro rata to their Existing Holdings on the basis of one Open Offer Shares for every four Existing Shares held by them and registered in their name at the Record Date (and so in proportion to any other number of Existing Shares then held) on the terms and subject to the conditions to be set out in the Prospectus (and, in the case of Qualifying Non-CREST Shareholders, the Application Form).

To the extent that any Firm Placee or Conditional Placee procured by the Joint Bookrunners fails to subscribe for any or all of the Firm Placing Shares and/or Placing Shares which have been allocated to it, subject to certain conditions, each of the Joint Bookrunners shall severally subscribe or procure subscribers for the Firm Placing Shares and/or the Placing Shares at the Issue Price.

### Impact of not applying for New Shares

Any New Shares which are not applied for under the Open Offer will be allocated to Conditional Placees pursuant to the Placing. Pursuant to the Placing Agreement, the Joint

Bookrunners have severally agreed to use reasonable endeavours to procure conditional subscribers (subject to clawback to satisfy Open Offer Entitlements taken up by Qualifying Shareholders) for the New Shares at the Issue Price. If the Joint Bookrunners are unable to procure subscribers for any New Shares that are not taken up by Qualifying Shareholders pursuant to the Open Offer (including in the event that a prospective Conditional Placee fails to take up any or all of the Firm Placing Shares which have been allocated to it or which it has agreed to take up at the Offer Price), then each of the Joint Bookrunners has agreed, on the terms and subject to the conditions set out in the Placing Agreement, severally (and not jointly or jointly and severally) to subscribe for such New Shares in the agreed proportions.

### Dilution

If a Qualifying Shareholder who is not a Placee does not (or is not permitted to) take up any of his or her Open Offer Entitlements, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share Capital, will be diluted by 33.5% as a result of the Capital Raise and the Director Subscriptions.

If a Qualifying Shareholder who is not a Placee takes up their Open Offer Entitlements in full, such Qualifying Shareholder's holding, as a percentage of the Enlarged Share Capital, will be diluted by 16.8% as a result of the Capital Raise and the Director Subscriptions.

Shareholders in the United States (other than QIBs) and the other Excluded Territories will not be able to participate in the Open Offer and will therefore experience dilution as a result of the Capital Raise and the Director Subscriptions.

### Conditionality

The Firm Placing and Placing and Open Offer are conditional, inter alia, upon:

- i. the Resolutions having been passed by Shareholders at the General Meeting;
- ii. the Placing Agreement having become unconditional in all respects, save for the condition relating to Admission, and not having been terminated in accordance with its terms before Admission occurs; and
- iii. Admission having become effective by not later than 8:00 a.m. on 15 November 2021 (or such later time and/or date as the Joint Bookrunners, the Sponsor and Petrofac may agree, not being later than 29 November 2021).

If any of the conditions are not satisfied or, if applicable, waived, then the Firm Placing and Placing and Open Offer will not take place. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter.

Upon Admission, the Placing Agreement will not be subject to any condition or right of termination (including in respect of statutory withdrawal rights).

Applications will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective on 15 November 2021 and that dealings on the London Stock Exchange in the New Shares will commence by 8.00 a.m. on that date. The New Shares and the Existing Shares are in registered form and can be held in certificated form or uncertificated form via CREST.

## **8 Director Commitments**

### ***Director Commitments***

The Directors unanimously recommend investors to vote in favour of the Resolutions to approve the Capital Raise. All Directors who are existing Shareholders have committed to vote in favour of the Resolutions at the General Meeting.

Ayman Asfari, Non-Executive Director, and family hold (in aggregate) approximately 19% of the Shares in the Company. Mr. Asfari and family have irrevocably committed to invest at least \$38 million into the Capital Raise, which they intend to achieve through participation in both the Firm Placing and the Open Offer. Mr. Asfari and family's ultimate participation may increase from this level, but will not exceed the pro-rata entitlement related to their aggregate shareholding. Following the Capital Raise, Mr. Asfari and family will hold at least 17.1% of the Enlarged Share Capital.

The Company is grateful to Mr Asfari and family for their commitment with respect to the Capital Raise, and their ongoing support of the business.

In addition, all of the Directors other than Mr. Asfari have committed to invest in the Company, in connection with the Capital Raise and at the Issue Price, pursuant to a direct subscription

with the Company for the purchase of additional Shares (conditional upon Admission), the details of which are set out below (individually each a “Director Subscription” and which, taken together, shall comprise the “Director Subscriptions”):

- Sami Iskander, Group CEO, does not currently hold any Shares in the Company following his appointment as CEO earlier this year. Mr Iskander has committed to subscribe for Shares at the Issue Price for an aggregate price of £250,000.
- All other Directors have committed to subscribe Shares at the Issue Price, at a minimum, pro-rata to their shareholdings acquired by virtue of their position as directors or as employees of the Company.

In aggregate, 308,673 Shares are expected to be issued by the Company in connection with the Director Subscriptions and the Company will raise additional proceeds of approximately US\$488,922 (£354,974).

### ***Related Party Transactions***

#### **Ayman Asfari and family**

Ayman Asfari and family are a substantial shareholder for the purposes of Chapter 11 of the Listing Rules and Mr Asfari is a director of the Company. Mr Asfari and family are therefore considered to be a related party for the purposes of Chapter 11 of the Listing Rules. Mr Asfari and family have irrevocably committed to subscribe for New Shares in the Capital Raise with an aggregate value of approximately US\$38 million.

This commitment constitutes a related party transaction under Listing Rule 11.1.5R and is of sufficient size to require Shareholder approval under Listing Rule 11.1.7R(3). This approval will be sought at the General Meeting and Mr. Asfari and family will not vote such resolution. Any additional New Shares issued to Mr. Asfari and family as a result of their taking up Open Offer Entitlements are exempt from the rules regarding related party transactions under chapter 11 of the Listing Rules.

#### **Directors**

Each Director is a related party of the Company for the purposes of the Listing Rules. Pursuant to the Director Subscriptions, each of the Directors (other than Mr. Asfari) has



agreed to subscribe for Shares at the Issue Price, conditional upon Admission. The Director Subscriptions fall within the scope of the Listing Rules, however, due to the size of each Director Subscription relative to the Company's market capitalisation, the Director Subscriptions are exempt from the rules regarding related party transactions under chapter 11 of the Listing Rules.

## **9 Dividend Policy**

The Group's current dividend policy targets a dividend cover over the long term of between 2.0x and 3.0x business performance net profit. However, in April 2020, the Board suspended the payment of the final dividend in response to the COVID-19 pandemic and the fall in oil prices. The Board recognises the importance of dividends to shareholders, but in light of current market conditions has decided that dividend payments will remain suspended and therefore no interim dividend will be paid in respect of 2021.

## **10 General Meeting Arrangements**

A notice convening a general meeting of Petrofac to be held at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ at 10.00 a.m. on 12 November 2021 will be included in the Prospectus. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions. A summary and explanation of the Resolution is set out below, but please note that this does not contain the full text of the Resolutions and you should read this section in conjunction with the Resolution in the Notice of General Meeting.

## **11 Resolutions**

Your attention is drawn to the fact that the Capital Raise is conditional and dependent upon the Resolutions being passed.

In summary, the resolutions seek the approval of Shareholders:

- Resolution 1: to issue 23,783,684 New Shares to Ayman Asfari and family pursuant to the Capital Raise, in light of Mr. Asfari and family being related parties of the Company for the purposes of the Listing Rules.
- Resolution 2:
  - o to the terms of the Capital Raise to be set out in the Prospectus; and

- o to grant the Board authority to allot Shares pursuant to the Capital Raise and the Director Subscriptions.

The Resolutions will be proposed as ordinary resolutions requiring a simple majority of votes in favour. The Resolutions must be approved by Shareholders who together represent a simple majority of the Shares being voted for (whether in person or by proxy) at the General Meeting.

## 12 Importance of Your Vote

The Company is of the opinion that, taking into account the net proceeds of the Firm Placing and Placing and Open Offer and the bank and other facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least 12 months from the date of this document.

The Resolutions, as set out in paragraph 9 above, must be passed by Shareholders at the General Meeting in order for the Capital Raise to proceed and, as a result, the Refinancing Plan to be implemented. The Directors believe that the Refinancing Plan, which is contingent upon completion of the Capital Raise, is necessary to provide the Group and its management with operational and financial flexibility to implement its new strategy, as described in paragraph 3 above, including winning new work and re-engaging with key customers in the Group's traditional markets.

If the Capital Raise does not proceed (and, as a result, the Refinancing Plan is not implemented), the Group anticipates that it would continue to experience reduced demand from existing and targeted clients and difficulty obtaining surety bonds, letters of credit and guarantees to secure performance under new contracts. Under these circumstances, if the Group's reasonable worst case scenario (which it prepared as part of its evaluation of its working capital requirements, based on its principal risks and uncertainties) were to transpire, and the Group were unable to successfully implement the mitigating actions set out below, the Group may experience a liquidity shortfall of up to US\$188 million when its borrowings pursuant to the CCFF comes due on 31 January 2022. As described below, an inability to repay the full balance of the CCFF on its maturity date would also result in a cross-default under the Group's other financing arrangements that would entitle lenders to make a repayment demand on balances outstanding.

If the Capital Raise does not proceed (and, as a result, the Refinancing Plan is not implemented), and this reasonable worst case scenario were to transpire, the Group would take a number of coordinated actions designed to enable it to meet its repayment obligations under the CCFF and its other financing arrangements, and to continue to satisfy its covenant requirements, over the next 18 months. Such actions could include, among other things, seeking waivers from its existing lenders in respect of relevant covenant test dates, reducing costs, pursuing the monetisation of non-core assets in order to reduce its net debt position, and entering into negotiations with its lenders to amend the terms of its existing financing arrangements, including to extend the terms of these agreements. The Group believes that it will be in the interests of its lenders to work with the Group to find an alternative capital structure or solution which is acceptable to such lenders. Accordingly, the Directors believe that they have a reasonable basis to conclude that the combination of mitigating actions described above would (in the event the Refinancing Plan is not implemented) enable the Group to avoid a default under its financing arrangements during the next 12 months. However, any monetisation of non-core assets is likely to be at a discount to their market value, and re-negotiations with lenders are likely to cause the Group to incur significant costs (including, for example, amendment fees, legal costs and increased interest payments) and to accept the imposition of restrictions on the ability of management to pursue its strategy. If the Group were unable to implement the mitigating actions described above, and it were unable to repay the amount outstanding under the CCFF when it comes due on 31 January 2022, it would result in the following:

- a cross-default that would entitle lenders to make a repayment demand on balances outstanding under, and cancel, each of the Existing Revolving Credit Facility, of which US\$546 million was drawn as at 30 September 2021, the US\$90 million Existing ADCB Term Loan Facility, which was fully drawn as at 30 September 2021, and the US\$50 million Existing RAK Term Loan Facility, which was fully drawn as at 30 September 2021, creating an aggregate shortfall with the CCFF of up to US\$874 million; and
- a potential cross-default or cross-acceleration of a further US\$2,870 million (as at 30 September 2021) in respect of the Group's ordinary course surety bonds, letters of credit and guarantees, including the potential requirement to post cash collateral to banks where such requirement arises as a result of the on-demand nature of that facility. There is also a risk that client beneficiaries of such ordinary course surety

bonds, letters of credit and guarantees make a call under that instrument versus the issuing banks, such liability then being counter-indemnified by the Group in a potential aggregate (or client calls on the aggregate guarantee amount of US\$3,294 million, as at 30 September 2021).

In such case, the Group does not expect that it would have access to funds immediately available to repay amounts that would come due at that time. In this circumstance, Shareholders are at risk of losing all or a substantial amount of their investment as the Group would be facing insolvency.

Accordingly, the Board believes that the successful completion of the Capital Raise and the implementation of the Refinancing Plan are in the best interests of Shareholders as a whole. As such, Shareholders are asked to vote in favour of the Resolutions at the General Meeting.

### **13 Board Recommendation**

The Board, which has been so advised by J.P. Morgan Cazenove, believes that the terms of Ayman Asfari and family's participations in the Capital Raise are fair and reasonable insofar as the Company's Shareholders are concerned. In providing its advice to the Board, J.P. Morgan Cazenove has taken into account the Directors' commercial assessment of the relevant related party transactions.

The Board believes that the Capital Raise and the Resolutions are in the best interests of the Company and the Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolutions, as the Directors each intend to do in respect of their own legal and beneficial holdings, amounting to 65,607,213 Shares (representing approximately 18.966% of the Company's existing issued share capital as at 25 October 2021, being the latest practicable date prior to the date of this document). As described above, each Director has also committed to subscribe for Shares at the Offer Price in connection with the Capital Raise.

## **APPENDIX III**

### **TERMS AND CONDITIONS OF THE FIRM PLACING AND THE PLACING**

IMPORTANT INFORMATION ON THE FIRM PLACING AND PLACING FOR INVITED PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE FIRM PLACING (THE "**FIRM PLACING**") OF NEW ORDINARY SHARES IN PETROFAC LIMITED (THE "**COMPANY**") OR THE PLACING OF NEW ORDINARY SHARES IN THE COMPANY SUBJECT TO CLAWBACK (THE "**CONDITIONAL PLACING**" AND TOGETHER WITH THE FIRM PLACING, THE "**PLACINGS**") IN RESPECT OF VALID APPLICATIONS BY QUALIFYING SHAREHOLDERS PURSUANT TO THE OPEN OFFER (THE "**OPEN OFFER**", AND TOGETHER WITH THE PLACINGS, THE "**CAPITAL RAISE**"). THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE ONLY DIRECTED AT, AND BEING DISTRIBUTED TO: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**") ("**QUALIFIED INVESTORS**"); (B) IF IN THE UNITED KINGDOM, PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION (REGULATION (EU) 2017/1129 AS IT FORMS PART OF RETAINED EU LAW AS DEFINED IN THE EU (WITHDRAWAL) ACT 2018) (THE "**UK PROSPECTUS REGULATION**") AND FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2) OF THE ORDER AND WHO ARE QUALIFIED INVESTORS; (C) IF IN THE UNITED STATES, CERTAIN PERSONS REASONABLY BELIEVED TO BE "**QUALIFIED INSTITUTIONAL BUYERS**" ("**QIBs**") AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"); OR (D) ANY OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED; AND, IN EACH CASE, HAVE BEEN INVITED TO PARTICIPATE IN THE FIRM PLACING AND/OR THE CONDITIONAL PLACING BY THE JOINT BOOKRUNNERS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY PERSON WHO HAS RECEIVED OR IS DISTRIBUTING THESE TERMS AND CONDITIONS MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THESE TERMS AND CONDITIONS DO

NOT THEMSELVES CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY IN, INTO OR WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE HAS NOT BEEN AND WILL NOT BE A PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

EACH PLACEE (AS SUCH TERM IS DEFINED BELOW) SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES (AS SUCH TERM IS DEFINED BELOW).

Unless otherwise defined in these terms and conditions, capitalised terms used in these terms and conditions shall have the meaning given to them in this announcement or in the preliminary circular and prospectus dated 26 October 2021 prepared by, and relating to, the Company (the "**Preliminary Prospectus**") in connection with the offer of the New Shares to be issued by the Company in connection with the Capital Raise. The Preliminary Prospectus has not been approved by the Financial Conduct Authority (the "**FCA**") under section 87A of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") or otherwise.

In connection with the Capital Raise and Admission, the final approved combined circular and prospectus (the "**Prospectus**") prepared by, and relating to, the Company is expected to be dated on or around 26 October 2021. The Prospectus will, subject to approval by the FCA, be published on the Company's website and made available to you at the Company's registered office. The Prospectus is not expected to be approved and published prior to Placees entering into a legally binding commitment in respect of the Firm Placing or Conditional Placing with the Joint Bookrunners, as agents of and on behalf of the Company. As such, any commitments made under the Firm Placing and/or the Conditional Placing will be on the basis of the Preliminary Prospectus and this announcement.

The Firm Placing will consist of an offer of new ordinary shares in the Company (the "**Firm Placing Shares**") by way of a placing with institutional investors. The Conditional Placing will consist of an offer of new ordinary shares in the Company by way of a placing with new investors subject to clawback by Qualifying Shareholders pursuant to the Open Offer (the "**Conditional Placing Shares**" and together with the Firm Placing Shares, the "**Placing Shares**"). If a person indicates to the Joint Bookrunners that it wishes to participate in the Firm Placing and/or Conditional Placing by making an oral or written offer to acquire Firm Placing Shares pursuant to the terms of the Firm Placing and/or Conditional Placing Shares pursuant to the terms of the Conditional Placing (each such person, a "**Placee**"), such person will be deemed: (i) to have read and understood in their entirety these terms and conditions in this Appendix and the announcement of which it forms part and the Preliminary Prospectus; (ii) to be participating and making such offer on the terms and conditions contained in this Appendix; and (iii) to be providing the representations, warranties, indemnities, agreements, undertakings, acknowledgements and confirmations contained in these terms and conditions in this Appendix.

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

1. it is a Relevant Person and undertakes that it will acquire, hold, manage and dispose of any of the Placing Shares that are allocated to it for the purposes of its business only;
2. in the case of any Placing Shares subscribed for by it as a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable), if in a member state of the EEA or the UK, that: (i) the Placing Shares acquired by and/or subscribed for by it in the Placings will not be acquired and/or subscribed for on a non-discretionary basis on behalf of, nor will they be acquired or subscribed for with a view to their offer or resale to, persons in a member state of the EEA or the UK (as applicable) other than Qualified Investors (as such term is defined in either the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable)), or in circumstances which may give rise to an offer of securities to the public other than an offer or resale, in a member state of the EEA which has implemented the EU Prospectus Regulation or the UK, to Qualified Investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to each such proposed offer or resale; or (ii) where the Placing Shares have been acquired or subscribed for by it on behalf of persons in any member state of the EEA or the UK other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable) as having been made to such persons;

3. it is and, at the time the Placing Shares are acquired, will be either: (i) not located in the United States (within the meaning of Regulation S under the Securities Act ("**Regulation S**")); acquiring the Placing Shares in an offshore transaction in accordance with Regulation S; not a resident of any Excluded Territories (as defined below) or a corporation, partnership or other entity organised under the laws of any Excluded Territories; and subscribing for the Placing Shares for its own account (or for the account of affiliates or funds managed by it or its affiliates with respect to which it either has investment discretion or which are located outside the United States); or (ii) a QIB, as that term is defined in Rule 144A, which is (a) aware, and each potential beneficial owner of the Placing Shares has been advised, that the sale to it of the Placing Shares is being made in accordance with Section 4(a)(2) or another available exemption from, or in a transaction not subject to, registration under the Securities Act, and (b) either acquiring the Placing Shares for its own account, or for the account of affiliates or funds (as described in (i) above), each of which is a QIB. If the Placee is participating in the Placings as or on behalf of a QIB, it agrees to furnish to the Joint Bookrunners and the Company a signed U.S. investor letter in the form provided by the Joint Bookrunners and the Company. These terms and conditions do not constitute, subject to certain exceptions, an offer to sell or issue or the invitation or solicitation of an offer to buy or acquire the Placing Shares in, or to residents of, any jurisdiction including, without limitation, the United States (subject to certain limited exceptions), the Commonwealth of Australia, its territories and possessions, each province and territory of Canada, Japan, Switzerland and the Republic of South Africa or any other jurisdiction where the extension or availability of the Placings would breach any applicable laws or regulations (each an "**Excluded Territory**", and "**Excluded Territories**" shall mean any of them);
4. it understands (or, if acting for the account of another person, such person understands) the resale and transfer restrictions set out in this Appendix;
5. the Company and the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements; and
6. these terms and conditions and the information contained herein are not for release, publication or distribution, directly or indirectly, in whole or in part, to persons in, or who are residents of, the United States or any other Excluded Territory, subject to certain exceptions.

In particular, the Placing Shares referred to in these terms and conditions have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the



United States and the Placing Shares may not be offered, sold, transferred or delivered, directly or indirectly in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws of any state or other jurisdiction of the United States. Accordingly, the Placing Shares are being offered and sold outside the United States in accordance with Regulation S, and in the United States to a limited number of QIBs pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering. There has not been and will not be a public offering of the Placing Shares in the United States. The Placing Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, or any state securities commission in the United States, or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placings or the accuracy or adequacy of these terms and conditions. Any representation to the contrary is a criminal offence in the United States.

The distribution of these terms and conditions and the offer and/or placing of the Placing Shares in certain other jurisdictions may be restricted by law. No action has been or will be taken by any of the Joint Bookrunners or the Company that would, or is intended to, permit an offer of the Placing Shares or possession or distribution of these terms and conditions or any other offering or publicity material relating to the Placing Shares in any jurisdiction where any such action for that purpose is required, save as mentioned above. Persons into whose possession these terms and conditions come are required by the Joint Bookrunners and the Company to inform themselves about and to observe any such restrictions.

Each Placee's commitments will be made solely on the basis of the information set out in the terms and conditions in this Appendix, this announcement and the Preliminary Prospectus. Each Placee, by participating in the Placings acknowledges and agrees that it has not relied on any other information, representation, warranty or statement made by or on behalf of any of the Joint Bookrunners or the Company or any of their respective affiliates and none of the Joint Bookrunners, the Company or any person acting on such person's behalf or any of their respective affiliates has or shall have liability for any Placee's decision to accept the invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting the invitation to participate in the Placings.

No undertaking, representation, warranty or any other assurance, express or implied, is made or given by or on behalf of any Joint Bookrunner or any of its affiliates, their respective directors, officers, employees, agents, advisers, or any other person, as to the accuracy, completeness, correctness or fairness of the information or opinions contained in the Preliminary Prospectus and/or the Prospectus (when published), this announcement or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, the Capital Raise or Admission and no such person shall have any responsibility or liability for any such information or opinions or for any errors or omissions. Accordingly, save to the extent permitted by law, no liability whatsoever is accepted by any of the Joint Bookrunners or any of their respective directors, officers, employees or affiliates or any other person for any loss howsoever arising, directly or indirectly, from any use of this announcement or such information or opinions contained herein or otherwise arising in connection with the Preliminary Prospectus and/or the Prospectus (when published).

These terms and conditions do not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Placing Shares or any other securities or an inducement or recommendation to enter into investment activity, nor shall these terms and conditions (or any part of them), nor the fact of their distribution, form the basis of, or be relied on in connection with, any investment activity. No statement in this announcement is intended to be nor may be construed as a profit forecast and nor should any such statement be interpreted to mean that the Company's profits or earnings per share for any future period will necessarily match or exceed historical published profits or earnings per share of the Company.

**Proposed Firm Placing of Firm Placing Shares and Conditional Placing of Conditional Placing Shares subject to clawback in respect of valid applications by Qualifying Shareholders pursuant to the Open Offer**

Placees are referred to these terms and conditions in this Appendix, this announcement and the Preliminary Prospectus containing details of, *inter alia*, the Capital Raise. These terms and conditions in this Appendix, this announcement, the Preliminary Prospectus and the Prospectus have been prepared and issued, or will be issued, by the Company, and each of these documents is and will be the sole responsibility of the Company.

A cash box structure will be used for the issue of the New Shares. The Company will allot and issue the New Shares to the Firm Placees, the Conditional Placees and those Qualifying Shareholders

who take up their Open Offer Entitlements, in consideration for Goldman Sachs transferring its holding of ordinary and preference shares in a Jersey incorporated subsidiary of the Company to the Company. Accordingly, instead of receiving cash consideration for the issue of New Shares, at the conclusion of the Capital Raise, the Company will own the entire issued share capital of the Jersey company whose only assets will be its cash reserves and the intercompany balance due to it from the Company referred to above, which together will represent an amount approximately equal to the proceeds of the Firm Placing and Placing and Open Offer (net of any agreed commissions and expenses).

The Joint Bookrunners have agreed severally, and not jointly or jointly and severally, pursuant to the Sponsor's and Placing and Open Offer Agreement (the "**Sponsor and Placing Agreement**"), as agent for the Company, to use reasonable endeavours to procure subscribers for the New Shares at the Offer Price under the Placings. Placees for Conditional Placing Shares in the Conditional Placing are subject to clawback to satisfy valid application by Qualifying Shareholders under the Open Offer. The Firm Placing Shares are not subject to clawback and do not form part of the Placing and Open Offer. The Firm Placing and Placing and Open Offer have been fully underwritten by the Joint Bookrunners on, and subject to, the terms and conditions of the Sponsor and Placing Agreement (save in respect of any New Shares which are taken up by the directors who have given an irrevocable undertaking to the Company to do so).

If the Joint Bookrunners are unable to procure Firm Placees for any of the Firm Placing Shares (or if a prospective Firm Placee fails to take up any or all of the Firm Placing Shares which have been allocated to it or which it has agreed to take up at the Issue Price), then each of the Joint Bookrunners has agreed, on the terms and subject to the conditions set out in the Sponsor and Placing Agreement, severally (and not jointly or jointly and severally) to subscribe for such Firm Placing Shares at the Issue Price in its agreed proportion.

If the Joint Bookrunners are unable to procure Conditional Placees for any of the Open Offer Shares that are not taken up by Qualifying Shareholders pursuant to the Open Offer (or if a prospective Conditional Placee fails to take up any or all of the Conditional or Open Offer Shares which have been allocated to it or which it has agreed to take up at the Issue Price), then each of the Joint Bookrunners has agreed, on the terms and subject to the conditions set out in the Sponsor and Placing Agreement, severally (and not jointly or jointly and severally) to subscribe for such Open Offer Shares at the Issue Price in its agreed proportion.

## Application for listing and admission to trading

Applications will be made to the FCA for admission of the New Shares to listing on the premium listing segment of the Official List of the FCA and to the London Stock Exchange for admission of the New Shares to trading on its main market for listed securities.

Application will also be made to Euroclear UK & Ireland Limited for the entitlements to the Open Offer Shares (the "**Open Offer Entitlements**") to be admitted as separate participating securities within CREST. Subject to the conditions of the Sponsor and Placing Agreement being satisfied, it is expected that Admission of the New Shares will become effective on 15 November 2021 and that dealings for normal settlement on the London Stock Exchange in the New Shares will commence at 8.00 a.m. on the same day.

The New Shares issued under the Firm Placing, Conditional Placing and Open Offer, when issued and fully paid, will be identical to, and rank *pari passu* in all respects with, the shares in the capital of the Company (the "**Existing Shares**") including the right to receive all dividends and other distributions declared, made or paid on the Existing Shares by reference to a record date on or after Admission.

Subject to the conditions below being satisfied, it is expected that Admission will become effective on 15 November 2021 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on the same day.

The Firm Placing, Conditional Placing and Open Offer are conditional, *inter alia*, upon:

- (a) the Prospectus being approved by the FCA by no later than 4.00 p.m. on 26 October 2021 and being made available to the public by no later than 5.00 p.m.] on that day (or, in each case, such later time and/or date as the Joint Bookrunners may, acting jointly and in good faith, agree with the Company);
- (b) the Resolutions being passed by Shareholders at the General Meeting;
- (c) Admission occurring by no later than 8:00 a.m. on 15 November 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing); and
- (d) the Sponsor and Placing Agreement having become unconditional in all respects, save for the condition relating to Admission, and not having been terminated by the Joint Bookrunners in accordance with its terms prior to Admission.

The full terms and conditions of the Open Offer will be contained in the Prospectus to be issued by the Company in connection with the Capital Raise and Admission. The Prospectus to be issued by the Company is expected to be approved by the FCA under section 87A of the FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules made under Part VI of the FSMA.

### **Bookbuild of the Placings**

The Joint Bookrunners will be conducting an accelerated bookbuild process commencing immediately following this announcement (the "**Bookbuild**") in order to determine demand for participation in the Placings. The Joint Bookrunners, as agents for the Company, will seek to procure Placees as part of this Bookbuild. These terms and conditions give details of the terms and conditions of, and the mechanics of participation in, the Placings.

### **Principal terms of the Bookbuild**

- (a) By participating in the Placings, Placees will be deemed: (i) to have read and understood the terms and conditions in this Appendix, this announcement and the Preliminary Prospectus; and (ii) to be participating and making an offer for any Placing Shares on these terms and conditions; and (iii) to be providing the representations, warranties, indemnities, agreements, undertakings, acknowledgements and confirmations contained in these terms and conditions.
- (b) The Joint Bookrunners are arranging the Placings severally, and not jointly, or jointly and severally, as agents of the Company.
- (c) Participation in the Placings will only be available to persons who are Relevant Persons and who may lawfully be, and are, invited to participate by any of the Joint Bookrunners. The Joint Bookrunners and their respective affiliates are entitled to enter bids for Placing Shares as principal in the Bookbuild.
- (d) To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at any Joint Bookrunners. Each bid should state the aggregate number of Firm Placing Shares and Conditional Placing Shares which the Placee wishes to acquire at the Offer Price.

- (e) The Offer Price will be payable to the Joint Bookrunners (on behalf of the Company) by the Placees in respect of the Placing Shares allocated to them. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph (h) below.
- (f) The Bookbuild is expected to close at short notice on 26 October 2021, subject to acceleration, but may close earlier or later, at the discretion of the Joint Bookrunners and the Company. The timing of the closing of the books and allocations will be agreed between the Joint Bookrunners and the Company following completion of the Bookbuild. The Joint Bookrunners may, in agreement with the Company, accept offers to subscribe for Placing Shares that are received after the Bookbuild has closed.
- (g) An offer to subscribe for Placing Shares in the Bookbuild will be made on the basis of these terms and conditions in this Appendix (which shall be deemed to be incorporated in such offer), this announcement and the Preliminary Prospectus and will be legally binding on the Placee by which, or on behalf of which, it is made and will not be capable of variation or revocation.
- (h) Subject to paragraph (g) above, the Joint Bookrunners reserve the right not to accept bids or to accept bids, either in whole or in part, on the basis of allocations determined at the Joint Bookrunners' discretion and may scale down any bids as the Joint Bookrunners may determine, subject to agreement with the Company. The acceptance of bids shall be at the Joint Bookrunners' absolute discretion, subject to agreement with the Company.
- (i) If successful, each Placee's allocation will be confirmed to it by the Joint Bookrunners following the close of the Bookbuild. Oral or written confirmation (at the Joint Bookrunners' discretion) from the Joint Bookrunners to such Placee confirming its allocation will constitute a legally binding commitment upon such Placee, in favour of the Joint Bookrunners and the Company to acquire the number of Placing Shares allocated to it (and in the respective numbers of Firm Placing Shares and Conditional Placing Shares (subject to clawback) so allocated) on the terms and conditions set out herein (which shall be deemed to be incorporated in such legally binding commitment). Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Joint Bookrunners, to pay to the Joint Bookrunners (or as the

Joint Bookrunners may direct) as agent for the Company in cleared funds an amount equal to the product of the Offer Price and the number of Firm Placing Shares and, once apportioned after clawback (in accordance with the procedure described in the paragraph entitled "Placing Procedure" below), the Conditional Placing Shares, which such Placee has agreed to acquire.

- (j) The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued (the "Placing Results Announcement"). It is expected that such Placing Results Announcement will be made as soon as practicable after the close of the Bookbuild.
- (k) Irrespective of the time at which a Placee's allocation(s) pursuant to the Placings is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placings will be required to be made at the same time on the basis explained below under the paragraph "Registration and Settlement".
- (l) Commissions are payable to Conditional Placees in respect of the Conditional Placing Shares which are clawed back pursuant to the Open Offer. For U.S. regulatory reasons, persons located in the United States and U.S. persons (as defined in Regulation S) will not be paid a commission. No commission shall be paid for Conditional Placing Shares which are not clawed back under the Open Offer. No commissions are payable to any Placees in respect of the Firm Placing or any Open Offer Shares which are subscribed for under the Open Offer.
- (m) By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Firm Placing and/or Conditional Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee. All obligations under the Placings will be subject to the fulfilment of the conditions referred to below under the paragraph "Conditions of the Placings and Termination of the Sponsor and Placing Agreement".
- (n) To the fullest extent permissible by law, no Joint Bookrunner nor any of its affiliates nor any of its or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise). In particular, no Joint Bookrunner nor any of its affiliates nor any of its or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability (including, to the extent permissible

by law, any fiduciary duties) to any Placee (or to any person whether acting on behalf of a Placee or otherwise) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placings as the Joint Bookrunners and the Company may agree.

## **Conditions of the Placings and Termination of the Sponsor and Placing Agreement**

Placees will only be called on to subscribe for Placing Shares if the obligations of the Joint Bookrunners under the Sponsor and Placing Agreement have become unconditional in all respects and the Joint Bookrunners have not terminated the Sponsor and Placing Agreement prior to Admission.

The Joint Bookrunners' obligations under the Sponsor and Placing Agreement in respect of the Firm Placing, Conditional Placing and Open Offer are conditional upon, *inter alia*:

- (o) the Prospectus being approved pursuant to the Listing Rules and the Prospectus Rules by the FCA by no later than 4.00 p.m. on 26 October 2021 (or such later time and/or date as the Joint Bookrunners may agree with the Company);
- (p) Admission occurring by no later than 8:00 a.m. on 15 November 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing; ;
- (q) the passing of the Resolutions (without amendment or with such amendments as the Joint Bookrunners may agree in writing) at the General Meeting on the General Meeting date (or at any adjournment thereof, or such later date as the Company and the Joint Bookrunners may agree);
- (r) the warranties on the part of the Company given to the Joint Bookrunners in the Sponsor and Placing Agreement being true and accurate and not misleading in any respect, *inter alia*, on and as of the date of the Sponsor and Placing Agreement, the applicable time, the date of publication of the Prospectus, the General Meeting date, each time any supplementary prospectus is issued and immediately before Admission, in each case as though they had been given and made at such time by reference to the facts and circumstances then subsisting, and no matter having arisen prior to the time of Admission which might reasonably be expected to give rise to a claim under Clause 13;



- (s) there not having been, in the opinion of the Joint Bookrunners, acting jointly and in good faith, a Material Adverse Effect (as that term is defined in the Sponsor and Placing Agreement), whether or not foreseeable at the date of the Sponsor and Placing Agreement, at any time prior to Admission;
- (t) no Supplementary Prospectus being published by or on behalf of the Company before Admission which the Joint Bookrunners, acting jointly and in good faith, consider to be material in the context of the underwriting of the New Shares, the Placing and Open Offer or Admission; and
- (u) since the date of the Sponsor and Placing Agreement, S&P Global Ratings and Fitch Ratings Ltd having not downgraded, or given notice or made any public announcement of any intended or potential downgrading or of any review or surveillance with negative implications of, the rating accorded to any debt securities of the Company.

(all such conditions included in the Sponsor and Placing Agreement being, together, the "**Conditions**").

The Sponsor and Placing Agreement can be terminated at any time prior to Admission by the Joint Bookrunners, acting jointly, by giving notice to the Company in certain circumstances, including (but not limited to) where: (a) the Joint Bookrunners become aware that the Company has breached any of its obligations under the Sponsor and Placing Agreement, where failure to comply with such obligations, in the opinion of the Joint Bookrunners (acting jointly and in good faith and following consultation with the Company where practicable and legally permissible), is not material in the context of the underwriting of the New Shares, the Placing and Open Offer or Admission; (b) the Joint Bookrunners become aware that any of the warranties is, or if repeated at any time prior to Admission (by reference to the facts then existing) would be untrue, inaccurate or misleading; (c) in the good faith opinion of the Joint Bookrunners (acting jointly) there shall have been a Material Adverse Effect (as defined in the Sponsor and Placing Agreement) since the date of the Sponsor and Placing Agreement (whether or not foreseeable at such date); or (d) the application for Admission is refused by the FCA and/or the London Stock Exchange or is withdrawn by the Company.

If any Condition has not been satisfied or (except in the case of certain Conditions) waived by each Joint Bookrunner, in its absolute discretion, in writing by the time and date specified or referred to

therein (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing), all obligations under these terms and conditions shall cease and terminate.

By participating in the Placings, each Placee agrees that its rights and obligations hereunder are conditional upon the Sponsor and Placing Agreement becoming unconditional in all respects and that its rights and obligations will terminate only in the circumstances described above and will not be capable of rescission or termination by it after oral or written confirmation by the Joint Bookrunners following the close of the Bookbuild.

The Joint Bookrunners may in their absolute discretion in writing and upon such terms as they think fit waive fulfilment of certain of the Conditions in the Sponsor and Placing Agreement or extend the time provided for fulfilment of such Conditions. Any such extension or waiver will not affect Placees' commitments as set out in these terms and conditions.

By participating in the Placings each Placee agrees that the exercise by the Company or any of the Joint Bookrunners of any right or other discretion under the Sponsor and Placing Agreement, including (without limitation) any decision made by the Joint Bookrunners as to whether or not to waive or to extend the time and/or date for the fulfilment of any condition in the Sponsor and Placing Agreement and/or (on behalf of the Joint Bookrunners) whether or not to exercise any termination right, shall be within the absolute discretion of the Company and each Joint Bookrunner (as the case may be).

Neither the Company nor either Joint Bookrunner shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision made by the Joint Bookrunner as to whether or not to waive or to extend the time and/or date for the fulfilment of any condition in the Sponsor and Placing Agreement and/or whether or not to exercise any such termination right.

## **Withdrawal Rights**

Placees acknowledge that their agreement to subscribe for Placing Shares is not by way of acceptance of the public offer made in the Prospectus and the Application Form but is by way of a collateral contract and as such Article 23(2) of the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable) does not entitle Placees to withdraw in the event that the Company publishes a supplementary prospectus in connection with the Capital Raise or Admission.

## Placing Procedure

Placees shall subscribe for the Firm Placing Shares and/or Conditional Placing Shares to be issued pursuant to the Firm Placing and/or Conditional Placing (subject to clawback in the case of the Conditional Placing) and any allocation of the Firm Placing Shares and Conditional Placing Shares (subject to clawback) to be issued pursuant to the Firm Placing and/or the Conditional Placing will be notified to them on or around 26 October 2021 (or such other time and/or date as the Company and the Joint Bookrunners may agree).

Placees will be called upon to subscribe for, and shall subscribe for, the Conditional Placing Shares only to the extent that valid applications and payment in full by Qualifying Shareholders under the Open Offer are not received by 11.00 a.m. on 11 November 2021 or if applications have otherwise not been deemed to be valid in accordance with the terms set out in the Prospectus and the Application Form.

If you are a Qualifying Shareholder and you take up and pay for New Shares under the Open Offer to which you are entitled in accordance with its terms, you may request, by returning an off-set application form which may be required from the Joint Bookrunners (the "**Off-set Application Form**"), that your participation in the Conditional Placing be reduced by up to the number of New Shares in your total Open Offer entitlement which you have validly taken up and paid for under the Open Offer (to a maximum of the number of New Shares in your Conditional Placing participation) ("**Off-set**"). If the Off-set Application Form is not returned by the closing time for the Open Offer, you will be deemed to have waived your right to claim Off-set in respect of any New Shares taken up under the Open Offer.

Payment in full for any Firm Placing Shares and Conditional Placing Shares so allocated (subject to clawback in the case of the Conditional Placing Shares) in respect of the Placings at the Offer Price must be made by no later than 15 November 2021 (or by such later date as shall be no later than five business days following Admission, if Admission is delayed). The Joint Bookrunner will notify Placees if any of the dates in these terms and conditions should change, including as a result of delay in the posting of the Prospectus, the Application Forms or the crediting of the Open Offer Entitlements in CREST or the production of a supplementary prospectus or otherwise.

## Lock-up

The Company has provided certain customary undertakings to the Joint Bookrunners for the period following Admission, including an undertaking (subject to certain customary exemptions and carve outs agreed between the Joint Bookrunners and the Company) not to enter into certain transactions involving or relating to shares in the capital of the Company or related securities for a period ending 180 days from the date of Admission without the prior written consent of the Joint Bookrunners.

By participating in the Placings, Placees agree that the exercise by the Joint Bookrunners of any power to grant consent to waive the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Sponsor and Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and that they need not make any reference to, or consult with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

## **Registration and Settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. The Joint Bookrunners and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in the Preliminary Prospectus and/or the Prospectus or would not be consistent with the regulatory requirements in the Placee's jurisdiction. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which they have in place with the relevant Joint Bookrunner.

Settlement for the Placing Shares will be on a delivery versus payment basis and is expected to take place on or around 15 November 2021. Interest is chargeable daily on payments to the extent that value is received after the due date from Placees at the rate of two percentage points above prevailing SONIA, with details of the applicable rate to be communicated at the time. Each Placee is deemed to agree that if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to it on its behalf and retain from the proceeds, for its own account and benefit, an amount equal to the aggregate amount owed by the Placee to the Joint Bookrunners (on behalf of the Company) plus any interest due. By communicating a bid for Placing Shares, each Placee confers on the Joint Bookrunners and the Company all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the

Joint Bookrunners lawfully take in pursuance of such sale. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon any transaction in the Placing Shares on such Placee's behalf.

## Acceptance

By participating in the Placings, each Placee (and any person acting on such Placee's behalf) (together, "**you**") irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with the Joint Bookrunners and the Company, the following:

7. you are duly incorporated and validly existing under the laws of your jurisdiction of incorporation. You have power under your constitutional documents and have obtained all necessary authorities (including, without limitation, all relevant members' resolutions) to subscribe and pay for the Placing Shares in the manner proposed and to enter into and perform your obligations pursuant to these terms and conditions in this Appendix, and there are no governmental or regulatory consents or other third party approvals, authorisations or orders required in order for you to subscribe and pay for the Placing Shares in the manner proposed and to enter into and perform your obligations pursuant to these terms and conditions in this Appendix that have not been or will not prior to Admission have been obtained and you have not taken any action which will or may result in any of the Joint Bookrunners or the Company being in breach of the legal or regulatory requirements of any jurisdiction;
8. your agreement to subscribe for Placing Shares will comply with all agreements to which you are a party or by which you or any of your properties or assets is bound and which are material to your participation and your obligations in respect thereof;
9. the information, if any, relating to you set out in the Preliminary Prospectus is true and accurate and not misleading in any respect and the information relating to you provided or to be provided to you for inclusion in the Prospectus is or will be true and accurate and not misleading in any respect;
10. you have received a copy of this announcement (and the terms and conditions herein), the Preliminary Prospectus (including the terms and conditions of the Capital Raise) and all such other information as you deem necessary to make an investment decision in relation to the Placing Shares. Your commitment will be solely on the basis of the information contained in

the Preliminary Prospectus and this announcement. You acknowledge however that the Preliminary Prospectus is in draft form and is subject to updating, completion, revision, further verification and amendment and you agree that you have relied on your own investigation of the business, financial or other position of the Company in accepting your Placing participation;

11. you have funds available to pay the full amount in respect of your participation in the Placings as and when due;
12. you acknowledge and agree that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. You further understand that the Placing Shares have not been registered or qualified under the applicable laws of the Commonwealth of Australia, its territories and possessions, each province and territory of Canada, Japan, Switzerland and the Republic of South Africa and any other jurisdiction where the extension into or availability of the Firm Placing and Placing and Open Offer would breach any applicable law or any other jurisdiction where the extension or availability of the Placings would breach any applicable laws or regulations (the "**Excluded Territories**");
13. You are either:
  - 13.1 not located in the United States (within the meaning of Regulation S); you are acquiring the Placing Shares in an offshore transaction in accordance with Regulation S; not a resident of any Excluded Territories or a corporation, partnership or other entity organised under the laws of any Excluded Territories; and subscribing for the Placing Shares for your own account (or for the account of your affiliates or funds managed by you or your affiliates with respect to which you either have investment discretion or which are located outside the United States); OR
  - 13.2 a QIB as that term is defined in Rule 144A, which is (a) aware, and each potential beneficial owner of the Placing Shares has been advised, that the sale to you of the Placing Shares is being made in accordance with Section 4(a)(2) or another available exemption from, or in a transaction not subject to, registration under the Securities Act, and (b) either are acquiring the Placing Shares for your own account or for the account of affiliates or funds, each of which is a QIB. If you are participating in the Placing on the basis of this paragraph 7.2, you

agree to furnish to the Joint Bookrunners and the Company a signed U.S. investor letter in the form provided by the Joint Bookrunners and the Company;

14. you are subscribing for the Placing Shares for investment purposes, in each case, not with a view to, or for resale in connection with, the distribution thereof, directly or indirectly, in whole or in part, into or within the United States within the meaning of U.S. securities laws;
15. you acknowledge and agree that you are not acquiring the Placing Shares as a result of any "general solicitation or general advertising" as defined in Regulation D under the Securities Act or any "directed selling efforts" as defined in Regulation S;
16. you understand that the offer and sale of the Placing Shares to you is being made in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and acknowledge and agree that, for so long as the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, none may be offered, sold or pledged or otherwise transferred except in an "offshore transaction" (as defined in Regulation S) in accordance with the applicable requirements of Regulation S or pursuant to another applicable exemption from registration under the Securities Act or to the Company, and in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States and the laws of other jurisdictions. You understand that no representation has been made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares, which may be subject to further applicable restrictions on transfer of the Placing Shares set forth in this form of confirmation in addition to those restrictions. You agree to notify any transferee in the United States to whom you subsequently reoffer, resell, pledge or otherwise transfer the Placing Shares in a transaction that is not an offshore transaction (as defined above) of the foregoing restrictions on transfer;
17. you are (i) a person of a kind described in Article 19 and/or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and you understand that the terms and conditions set out herein are directed only at (a) persons who have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Order or (b) high net worth entities (including companies and unincorporated associations of high net worth and trusts of high value) or other persons falling within Article 49(2)(a) to (d) of the Order, and that, accordingly, any investment or investment activity to which these terms and conditions relate is available only

to you as such a person or will be engaged in only with you as such a person; and (ii) not intending to offer or sell or otherwise deal with the Placing Shares in any way which would result in an offer to the public in the UK within the meaning of the Financial Services and Markets Act 2000 ("**FSMA**") or in any other jurisdiction or require registration or prospectus publication or similar actions in any other jurisdiction;

18. you understand and accept that in offering you a participation in the Placings, none of the Joint Bookrunners is making any recommendations to or advising you regarding the suitability or merits of any transaction you may enter into in connection with the Capital Raise or otherwise and that you are not, and do not regard yourself as, a client of any of the Joint Bookrunners in connection with the Capital Raise. To the fullest extent permitted by law, you acknowledge and agree to the disclaimers contained in this announcement. You acknowledge that J.P. Morgan and Goldman Sachs are authorised by the Prudential Regulation Authority (the "**PRA**") and regulated in the United Kingdom by the FCA and the PRA. Without limiting the foregoing, you acknowledge that the Joint Bookrunners are acting exclusively for the Company and no-one else in connection with the Capital Raise, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in connection with the Capital Raise or any other matter referred to in these terms and conditions in this Appendix or this announcement.
19. you understand and accept that the exercise by any of the Joint Bookrunners of any rights or discretions under the Sponsor and Placing Agreement shall be within the absolute discretion of such Joint Bookrunner and no Joint Bookrunner need have any reference to you and shall have no liability to you whatsoever in connection with any decision to exercise or not to exercise any such right and you agree that you have no rights against any of the Joint Bookrunners or the Company, or any of their respective directors and employees under the Sponsor and Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
20. you are not a person whose business is, or includes, issuing depository receipts or a person whose business is, or includes, the provision of clearance services for the purchase or sale of securities or a nominee of any such person;
21. you declare that sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services) do not apply on your acquisition of any Placing Shares under the Capital Raise (if this is not applicable please indicate your status for stamp duty and stamp duty reserve tax purposes);



22. you have read, agreed with, understood and accepted the terms and conditions in this Appendix, this announcement and the Preliminary Prospectus and, accordingly, irrevocably agree in accordance with such terms and conditions to subscribe and pay for the number of Placing Shares comprised in your participation in the Placings. In particular, and without limitation, you acknowledge that your participation in the Conditional Placing is subject to clawback to satisfy acceptances under the terms of the Open Offer;
23. you acknowledge that your agreement to subscribe for the number of Placing Shares comprised in your participation in the Placings is not to be made pursuant to the Prospectus but is made pursuant to these terms and conditions in this Appendix;
24. you confirm that if you duly apply and subscribe (on the terms set out in the Prospectus) for Open Offer Shares to which you are entitled, such application and subscription shall extend to an irrevocable undertaking to subscribe for those New Shares at the Offer Price, following the expiry of the Open Offer, in the event that, as a result of your default or otherwise, you have failed to fulfil your obligation to apply and subscribe for all those Open Offer Shares to which you are entitled;
25. you have not, in agreeing to subscribe for Placing Shares, relied on any information, representations and/or warranties from any of the Joint Bookrunners or the Company or any of their directors, officers, agents, representatives, subsidiaries or affiliates or any other person save for the information contained in the Preliminary Prospectus and this announcement;
26. you acknowledge that the content of this announcement, the Preliminary Prospectus and the Prospectus is exclusively the responsibility of the Company and none of the Joint Bookrunners nor any person acting on their behalf has or shall have liability for any information, representation or statement contained in such documents or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in the Capital Raise based on any information, representation or statement contained in such documents or otherwise;
27. you and any person acting on your behalf acknowledge that none of the Joint Bookrunners owes any fiduciary or other duty to you in respect of any representations, warranties, undertakings or indemnities in the Sponsor and Placing Agreement;

28. you are aware of, have complied with and will continue to comply with any obligations we have under the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the Financial Services and Markets Act 2000 and UK MAR, to the extent applicable to you;
29. if you are a resident in the EEA, you are a 'Qualified Investor' within the meaning of the EU Prospectus Regulation (EU) 2017/1129;
30. if you are in Canada, you are entitled under applicable Canadian securities laws to subscribe for the Placing Shares without the benefit of a prospectus qualified under such securities laws and without limiting the generality of the foregoing, are: (a) an "accredited investor" as defined in section 1.1 of National Instrument 45-106 - *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario); and (b) a "permitted client" (as defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations);
31. you are aware of your obligations in connection with money laundering under the Proceeds of Crime Act 2002 and have complied with the Money Laundering Regulations 2017 and any other applicable legislation concerning prevention of money laundering (the "Regulations") and, if you are making payment on behalf of a third party, you have obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Regulations;
32. if you are acquiring any New Shares as a fiduciary or agent for one or more accounts, you have sole investment discretion with respect to each such account and you have full power to make, and do make, the warranties and undertakings set out herein on behalf of each such account;
33. you acknowledge that time is of the essence as regards your obligations in respect of your participation in the Placings; and
34. you acknowledge that the Company, each Joint Bookrunner and any person acting on their behalf will rely upon the truth and accuracy of and compliance with the foregoing confirmations, representations, warranties, undertakings and acknowledgements.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the UK relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Each Placee agrees to indemnify on an

after-tax basis and hold each of the Joint Bookrunners and/or the Company and their respective affiliates harmless from any and all stamp duty, stamp duty reserve tax and all other similar duties or taxes to the extent that such taxes, interest, fines or penalties arise from the unreasonable default or delay of that Placee or its agent. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Furthermore, each Placee agrees to indemnify and hold the Company, each of the Joint Bookrunners and each of their and their respective affiliates' agents, directors, officers and employees, harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee in this announcement and further agrees that the Company and each of the Joint Bookrunners will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings in this announcement and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Joint Bookrunners and the Company. All confirmations, warranties, acknowledgements, agreements and undertakings given by the Placee, pursuant to this announcement are given to each of the Joint Bookrunners for itself and on behalf of the Company and will survive completion of the Placing and Open Offer and/or Admission.

## **Selling Restrictions**

By participating in the Placings, you irrevocably acknowledge, confirm, undertake, represent, warrant and agree (as the case may be) with the Joint Bookrunners and the Company, the following:

35. you are not a person who has a registered address in, or is a resident, citizen or national of, a country or countries, in which it is unlawful to make or accept an offer to subscribe for Placing Shares;
36. you have fully observed and will fully observe the applicable laws of any relevant territory, including complying with the selling restrictions set out herein and obtaining any requisite governmental or other consents and you have fully observed and will fully observe any other requisite formalities and pay any issue, transfer or other taxes due in such territories;
37. if you are in the United Kingdom, you are a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation: (i) who has professional experience in matters relating

to investments and who falls within the definition of "investment professionals" in Article 19(5) of the Order; or (ii) who falls within Article 49(2) of the Order;

38. if you are in a member state of the EEA, you are a Qualified Investor as defined in Article 2(e) of the EU Prospectus Regulation;
39. you are a person whose ordinary activities involve you (as principal or agent) acquiring, holding, managing or disposing of investments for the purpose of your business and you undertake that you will (as principal or agent) acquire, hold, manage or dispose of any Placing Shares that are allocated to you for the purposes of your business;
40. you are and, at the time the Placing Shares are purchased, will be either:
  - (a) outside the United States, acquiring the Placing Shares in an offshore transaction in accordance with Regulation S; not a resident of any Excluded Territory or a corporation, partnership or other entity organised under the laws of any Excluded Territory; subscribing for Placing Shares for your own account (or for the account of your affiliates or funds managed by you or your affiliates with respect to which you either have investment discretion or which are outside the United States); aware, and each potential beneficial owner of the Placing Shares has been advised, that the sale to it of the Placing Shares is being made in accordance with Section 4(a)(2) or another available exemption from, or in a transaction not subject to, registration under the Securities Act; and either acquiring the Placing Shares for your own account; or
  - (b) a QIB, as that term is defined in Rule 144A, or any account for which you are acquiring the Placing Shares is a QIB,

that makes each of the representations, warranties, acknowledgements and agreements set out in paragraph 8 below;

41. none of the Placing Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
42. that the offer and sale of the Placing Shares is being made in reliance on an exemption from the registration requirements of the Securities Act and acknowledge and agree that, for so

long as the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, none may be offered, sold or pledged or otherwise transferred except in an offshore transaction in accordance with the applicable requirements of Regulation S or pursuant to another applicable exemption from registration under the Securities Act or to the Company, and in each case in accordance with any applicable securities laws of any state of the United States and the laws of other jurisdictions. You understand that no representation has been made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares, which may be further subject to the applicable restrictions on transfer of the Placing Shares set forth in these terms and conditions in this Appendix; and

43. you (on your behalf and on behalf of any Placee on whose behalf you are acting) have: (a) fully observed the laws of all relevant jurisdictions which apply to you; (b) obtained all governmental and other consents which may be required; (c) fully observed any other requisite formalities; (d) paid or will pay any issue, transfer or other taxes; (e) not taken any action which will or may result in the Company or the Joint Bookrunners (or any of them) being in breach of a legal or regulatory requirement of any territory in connection with the Placings; (f) obtained all other necessary consents and authorities required to enable you to give your commitment to subscribe for the relevant Placing Shares; and (g) the power and capacity to, and will, perform your obligations under the terms contained in these terms and conditions.

## **Times**

Unless the context otherwise requires, all references to time are to London time. All times and dates in these terms and conditions may be subject to amendment. The Joint Bookrunners will notify Placees and any persons acting on behalf of the Placees of any changes.