

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

Illyrian Power Plc is required by NEX Exchange Limited to appoint a NEX Exchange Corporate Adviser to apply on its behalf for admission to the NEX Exchange Growth Market and must retain a NEX Exchange Corporate Adviser at all times. The requirements for a NEX Exchange Corporate Adviser are set out in the Corporate Adviser Handbook and the NEX Exchange Corporate Adviser is required to make a declaration to NEX Exchange in the form prescribed by Appendix D. This admission document has not been examined or approved by NEX Exchange or the Financial Conduct Authority.

The Company and the Directors whose names appear on page 5 of this document accept responsibility for the information contained in this document. The information in this document is correct at the time of admission. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for all of the Company's Preference Shares to be admitted to trading on the NEX Exchange Growth Market. It is expected that trading in the Preference Shares will commence on the NEX Exchange Growth Market on 28 February 2019.

**The NEX Exchange Growth Market, which is operated by NEX Exchange Limited (NEX Exchange), a Recognised Investment Exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and NEX Exchange Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX Exchange Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

This document comprises a NEX Exchange admission document and has been drawn up in accordance with the NEX Exchange Growth Market - Rules for Issuers (the "**Rules**"). This document does not comprise an offer of transferable securities to the public within the meaning of section 102B of FSMA, does not comprise an approved prospectus within the meaning of section 85(7) of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the UKLA or any other competent authority for the purposes of the Prospective Directive. The whole of this document should be read. Your attention is particularly drawn to the Risk Factors set out in Part II of this document.

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## ILLYRIAN POWER PLC

*(Incorporated and registered in England & Wales under the Companies Act 2006 with Registered Number 11227772)*

### **Issue of up to £6,500,000 of 7.50 per cent. Cumulative Redeemable Preference Shares of £1 due 2023**

Corporate Adviser  
Alexander David Securities Limited



Issue of up to £6,500,000 7.50 per cent. Cumulative Redeemable Preference Shares (the "**Preference Share**") by Illyrian Power Plc (the "**Company**"). The Preference Shares will bear a preferential interest rate from and including their date of issue at a rate of 7.50 per cent. per annum, payable half-yearly in arrears on 31 May and 30 November of each year until the expiry of the term.

**Alexander David Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the Company's NEX Exchange Corporate Adviser for the purposes of the NEX Exchange Rules and is acting exclusively for the Company in relation to the Admission.**

Alexander David Securities Limited will not be responsible to anyone other than the Company for providing the protections afforded to customers of Alexander David Securities Limited or for advising any person in relation to the contents of this document, the Admission or any other arrangements described in this document.

The Company accepts responsibility for the information contained in this document. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company, having made all reasonable enquiries, confirms that this document contains all material information with respect to the Company and the Preference Shares (including all information which, according to the particular nature of the Company and of the Preference Shares, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Preference Shares), that the information contained in this document is true and accurate in all material respects and is not misleading, that any summary set out in this document is not inaccurate or inconsistent when read with other parts of this document, that the opinions and intentions expressed in this document are honestly held and that there are no other facts the omission of which would make this document or any of such information or the expression of any such opinions or intentions misleading. The Company accepts responsibility accordingly.

Only the Company is authorised to use this document in connection with the offering of the Preference Shares. The contents of this document must not be passed, either directly or indirectly, to any person other than an authorised person or an exempt person within the meaning of FSMA or any order made thereunder or those persons falling within the following articles of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Financial Promotion Order**"): Investment Professionals (as defined in Article 19(5)) and High Net Worth Companies (as defined in Article 49(2)). People who do not fall within any of these definitions should not rely on this document nor take any action upon it but should return it immediately to the Company. This Admission Document is exempt from the general restriction in section 21 of FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is made only to certain categories of persons.

Neither this document nor any other information supplied in connection with the offering of the Preference Shares (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Company and/or Alexander David Securities Limited that any recipient of this document or any other information supplied in connection with the offering of the Preference Shares should purchase any Preference Shares. Each investor contemplating purchasing any Preference Shares should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this document nor any other information supplied in connection with the offering of the Preference Shares constitutes an offer or invitation by or on behalf of the Issuer or Alexander David Securities to subscribe for or to purchase any Preference Shares.

Neither the delivery of this document nor the offering, sale or delivery of the Preference Shares shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Preference Shares is correct as of any time subsequent to the date indicated in the document containing the same.

The Preference Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act"). The Preference Shares may not be offered, sold or delivered within the United States or to U.S. persons.

This document does not constitute an offer to sell or the solicitation of an offer to buy the Preference Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this document and the offer or sale of Preference Shares may be restricted by law in certain jurisdictions. Neither the Company nor Alexander David Securities Limited represents that this document may be lawfully distributed, or that the Preference Shares may be lawfully offered, in

compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer and which is intended to permit a public offering of the Preference Shares or the distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Preference Shares may be offered or sold, directly or indirectly, and neither this document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document or any Preference Shares may come must inform themselves about, and observe, any such restrictions on the distribution of this document and the offering and sale of Preference Shares. In particular, there are restrictions on the distribution of this document and the offer or sale of Preference Shares in the United States of America, Canada, Australia, Japan, the Republic of South Africa and the Republic of Ireland.

All references in this document to Sterling and £ refer to the currency of the United Kingdom.

## **FORWARD-LOOKING STATEMENTS**

This Admission Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimate”, “expected”, “intends”, “may”, or “will” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Admission Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, amongst other things, the investment strategy, financing strategies and investment performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward- looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation, the Company’s ability to invest its cash and the proceeds of the issue of the Preference Shares in suitable investments on a timely basis and the availability and cost of capital for future investments.

Potential investors are advised to read this Admission Document in its entirety, and, in particular, the section of this Admission Document entitled “Risk Factors” for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Admission Document may not occur or may not occur as foreseen.

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## DIRECTORS, ADVISERS AND SERVICE PROVIDERS

<b>Directors</b>	Peter Jay ( <i>Non-Executive Chairman</i> ) Neil Robertson ( <i>Joined Chief Executive Officer</i> ) Duncan Webster ( <i>Joined Chief Executive Officer</i> ) Andrew Firmston-Williams ( <i>Independent Non-Executive Director</i> )
<b>Company Secretary</b>	David Little
<b>Registered Office</b>	112 Houndsditch London EC3A 7BD  Tel: 0207 398 5680
<b>Company Website</b>	<a href="http://www.llyrianpower.com">www.llyrianpower.com</a>
<b>Corporate Adviser</b>	Alexander David Securities Limited 49 Queen Victoria Street London EC4N 4SA
<b>Legal Adviser to the Company</b>	Bishop & Sewell LLP 59-60 Russell Square London WC1B 4HP
<b>Statutory Auditors to the Company</b>	Welbeck Associates  30 Percy Street London W1T 2DB
<b>Registrars</b>	The City Partnership (UK) Limited  110 George Street Edinburgh EH2 4LH

## EXPECTED TIMETABLE OF EVENTS

Publication of this document	<b>30 October 2018</b>
Dealings to commence on NEX Exchange Growth Market	<b>28 February 2019</b>

## DEALING CODES

ISIN	GB00BG0GNV12
SEDOL Number	BG0GNV1
LEI	213800TUVDUSZ2Q4Z932
NEX Exchange Symbol	IPWR

## EXECUTIVE SUMMARY

This summary must be read as an introduction to this document and any decision to invest in the Preference Shares should be based on a consideration of this document as a whole.

Word and expressions defined in Part V of this document shall have the same meaning in this Summary.

<b>Admission to Trading</b>	Admission of the 7.50 per cent. Preference Shares of £1 to be issued in connection with this Admission Document to trading on the NEX Exchange Growth Market and such admission becoming effective in accordance with the NEX Exchange Growth Market Rules.
<b>Clearing System</b>	The Company has applied to Euroclear for the Preference Shares to be issued in connection with this Admission Document to be admitted to and enabled through CREST with effect from Admission. Accordingly, settlement of transactions in the Preference Shares following Admission may take place within CREST if the relevant Preference Shareholder (“Shareholder”) so wishes. However, a physical share certificate will be issued on request to any Shareholder.
<b>CREST</b>	The computerised settlement system used to facilitate the transfer of title to shares in uncertificated form, operated by Euroclear.
<b>Denomination</b>	The nominal amount of each of the Preference Shares is £1
<b>Directors</b>	The initial Directors of the Company are Duncan Webster, Neil Robertson, Peter Jay and Andrew Firmston-Williams.
<b>Dividend</b>	The Preference Shares bear the right to a preferential dividend from and including the applicable issue date at the rate of 7.50 per cent. per annum, payable half-yearly in arrears on 31 May and 30 November of each year until the expiry of the term.
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>Form</b>	The Preference Shares will be issued in registered form.
<b>Investment Objective</b>	The investment objective of the Company is to achieve income by investing in renewable energy power production assets, both via financing third-party acquisitions and direct asset purchases.
<b>Investor</b>	Any person intending to participate in the Preference Share issue.
<b>Issuer or the Company</b>	Illyrian Power Plc
<b>ISIN</b>	GB00BG0GNV12
<b>NEX Exchange Symbol</b>	IPWR

<b>Preference Shares</b>	Up to £6,500,000 Preference Shares, to be issued by the Company of £1 per share. The Preference Shares carry the right to a preferential dividend at the rate of 7.50 per cent. per annum on the capital for the time being issued and paid up or credited as paid up, including any premium. The dividend is payable on 31 May and 30 November in arrears, in respect of the six months ending on the preceding dividend date.
<b>Public Availability</b>	The Preference Shares may be acquired by the public in the UK. For provisions and restrictions relating to the acquisition of Preference Shares by the public, see " <i>Terms of Issue</i> ".
<b>Ranking</b>	The Preference Shares comprise a class of shares in the capital of the Company and shall rank pari passu, equally and ratably, without discrimination or preference among themselves. Preference Shareholders have the right to receive, out of the profits available for distribution, a fixed cumulative preferential dividend, and on the return of capital Preference Shareholders shall receive arrears and accruals of preferential dividend and capital paid up on the Preferential Shares in priority to capital repayment to holders or ordinary shares.
<b>Registrar</b>	The City Partnership (UK) Limited 110 George Street Edinburgh EH2 4LH
<b>Risk Factors</b>	There are certain factors that may affect the Company's ability to fulfil its obligations under the Preference Shares. These are set out under the heading " <i>Risk Factors</i> " on page 9.
<b>Transferable</b>	Ownership of the Preference Shares can be transferred to another party.
<b>Use of Proceeds</b>	The net proceeds of the issue of the Preference Shares will be used to fund renewable energy acquisitions and for general corporate purposes.



## **RISK FACTORS**

***The Company believes that the following factors may affect its ability to fulfil its obligations under the Preference Shares. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of such contingencies occurring.***

***A prospective investor should consider carefully whether an investment in the Preference Shares is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. If you are in any doubt as to the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.***

***In addition, factors which are material for the purpose of assessing the market risks associated with the Preference Shares are described below.***

**Factors that may affect the Company's ability to fulfil its obligations under the Preference Shares**

### **Risks associated with operations in Slovenia**

The Company is proposing to make a loan to a company located and incorporated in Slovenia and to also take security for such loan which shall be subject to Slovenian law. The asset being secured is located in Slovenia, therefore any enforcement of the security may be less straightforward than would be the case for an asset located in the UK.

### **Changes in interest rates**

In the event of any future borrowing entered by Company, changes in interest rates could adversely affect the results of Company's operations by increasing financing costs. Any increase in interest rates would increase debt service costs and would adversely affect the Company's cash flow. Changes in interest rates could therefore have an adverse effect on the Company's business, results of operations, financial condition and/or prospects.

### **Exchange rate risk**

The Company may be exposed to exchange movements on foreign currencies due to operations overseas. Changes in the exchange rate between Pounds Sterling and the currency of jurisdictions in which the Company's assets are located or in which it carries on operations may lead to a depreciation in the value of the Company's assets as expressed in Pounds Sterling and have an adverse effect on the post-conversion income and realisation proceeds from the Company's non-sterling denominated assets, investments and transactions, each of which may have an impact on Company's business, results of operations, financial condition and/or prospects.

### **Environmental liabilities**

The Company may be liable for the costs of investigation, ongoing monitoring or remediation of hazardous or toxic substances located on, in or under its renewable, clean or alternative energy projects, or that are migrating or have migrated from its renewable, clean or alternative energy projects. These costs may be substantial and long-term regardless of whether the Company originally caused the contamination. The presence of such substances, or the failure to remedy the situation properly, may also adversely affect the value of the relevant renewable, clean and alternative energy project or the Company's ability to sell or develop the project. The Company may also be liable to damages to employees in respect of any such hazardous or toxic substances. Laws and regulations may also impose liability for the release of certain materials into the air, land or water from a property and such release can form the basis of liability to third parties for personal injury or other damages. If the Company is found to be in violation of any such environmental laws or regulations, whether or not the Company knew of the violation, it could face reputational damage, regulatory compliance penalties, reduced income and asset valuations. The cost of defending environmental claims, complying with environmental regulatory requirements, or remedying any contaminated property could have an adverse effect on the Company's business, results of operations, financial condition and/or prospects. The Company will also be subject to risks associated with climate change, extreme weather and environmental disasters. The operation of the plants will be subject to an

impact assessment. Such matters can impact on the profitability of any projects in which the Company may invest. This risk is dependent on the type of alternative energy being developed.

### **United Kingdom's continued membership of the European Union**

On the 23 June 2016 the United Kingdom conducted a referendum on whether the United Kingdom should remain a member of the European Union. The outcome of the referendum was that a majority of voters were in favour of the United Kingdom ceasing to be a member of the European Union.

As at the date of this admission document, the United Kingdom triggered article 50 of the Treaty of Lisbon which gives any EU member state the right to unilaterally withdraw from the European Union. It is not known when the United Kingdom might leave the European Union, or on what terms the United Kingdom will continue to trade with the European Union once it ceases to be a member of the European Union.

The United Kingdom's withdrawal from the European Union and the terms on which the United Kingdom continues to trade with the European Union following such withdrawal (and the uncertainty regarding such matters) could have an adverse effect on the general macro and sector specific conditions in the United Kingdom, the European Union and the rest of the World and could impact the Company's performance and/or the performance of the Company's suppliers and contractors.

## **RENEWABLE AND CLEAN ENERGY INDUSTRY RISKS**

### **Investment range and performance**

The Company will be dependent upon the Directors' successful implementation of the Company's investment strategy, and ultimately on its ability to create a portfolio of assets and projects capable of generating returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market conditions which are inherent in the renewable, clean and alternative energy industry, many of which are beyond the control of the Company and difficult to predict.

### **Renewable, clean and alternative energy markets may experience a possible downturn**

Renewable, clean and alternative energy projects, including those in which the Company may invest in the future, can be relatively illiquid investments and are typically more difficult, and/or take longer, to realise than certain other investments such as equities, gilts or bonds. This lack of liquidity may affect the ability of the Company to realise valuation gains and to dispose of or acquire projects in a timely fashion and at satisfactory prices in response to changes in economic or other conditions. While the Company monitors and updates its strategy to reflect market conditions, the current economic conditions could materially and adversely affect the ability of the Company to dispose of projects and/or the underlying assets in respect of projects should it wish to do so. A decline in the value of the Company's projects and/or assets may limit or reduce the level of return on the Company's investment in projects and/or assets, which in turn could have an adverse effect on the Company's business, results of operations, financial condition and/or prospects.

### **Political support for renewable, clean and alternative energy support regimes may reduce**

If the Slovenian Government, the EU, or international support for reducing greenhouse gas emissions, including obligations and incentives for the development of renewable, clean and alternative energy were to decline, whether on a retrospective or prospective basis, this could have a material adverse effect on the business, financial position, results of operations and future growth prospects of the Company. Changes could occur for any reason, including the adoption of a different energy mix, the discovery or invention of a more preferred fuel and/or source of energy, or a change to the fiscal status of sovereign states.

### **Competition**

The Company may face competition from other companies engaged in similar business. This may affect the Company's ability to acquire reasonable energy projects or interests in renewable, clean or alternative energy projects and their ability to sell electricity generated by those projects at satisfactory prices.

### **Risk to changes in regulation**

The Company will be under a duty to comply with any new rules, regulations and laws applicable to renewable, clean and alternative energy projects. Approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company

must comply with existing standards, laws and regulations that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. New laws and regulations could have a material adverse impact on the Company's results of operations and financial condition. The Company's intended activities will be dependent upon the grant and maintenance of appropriate licences, leases, permits and regulatory consents which could subsequently be withdrawn or made subject to limitations. There can be no assurance that they will be granted, renewed or, if so, on what terms.

### **Operational risk**

Operational risk and losses can result from external and internal failures or inadequacies, failure to comply with regulatory requirements and conduct of business rules, natural disasters or the failure of external systems, for example, those of the Company's [contractual counterparties.

### **Management risk**

Every plant or facility that is acquired will need to be properly maintained and staffed to ensure optimal performance. On this matter, the Company is subject to the risks associated with the maintenance of such plants. Unexpected variation in maintenance fees or cost of labour are examples of these risks.

### **Terrorism and accidents**

The value of Company's renewable, clean and alternative energy projects and other assets may be adversely affected by actual or threatened acts of terrorism. A terrorist attack where the Company owns a renewable, clean or alternative energy project may have an adverse impact on the Company's ability to dispose of assets, the values achieved on any disposals, and the Company's ability to obtain adequate and appropriate insurance for its assets based on the risks associated with the Company's business and on industry practice.

There is a risk of accidents involving employees or contractors at renewable, clean and alternative energy projects owned by the Company.

Should an act of terrorism occur or be threatened, or an accident occur, the resulting costs could have a materially adverse effect on the Company's business, results of operations, financial condition and/or prospects.

In addition, these incidents could affect the ability of the Company in the future to obtain any insurance (or insurance on commercially acceptable terms) for its assets. If any of the Company's other assets suffer loss or damage that is not covered in whole or in part by insurance, the value of the Company's assets will be reduced by the amount of any such uninsured loss. In addition, the Company may have no source of funding to repair or reconstruct the damaged asset, and there can be no certainty that any sufficient sources of funding will be available to it (either at all or on acceptable terms) for such purposes in the future. These factors could have an adverse effect on the Company's business, results of operations, financial condition and/or prospects.

## **RISKS RELATING TO THE COMPANY**

### **Dependence on availability of capital**

The Company's business is dependent upon the availability of adequate funding. Although the Company expects to have sufficient capital to satisfy its capital requirements, there can be no assurance that any, or sufficient, funding will continue to be available to the Company in the future on terms that are acceptable to it. Failure to have access to sufficient funding could have a material adverse effect on the financial condition, results or operations of the Company.

### **The Company may not identify all risks and liabilities in respect of an investment**

The Company has no prior operating history and none of Company's investments have been acquired. Whilst the Directors collectively have a large amount of experience in the renewable, clean and alternative energy there can be no guarantee that the Directors possess all of the skills necessary in order to carry out the investment strategies of the Company. The activity of identifying, completing and realising on

attractive real estate related investments involves a high degree of uncertainty, this may impact on the profitability of the investment.

### **Dependence on key personnel**

The Company's future performance and success is substantially dependent on the continued services and continuing contributions of its Directors and senior management. Although the Company has agreed contractual arrangements to secure the services of the Directors, the retention of these services cannot be guaranteed. The loss of the services of any of the Company's executive officers or senior management could have a material adverse effect on the Company's business.

The Company's future success will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Company will be able to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Company.

### **Information technology**

The Company is reliant upon certain technologies and systems (including IT systems) for the running of the business. Disruption to these technologies or systems could adversely affect the efficiency of the business.

### **Taxation**

This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Preference Shareholders or alter post tax returns to Preference Shareholders. Statements in this document concerning the taxation of Preference Shareholders are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

### **Litigation**

Legal proceedings may arise from time to time in the course of the Company's businesses. The Directors cannot preclude that litigation may be brought against the Company and that such litigation could have a material adverse effect on the financial condition, results or operations of the Company.

### **Factors which are material for the purpose of assessing the market risks associated with the Preference Shares**

#### **The Preference Shares may not be a suitable investment for all investors**

Each potential investor in the Preference Shares must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Preference Shares, the merits and risk of investing in the Preference Shares and the information contained in this document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Preference Shares and the impact the Preference Shares will have on their overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of investment in the Preference Shares, including where the currency for principal and dividend payment is different from the potential investor currency;
- (iv) understand the terms of the Preference Shares and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible consequences for economic, interest rate and other factor that may affect their investment and their ability to bear the applicable risk.

## **RISKS RELATED TO THE MARKET GENERALLY**

Set out below is a brief description of the principal market risks of the Preference Shares:

### **Change of law**

The conditions are based on English law in effect as at the date of this document no assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this document.

### **NEX Exchange Growth Market**

The Preference Shares will be traded on NEX Exchange Growth Market and no application is being made for the admission to the NEX Exchange Main Board. Admission to the NEX Exchange Growth Market should not be taken to imply that there is or will be a liquid market in the Preference Shares. NEX Exchange Growth Market is a market designed for small and growing companies. Small and growing companies carry higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Any changes to the regulatory environment and in particular the Rules could, for example, affect the ability of the Company to maintain a trading facility for the Preference Shares on the NEX Exchange Growth Market.

### **The secondary market generally**

The Preference Shares may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Liquidity in the market for the Preference Shares cannot be guaranteed, therefore such Preference Shares may be or become difficult to sell.

The market for Preference Shares may be volatile and subject to fluctuations in response to a variety of factors which could lead to losses for Preference Shareholders. As such, the Preference Shares generally will have a more limited secondary market and more price volatility. The market price of the Preference Shares may not reflect the underlying value of the Company and investors may, therefore, realise less than their investment.

### **Interest Rates**

Investment in the Preference Shares involves the risk that subsequent changes in market interest rates may affect the value of the Preference Shares.

**The investment opportunity described in this document may not be suitable for all recipients of this Document. Investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making a decision to invest.**

## PART I

### INFORMATION ON THE COMPANY

#### 1. Introduction

Illyrian Power Plc is a renewable energy financing company incorporated in England and Wales on 27 February 2018 with registration number 11227772. The share capital of the Company is denominated in pound sterling. The Directors of the Company are Peter Jay, Neil Robertson, Duncan Webster and Andrew Firmston-Williams. Neil Robertson and Duncan Webster each hold 50% of the shares.

The investment objective of the Company, which is further detailed below in the paragraph headed "Investment Objective", is to achieve income by investing in renewable energy power production assets, both via financing third-party acquisitions and direct asset purchases.

The Company has recently been incorporated and has not yet made any investments or acquired any renewable energy projects. In the event that the Company has failed to substantially implement the Investment Strategy within 12 months of the date of this Document, the Company intends to seek the approval of the Preference Shareholders to return the principal capital to Preference Shareholders as soon as is reasonably practicable.

#### 2. Principal Activity

The Company has been formed to finance the acquisition of renewable projects in Central Europe with an initial focus on Slovenia. These projects have become available due to business restructurings with banks and investors having to restructure their investment. In most cases the assets are capable of generating income either immediately or in the short term and can be acquired at a discount. Loans made by the Company will usually be to businesses that can produce economically stable and renewable power. The Company is currently reviewing a series of investments and is initially concentrating on existing built and developed biogas power plants in Slovenia.

It is intended that the Company identifies projects to lend funds to acquire, develop, build and/or operate the relevant renewable energy project. The Company is focused on financing built and operating renewable power projects, of which the power generation assets are either fully operative at time of investment or capable of being brought to that stage within one year. The Company currently expects to lend funds in most instances for a period of five to seven years.

The Company may invest into companies where the Directors have an interest or controlling position. In the event that the Company does finance such a transaction, the terms of the funding will be on commercial terms and agreed by the Directors who are not connected to the transaction. Further information on the Company's policy regarding conflicts of interest are provided in Part I section 12 of this Admission Document.

The Company's Directors have experience in the renewable and alternative energy and the renewable energy finance sectors. They will use their experience and network of contacts to identify suitable renewable, clean and/or alternative energy projects to acquire or develop and/or operate. Details of the experience of the directors are set out on page 23 of this Admission Document.

Initially, the Company intends to finance projects operating in Slovenia. Slovenia is strategically positioned in South-Eastern Europe. Slovenia is a member of the European Union and European business practices and standards generally apply. The country benefits from excellent transport links as well as information technology and communication infrastructures. Slovenia has the potential to gain substantially from access to the European market population of approximately 500 million inhabitants. Due to favorable economic reforms in Slovenia, the number of opportunities for foreign companies willing to invest in Slovenia is increasing. The Company considers the prospects for the renewable energy sector in Slovenia to be good. Slovenia promotes the use of renewable energy and has published the Slovenian Biofuel Policy, the target of which is for renewable energy sources to be at least 25% of its gross national final energy consumption by 2020. Through its climate and energy policy, Slovenia also promotes the

use of renewable energy sources in the production of electricity. Renewable energy developers enjoy prioritized access to the Slovenian electricity grid. Slovenia offers tax exemption for foreign investments of up to 40% of the amount invested and a corporation tax rate of 19%.

### **3. Market Opportunities**

#### **Market Overview**

The global renewable energy market has seen strong growth over the past ten years as governments, businesses and individuals globally have recognised the importance of developing sustainable sources of power. This is leading to significant further growth potential for renewable energy investments.

The global population is expected to grow and the perceived need to reduce reliance on fossil fuels means that governments ought to consider how they generate and consume energy. The International Energy Agency ("IEA") expects global energy use to rise by approximately 55% by 2030 and governments around the world are committed to increasing the market share of renewable energy.

There is also an increasing demand for the use of industrial and residential waste in power production alongside other forms of recycling. The introduction of the EU Directive 1999/31/EC on the landfill of waste is an example of a regulatory regime that makes it more difficult and costly to dispose of waste by traditional means. As a result, generation of energy from various sources of waste has become economically more attractive.

In Slovenia, electricity generation is mainly from nuclear power, hydro-electricity (each at 36.5%) and coal (21.6%). Other minor sources include solar power, biofuels and natural gas. In March 2018, the Slovenian Government proposed extending the life of the Krško Nuclear Power Plant to 2043 as part of their commitment to lowering carbon release from power generation, in addition to increased use of renewable production.

#### **Generation Forecast**

Collectively, the European Union is obliged to reach at least a 20% share of energy from renewable energy sources by 2020. European Union Member States are committed to reach a 20% share of renewable energy sources in gross final energy consumption, as well as imposed national targets in accordance with their economic condition and energy potential.

Slovenia currently forecasts that its renewables (including hydro-electric power) will satisfy about 40% of the country's electricity consumption in 2020. Slovenia intends to meet its EU renewable energy obligations of 6.1TWh by 2020. through 5.1 TWh of hydro power and 0.7 TWh of biomass power.

#### **Key attributes of a renewable energy project**

Key factors in assessing and undertaking a renewable, clean and alternative energy project include:

- Identifying an appropriate site and assessing the environmental factors specific to the site location; and
- Identifying and acquiring the appropriate renewable, clean or alternative energy technology.

### **4. The Slovenian Renewable Energy Market**

The promotion of the use of renewable energy sources in Slovenia is part of government policy. As part of the European Union, Slovenia has to adhere to the Winter Package which creates binding objectives such as in the use of renewable energy for members of the European Union.

The operators of renewable energy plants are able to sell their electricity to the Slovenian power market operator Borzen at a "uniform annual price", i.e. the feed-in tariff. Alternatively, they can opt for a premium tariff. This guaranteed price applies only to plants whose capacity does not exceed 1 MW. In 2017, for power generation up to 1 MW, the combined incentive was c.€140 per

MW hour of production.

In accordance with EU Directive 2009/28/EC, Slovenia must have a renewable energy target and action plan in place. According to the action plan for 2010-2020, Slovenia has to achieve a 25% share of renewable energy sources in gross final energy consumption by 2020. To achieve this objective state aid is available to producers of renewable energy. Electricity from renewable sources is encouraged through subsidies namely through a feed-in tariff and a premium tariff. The feed-in tariff allows producers of electricity (qualified producers) using plants of up to 1 MW to decide that they would like their electricity to be purchased at a fixed price. The premium tariff allows licensed generators to opt for a premium (a so-called "operational subsidy") on top of the electricity price that they achieve on the free market.

The above-mentioned subsidies are offered, by the Ministry of Infrastructure and Spatial Planning (Directorate for Energy, Energy Efficiency and Renewable Energy Sources Division). Furthermore the Slovenian Environmental Fund (Eko sklad) invite applications for subsidies on a regular basis. Renewable energy sources for heating purposes are promoted and encouraged through loans and subsidies and given priority for use through the grid.

Producers of electricity from renewable sources are eligible to subsidies only if they have a valid declaration (372 par. 9, 9 RS 37/2009). All producers of renewable energy are usually deemed to have the declaration as long as they use any of the listed Renewable Energy Sources (RES) technologies.

### **Supportive regulatory framework**

In 2016, the Slovenian Environment Agency responsible for the regularity and administrative tasks related to the environment at the national level reviewed the process used by the Company's local partner, Eko Gea, and confirmed that it adheres to the legislation for processing organic wastes.

## **5. Types of Renewable Energy**

### **Renewable energy projects that the Company will consider financing**

The Company will consider financing of any type of renewable, clean or alternative energy project in Central Europe with an initial focus on Slovenia.

Common types of renewable, clean and alternative energy that the Company will consider include:

- *Biomass*
- *Biogas*
- *Anaerobic Digestion (AD)*
- *Tidal*
- *Solar*
- *Wind*
- *Hydro-electric power*
- *Waste Energy*

## **6. Business Strategy**

### **History of the business**



The Directors have over the past six years been active in Central and East Europe region (“CEE”) and in renewable energy finance for a similar period.

The board members of the Company have previously made investments in the region that include property on the Adriatic coast, industrial plants in Bosnia and financial services in Slovenia, in addition to renewable biogas and biomass projects. Throughout the period, the Directors have established a network of local business and professional contacts, as well as become familiar with the legal structures and mechanisms needed to operate a company locally.

While making earlier investments, the Directors have identified a total portfolio of over ten existing power projects available to be purchased in Slovenia and neighbouring countries, as well as supportive subsidy regimes also in Slovenia and neighbouring countries.

The Directors established the Company in February 2018 to offer investors the opportunity to take advantage of long-term potential returns through established renewable power opportunities.

#### *Relationship with Eko Gea Nejc Dordic (Eko Gea)*

The Directors have been working in partnership with a local Slovenian partner, Eko Gea. Together, they plan to finance and operate biogas plants located in Slovenia that have been operating since 2015. Slovenian businesses constructed a series of biogas power plants across the country to produce power under a well-subsidised regime designed to diversify the country’s power supply and provide an additional market for agricultural produce.

Eko Gea will, where possible, use a Biocomplex additive to treat the feedstock prior to undergoing the AD process.

The introduction of the Biocomplex additive will allow the AD plants to be more efficient as it allows for the inclusion of other feedstocks that generate gate fees.

It is expected that where its use is appropriate, the addition of a pre-treatment input feedstock preparation system will reduce the particle size allowing for optimal digestion and biogas yield production. The material will be received at the plant using the existing infrastructure and a system upgrade will be installed between the receiving tank and the primary digester.

#### *Feedstock*

Securing feedstock supply and managing costs are two of the challenges facing the AD sector. Several factors must be considered including the reliability of the source, seasonal variation, the chemical make-up of the feedstock and its biogas potential. Eko Gea is already seeking to mitigate all these issues and has entered into a conditional agreement for the supply of feedstock (sewage sludge) for a minimum annual tonnage of 20,000 tonnes from a well-established local waste handling merchant. In addition, contracts have been entered into for supply of organic canteen waste from Italy for a minimum annual tonnage of 50,000 tonnes.

### **Renewable Power Opportunities in Slovenia**

The Company will identify power generation projects from various sources. The Directors will use their experience in the sector and in central Europe to identify further opportunities to acquire and develop or operate renewable power projects.

#### *Financing*

The Company may acquire existing renewable power generation projects that are in the built and operational phases, where the Company believes this can add value.

#### *Diversifying investments and potential return for shareholders*

The Company is initially pursuing opportunities in the biogas sector. It is envisaged that these may be supplemented in due course with investments in other types of energy projects including biomass, tidal, solar and wind.

### **Funding Competition**

The Company may face competition from other companies financing renewable energy projects in Slovenia and in neighbouring countries. The Company's potential competition includes banks, investment funds and industrial/power companies and is addressed below.

#### *Banks*

Local and international banks had previously provided substantial funds to the renewable energy sector. However issues were identified and many of the loans to biogas plants failed. For example, Nova Ljubljanska Banka d.d.,(NLB) provided loans to six biogas power plants, all of which later fell into bankruptcy, Raiffeisen, Poštna Banka Slovenije d.d and Gorenjska Banka d.d. have all had at least one loan that has gone into default.

In November 2017, the Directors retained the services of a banking consultancy to seek banking finance for power plant acquisitions. So far, no firm offers have been secured though expressions of interest have been provided.

#### *Investment Funds*

Nationally, the Slovenian fund management industry primarily manages local unit trust or other types of collective. As such, the industry needs to invest into listed entities. At the moment, there are no listed renewable companies in Slovenia so the fund management industry is largely unable to invest into biogas or other energy alternatives.

#### *Industrial / Power companies*

At the moment, given the absence of the stable track record and scale of operations that the Directors aim to achieve, no industrial companies are active in bidding for or purchasing these assets.

## **7. Investment Rationale**

### **Investment objective**

The objective of the Company is to achieve a return for investors in the form of income generation on the provision of loans. The Company aims to generate stable and secure income for Preference Shareholders by investing in renewable energy power production. Initial positions in biomass and biogas plants are intended to be supplemented with diversified investments in other types of energy projects including tidal, solar and wind. The Company is focused on EU-based opportunities that offer substantial security for the Company's investors in the form of physical assets or income streams guaranteed by governments or other high-quality counterparties.

### **Investment policy**

The majority of investments made by deploying the Company's capital will be on the following basis:

#### *Asset Backing*

The primary objective of the investment policy shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The Company intends to primarily achieve this via investing into valuable capital and land-owning renewable power projects, with asset values that exceed any capital invested combined with two-times earnings before interest, taxes, depreciation, and amortization ("EBITDA") multiple over the expected repayment and interest program.

#### *Diversification*

The Company will seek to build a diverse portfolio of renewable energy assets by diversifying its investments by security type and institution, thus complimenting the asset backing. The Company may finance projects that use a mix of renewable energy technologies.

### *Liquidity*

The investment portfolio will retain sufficient liquidity to enable the Company to meet all operating requirements which might be reasonably anticipated.

### *Return on Investments*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, whilst considering the investment risk constraints and the cash flow characteristics of the portfolio. The Company will look to invest in projects with the potential to generate high yields in the first six months from initial placement.

### *Limits*

The Company will finance projects by focusing in the South-Eastern European countries where the Directors believe there is a stable renewable energy framework. Not more than 25 per cent. of the portfolio value may be invested in investments that are located in countries outside Central Europe.

### *Single Investment Limit*

In order to ensure that the Company has a spread of investment risk, it is the Company's intention that within 36 months no single asset will account for more than 33 per cent. of the portfolio value, calculated at the time of investment.

### *Hedging*

The Company may enter into hedging transactions in relation to currency, interest rates and power prices for the purposes of efficient portfolio management. The Company will not enter into derivative transactions for speculative purposes.

### *Cash Balances*

Any cash held within the Company will be held in cash equivalents, near cash instruments and money market instruments.

## **Investment policy review**

The investment policy shall be reviewed on an annual basis, and any modification must be approved by the Board.

## **Investment process**

The following investment criteria will be applied to each potential investment by the Company:

### *Authorised and suitable investments*

The Company is empowered to invest in enterprises involved directly or indirectly in:

- Equity or debt financing to renewable energy power production which includes biomass, biogas, tidal, solar, waste to energy and wind projects; and
- Equity or debt financing to new technologies with application to renewable energy.

### *Investment identification*

Investment identification will be the responsibility of the executive directors. In addition, the Company also intends to work with local partners and in-country experts, as required, to assist in identifying investment opportunities.

Prior to any investment, the Company anticipates its Directors or suitable professional advisors, will have met the management / operating team, carried out a site visit, and reviewed suitable due diligence which may comprise:

- Plant technical review;

- Legal title and assorted licenses review;
- The existence or availability of a power supply agreement and assessment of any subsidies;
- Feedstock analysis, including the existence or availability of supply contracts;
- The security of supply for any other required inputs;
- Reliability of the equipment or technology;
- Provisions for the maintenance of plants;
- The strength of the operation's management team; and
- The quality of any guarantees provided by the purchasers of the energy produced.

#### *Investment analysis*

It is expected that the Directors will be responsible for commissioning any required financial and legal due diligence on prospective investments. The Company will also liaise with independent experts familiar with operating in the relevant markets, in order to structure its investments in accordance with local legal requirements.

#### *Decision to invest*

A decision to invest will be made by all the Directors of the Company. The NEX Exchange Corporate Advisor will also be requested to review and assess any regulatory implications.

The Directors' roles are not exclusive to the Company and the Directors may be directors of companies with similar business interests. The Directors will act with honesty and integrity and will seek to promote the success of the Company for the investors when selecting investments and making business decisions.

#### *Investment monetisation*

The Directors anticipate making debt-based investments and holding these to maturity, while seeking to match expected liquidity requirements including preference share maturities.

#### *Investment monitoring*

The executive Directors will be responsible for investment monitoring and will report to the Board and shareholders on a regular basis.

### **Fundraising**

Renewable and alternative energy projects that the Company will look to develop will typically have a significant capital cost. The Company will therefore seek to raise further finance in order to fund these projects.

The Company will raise equity finance, initially through the issue of Preference Shares.

The Company also intends to raise further finance through debt or debt-based secured instruments.

The Company will also consider the following methods of financing:

- Joint Ventures - The Company will consider joint venture partnerships with good UK and international renewable energy operators on short-, medium- and long- term projects.
- Bridging finance - Funding through the Company will allow operators to advance their

projects either to completion or to a more productive upgrade, thus potentially generating greater returns for the projects and enhancing asset values.

- Mezzanine finance - The Company may take advantage of lending opportunities to assist with the growth of companies within the renewable energy space where traditional banking sources of funding either fall short or require co-investment.

**The Company will seek to generate cashflow by way of margins and arrangement fees built into its onward lending arrangements, including:**

- Interest on the capital provided to project operating companies; and
- Warrants in the projects.

## **8. Current Trading and Prospects**

### **Initial project**

The Company proposes to make a loan facility available of up to £3M ("the Loan") to Bio Gea d.o.o. ("Bio Gea"), a company incorporated in Slovenia and owned by Neil Robertson. It is expected the Loan will be drawn down in stages as the Company issues Preference Shares.

On 31 May 2018 Bio Gea acquired at auction the right to acquire a biogas power plant in Dobrovnik for the sum of €3,094,605 which shall be financed in full or in part by the making of the Loan. The Loan from the Company to Bio Gea will be on commercial arm's-length terms (as summarised under the heading "Loan terms" below) and will be secured by way of a fixed and floating charge over the business and assets in Bio Gea.

In the event that the Company does not fully fund the Dobrovnik power plant acquisition by way of the Loan then it remains possible that other organisations who provide loans to Bio Gea in connection with the acquisition of the Dobrovnik power plant will also receive similar security over Bio Gea's business and assets. It further remains possible that the Company will be granted additional security over any other asset that Bio Gea acquires.

### *Loan terms*

The principal terms of the proposed Loan to be made by the Company to Bio Gea are set out below:

- Amount – up to £3,000,000.
- Purpose – to assist Bio Gea with the acquisition of a power plant in Dobrovnik, Slovenia and to enable Bio Gea to acquire other renewal energy projects and otherwise for general working capital purposes.
- Conditions precedent – the loan agreement contains the usual forms of initial and further conditions precedent as are common for a transaction of this nature.
- Drawdown – the Loan may be drawn down in one or more tranches provided that the minimum drawdown shall be £100,000.
- Interest – interest shall accrue on the Loan at the amount of 15% and is to be payable monthly in arrears.
- Prepayment – Bio Gea may prepay part or all of the Loan at any time by giving at least five business days' notice.
- Fees – the Company will be charging Bio Gea an arrangement fee of 1% of the amount of the loan which shall be payable on the first drawdown date.

- Costs and expenses – Bio Gea will pay the Company its reasonable costs and expenses incurred in connection with the preparation of the loan agreement and any security documentation.
- Events of default – the loan agreement contains standard events of default along with usual representations and warranties and covenants to be given by Bio Gea.
- Repayment date – the Loan must be repaid in full by 1 August 2023.

## Potential projects

In addition, the Company has identified several projects that are being assessed for their suitability to be financed by the Company. All the projects have long-term revenue capabilities that have the potential to generate sufficient income to cover the interest payments due to Preference Shareholders.

Bio Gea's right to acquire the Dobrovnik plant (see p.22) expires on 18 February 2019, or potentially earlier if certain contractual conditions are not met. If the right lapses and another purchase agreement is not put in place, the Directors envisage financing one or more of these other projects and are confident that the Company's prospects will not be materially impacted thereby.

Slovenian businesses constructed a series of biogas power plants across the country to produce power under a well-subsidised regime designed to diversify the country's power supply and provide an additional market for agricultural produce. Many of the plants fell into financial stress and are becoming available at attractive valuations.

An example of a biogas plant of the type of projects that are initially being assessed is discussed in more detail below.

The plant is a 2 MWe biogas plant located in Slovenia and is a modern biogas production facility that utilises AD technology as its core operating process. The plant has operated at 2 MWe. Directors estimate that the plant was constructed in 2010 at a cost of c.€20m and as of May 2015, the debt from construction is believed to be €15.7M.

The Company's local partner, Eko Gea, operated the plant for approximately 18 months from summer 2016.

The assets of the plant include the biogas power plant equipment, the land for the power plant and farmland. The bankruptcy trustee valued the combined bankruptcy assets at c€5.6M; but set the auction reserve price at €3.4M, if acquired there would be transaction costs, upgrades and capex requirement of around €1M giving a complete purchase cost of c.€4.4M.

Once Eko Gea started renting the plant, they integrated their technology with the existing infrastructure, enabling the plant to change its feedstocks from paid-for (locally-grown silage) to those that are income-generating (organic wastes).

The plant is able to process a variety of waste water treatment effluent / sewage sludges (along with silage where needed), to create a greater gas yield while being paid a gate fee for much of the incoming feedstocks. Using Eko Gea's technology, the plant is currently able to process 96 tonnes per day of revenue producing wastes. Currently the plant is able to charge €30 or more per tonne to receive waste. This enables it to increase its profitability from its original position of paying between €35-45 per tonne for silage.

The economics of the project include estimated gross annual revenue from the sale of power of €2,680,560. Once running at full capacity, gate fees for feedstock are estimated to generate a further gross annual revenue of €1,192,800 (on the basis of a daily input of 96 tonnes), giving combined gross annual revenue of €3,873,360.

The annual running costs, including maximum silage purchase, biogas additive purchases and management fees, are estimated at c.€2,400,000 on the most expensive scenario modelled. This means the Dobrovnik plant has estimated EBITDA of €1,473,360.

## 9. Company Structure

The Company is 100 per cent. owned by Neil Robertson and Duncan Webster, each holding 50% of the shares in the Company.

## 10. Management Experience

The directors will manage the business and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company. The Directors have extensive experience and expertise in the renewable energy sector and finance.

The key strengths of the Directors include the ability to:

- Source and identify further opportunities to expand the Company's portfolio;
- Identify and carry out due diligence on potential acquisitions; and
- Examine and scrutinise the business plan and future prospects of each investment opportunity to ensure that it is suitable for the Company and capable of meeting its investment criteria.

### Directors

The current composition of the Board is as follows:

*Peter Jay (Non-Executive Chairman), Age 73*

Peter retired as a solicitor in 2009, prior to which he was a corporate partner at DAC Beachcroft LLP. He has held a number of directorships of both private and publicly-listed companies and currently sits on the board of two AIM companies, Mountfield Group Plc (of which he is chairman) and Limitless Earth Limited.

*Neil Robertson (Chief Executive Officer), Age 58*

Neil worked as a regulated financial adviser for over twenty years, specialising in UK pensions law and advice on alternative investments. For the last ten years he has worked as a tax consultant advising on appropriate structuring for businesses and investment funds, as well as helping to raise funds for various ventures including renewable energy projects.

*Duncan Webster (Chief Executive Officer), Age 38*

Duncan Webster worked in tax structuring and finance related activities primarily fundraising since 2001. He also has experience in running businesses. He has developed a network of individuals and corporate contacts through his activities. Over the past five years, Duncan Webster has arranged or made investments in the Central Europe region, including industrials, renewable power and financial services.

*Andrew Firmston-Williams (Independent Non-Executive Director), Age 60*

Andrew has significant operational experience across a range of sectors. He has served as CFO and FD in the renewable energy, telecommunications and retail industry. He has led large and small business through turn-around, re-structure, growth and exit stage. Andrew has a degree in Economics and Business studies from the University of Hull, United Kingdom.

## 11. Corporate Governance

The Directors are committed to maintaining high standards of corporate governance and intend, so far as is practicable given the Company's size and the constitution of the Board, to comply with the UK Corporate Governance Code. Following Admission, due to the size and nature of the Company, audit and risk management issues will be addressed by the Directors as a whole, rather than by separate committees. As the Company develops, the Board will consider establishing separate audit and risk management committees and will consider developing further policies and procedures, which reflect the principles of good governance.

## **12. Conflicts of Interest**

The Directors are not contracted exclusively to the Company and may hold other positions, including as directors of companies with similar business interests. The Directors undertake to act with honesty and integrity at all times and to seek to promote the success of the Company and the security of its investors when selecting investments and making business decisions.

Save as disclosed in this Admission Document with regard to the loan to Bio Gea d.o.o, there are no conflicts of interest. As set out in this Admission Document, although Neil Robertson has disclosed the ownership of Bio Gea d.o.o, there are no conflicts of interest in relation to Admission and the issue of the Preference Shares. All future transactions will be concluded in accordance with the conflict of interest policy. The Directors shall use their best endeavours to avoid conflict arising between their duty as a Director of the Company and any other directorship that they may hold and where any conflict of interest does arise, the Director(s) shall refer such matters to the non-executive director(s) who will analyse the transaction and will have the final vote.

## **13. Reasons for the Issue and Use of Proceeds**

The offer of the Preference Shares is being made to enable the Company to fund the acquisition of renewable energy projects in Slovenia and Central Europe in accordance with the Company's business strategy.

The Directors believe that the admission of the Preference Shares to the NEX Exchange Growth Market is the most efficient and cost-effective way to access further capital from existing and future potential investors in order for the Company to pursue growth opportunities.

## **14. Use of Proceeds**

The net proceeds of the issue of the Preference Shares will be used to fund acquisitions of one or more renewable energy projects, probably in Slovenia.

## **15. Financial Information**

The Directors accept responsibility for the historical financial information and confirm that it has been prepared in accordance with the law applicable to the Company. Further details of the historical financial information are set out in Part II of this document.

## **16. Working Capital**

The Board is of the opinion that, having made due and careful consideration, the working capital available to the Company will be sufficient for its requirements, that is for at least the next 12 months from the date of Admission.

## **17. Dissemination of Regulatory News**

The Company has arrangements in place to disseminate regulatory information to the market in accordance with the NEX Exchange Rules and applicable laws and regulation. Regulatory information relating to the Company is also available to the general public through the NEX Exchange website at <http://www.nexexchange.com/>.

## **18. Marketability of Preference Shares**

Application has been made to NEX Exchange for the Preference Shares to be admitted to trading on the NEX Exchange Growth Market. It is expected that Admission will be effective and that dealing in the Preference Shares will commence on the 28 February 2019. The NEX Exchange Growth Market is a market operated by NEX Exchange and is not part of the London Stock Exchange Plc.

Any individual wishing to buy or sell the Preference Shares which are traded on the NEX Exchange Growth Market must trade through a stockbroker (being a trading member of the NEX Exchange Growth Market and regulated by the FCA) as the market's facilities are not available directly to the public.



## **19. CREST**

CREST is a computerised share transfer and settlement system enabling securities to be held in electronic uncertificated form and transferred otherwise than by written instrument. The Articles permit the Company to issue Preference Shares in uncertificated form in accordance with the CREST Regulations.

The Company has applied to Euroclear for the Preference Shares to be admitted to and enabled through CREST with effect from Admission. Accordingly, settlement of transactions in Preference Shares following Admission may take place within CREST if the relevant Preference Shareholder so wishes. CREST is a voluntary system and Preference Shareholders who wish to receive and retain physical share certificates will be able to do so.

**PART II**  
**FINANCIAL INFORMATION ON THE COMPANY**

**Private and Confidential**

The Directors  
Illyrian Power Plc  
Fleur de Lis Court  
112 Houndsditch  
London  
EC3A 7BD

22 October 2018

Alexander David Securities Limited  
Albert Buildings  
49 Queen Victoria Street  
London  
EC4N 4SA

Dear Sirs

**Illyrian Power Plc (company number 11227772) (the “Company”)**

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the Admission Document of the Company (“the Admission Document”) on the basis of the accounting policies set out in Note 2 to the financial information. This report is required by the NEX Exchange Rules, Appendix 1 information, for an admission document, NEX Exchange Rules 30 – 34 and for no other purpose.

**Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Notes 1 and 2 to the financial information and in accordance with FRS102.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion, the financial information gives, for the purposes of the admission document, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 and in accordance with FRS102.

**Declaration**

For the purposes Appendix 1: Information for an admission document, Paragraph 30 -34 of the NEX Growth Market – Rules for issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph 30 -34 of Appendix 1 of the NEX Exchange Rules.

Yours faithfully

Welbeck Associates  
Chartered Accountants & Registered Auditors  
30 Percy Street  
London  
United Kingdom  
W1T 2DB

## SECTION B - HISTORICAL FINANCIAL INFORMATION ON ILLYRIAN POWER PLC

### Profit and Loss account for the period ended 30 September 2018

	<b>Notes</b>	<b>£</b>
Administrative expenses		(59,016)
<b>Operating loss</b>		<u>(59,016)</u>
<b>Net loss for the period</b>		<u><u>(59,016)</u></u>

### Balance sheet as at 30 September 2018

	<b>Notes</b>	<b>£</b>
<b>Current Assets</b>		
Other receivables	3	150,984
		<u>150,984</u>
<b>Current liabilities</b>		
Trade and other creditors	4	-
		<u>-</u>
<b>Net Assets</b>		<u><u>150,984</u></u>
<b>Non-current liabilities</b>		
Borrowings	5	140,000
		<u>140,000</u>
<b>Net assets</b>		<u><u>10,984</u></u>

**Capital and reserves**

Ordinary Shares	6	70,000
Profit and Loss account		(59,016)

<b>Total capital and Reserves</b>		<b>10,984</b>
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**Statement of cash flows from 27 February 2018 to 30 September 2018**

	Notes	£
Cash and cash equivalents brought forwards		-
<b>Cash and cash equivalents carried forward</b>		<b>-</b>

## Notes to the Historical Financial Information Statement for the period from 27 February 2018 to 30 September 2018

### 1. General Information

Illyrian Power Plc (the “Company”) was incorporated in England and Wales under the Companies Act 2006 as a public company on 27 February 2018. The Company is in the development stage and has not yet commenced principal operations. The Company’s principal business activities will be that of making Investments in, and acquisitions in companies, that are involved in the renewable, clean and alternative energy market.

Illyrian Power Plc is a Public Limited Company incorporated in England and Wales (Registration Number 11227772). The address of the registered office is 112 Houndsditch, London, EC3A 7BD.

These historical financial information statements have been prepared in accordance with FRS102 and on the going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to identify and complete successful investments as well as raise additional funding as and when needed. There can be no assurance that the Company will be able to find suitable opportunities, in which case the Company may be unable to meet its obligations. Should the Company be unable to realise on its assets and discharge its liabilities in the normal course of business, the net realisable value of its assets may be materially less than the amounts recorded on the statement of financial position.

### 2. Principal Accounting Policies

The Principal Accounting Policies applied in the preparation of these Historical Financial Information Statements are set out below. These Policies have been consistently applied to all periods presented, unless otherwise stated.

#### 2.1 Basis of Preparation of Historical Financial Information Statements

The Historical Financial Information of Illyrian Power Plc for the period ended 30 September 2018, as set out in this document, has been prepared by the Directors of the Illyrian Power Plc.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2003. The Directors of the Illyrian Power Plc are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information Statements have been prepared in accordance with FRS102. The Historical Financial Information Statements have also been prepared under the historical cost convention.

The historical financial information statements are presented in sterling (£), rounded to the nearest pound.

#### 2.2. Financial instruments

As at 30 September 2018, the Company had no financial instruments.

### 3. Trade and other receivables

	£
Amounts due from lenders	130,984
Unpaid share capital	20,000
	<hr/>

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150,984

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#### 4. Current Liabilities

£

Trade and other creditors:

-

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-

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#### 5. Non-Current Liabilities

£

Borrowings

140,000

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140,000

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The company has borrowed £140,000 through an unsecured term loan facility of £140,000, which may be repaid on a periodic basis as determined by the Borrower from surplus retained earnings.

#### 6. Share capital

£

Allotted 70,000 ordinary shares of £1:

Paid up 50,000 ordinary shares of £1 each paid.

50,000

Unpaid 20,000 ordinary shares of £1 each

20,000

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70,000

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#### 7. Commitments

The Company is committed to pay certain fees in connection with the fundraising and admission. The maximum expected cost on successful completion of the fundraising and admission is approximately £96,756 inclusive of VAT of which £59,016 has been paid to date.

#### 8. Capital Management

The capital of the Company consists of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition opportunities and to maintain optimal returns to shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended 30 September 2018. The Company is not subject to externally imposed capital requirements.

#### 9. Risk Management

##### a) Credit risk

All the Company's cash will be held with well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

The Company's maximum credit risk exposure is limited to the carrying value of its cash and subscriptions receivable. At 30 September 2018, the Company had no material amounts deemed to be uncollectible.

**b) Interest rate risk**

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have a material exposure to this risk as there are no outstanding debt facilities.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation.

The Company utilises authorisation for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources.

**10. Related Party transactions**

Duncan Webster and Neil Robertson both directors of the company have made equal loans to the company totalling £140,000 and at 30 September owed the company £10,984 which represents the £20,000 of unpaid share capital less expenses that they have paid on behalf of the company.

**10. Ultimate Controlling Party**

The Company is currently under the control of its current founder subscribers.



## PART III

### ADDITIONAL INFORMATION

#### 1. Incorporation of the Company

- 1.1 The Company was incorporated in England and Wales on 27 February 2018 with registered number 11227772 as a Public Limited Company.

The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made there under.

The registered office of the Company is 112 Houndsditch, London EC3A 7BD. The Company's principal place of business is currently 112 Houndsditch, London EC3A 7BD. United Kingdom, and contact telephone number is 0207 398 5680.

The Company's website address is <http://www.llyrianpower.com>

#### 2. Share capital of the Company

- 2.1 The Company's authorised and issued capital is, at the date of this Document, and will be on Admission, as follows:

Ordinary Shares	Issued		Amounts fully paid		Amounts not fully paid	
	£	Number	£	Number	£	Number
	1	70,000	50,000	50,000	20,000	20,000
<b>Preference Shares</b>						
Preference Shares	Proposed		Issued at Admission			
	6,500,000	6,500,000	500,000	500,000	0	0

- 2.2 The entire issued share capital as at the date of this Admission Document and on Admission is £570,000. As set out in paragraph 5 of Part III, 100% of the issued Ordinary Shares is held by Neil Robertson and Duncan Webster and therefore will not be held in public hands.
- 2.3 The whole of the issued share capital of £70,000 is beneficially owned by Neil Robertson and Duncan Webster who are also directors of the Company. No shares of the Company are under option or agreed conditionally or otherwise to be put under option.
- 2.4 The Ordinary Shares of the Company rank pari passu in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Share capital of the Company.

#### 3. Memorandum and Articles of Association of the Company

- 3.1 The Company has authority to issue and allot the Preference Shares pursuant to its articles of association and the Preference Shares are duly constituted pursuant to the Preference Shares' Terms and Conditions.
- 3.2 There is only one class of share currently issued, being Ordinary Shares, although the Company may by ordinary resolution issue different classes of shares with such rights and restrictions as are determined by the ordinary resolution. Variation of share rights may only occur by a special resolution of the holders of that class of share.
- 3.3 The provisions contained in the Company's Memorandum of Association determining its objects state that the Company's main activity is that of a general commercial company.

## Articles of Association

The following is a summary of the Articles of Association (**Articles**) of the Company. The Company is a UK public company registered in England and Wales, registered number 11227772.

### Objects

It is to be noted that the Articles do not specifically state or limit the objects of the Company which are therefore unrestricted.

### Shares

The Company's shares may be issued in certificated or dematerialised form to its members. The Company has in issue at the date of this document 70,000 Ordinary Shares. At the time of admission the Company will be issuing 6,500,000 cumulative redeemable Preference Shares of £1.00 each.

### Rights attaching to shares in the Company

(a) Ordinary Shares

- (i) There are no rights of pre-emption in respect of transfers of issued Ordinary Shares. However, in certain circumstances, the Company's Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to place new shares for allotment of existing Shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's Shareholders.
- (ii) In order to transfer Ordinary Shares, the instrument of transfer of any such shares must be in any usual or common form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee. The Articles contain no restrictions on the free transferability of fully paid shares, provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with;
- (iii) Each Ordinary Share confers the rights to receive notice of and attend all meetings of shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Ordinary Share of which he is the holder;
- (iv) On a winding up a liquidator may, with the sanction of a special resolution of the Company, divide amongst the holders of the Company's shares (in specie or in kind) the whole or any part of the assets of the Company, and may, with the like sanction, determine how such diversion is to be carried out.
- (v) The Ordinary Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period;
- (vi) Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid pro-rata according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply them towards the satisfaction of the debts, liability or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory

disclosure requirements of the Act. Any dividend unclaimed for twelve years will be forfeited and revert to the Company;

- (vii) Subject to the provisions of the Act, the Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares be authorised by a special resolution of the Company in a general meeting before the Company enters into such a contract;
- (viii) All or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class. At every such separate general meeting the quorum is two persons holding or representing by proxy one-third in nominal value of the issued shares of that class; and
- (ix) The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001 and transfer of title of those shares shall be effected by means of relevant system in the manner provided for and subject as provided for in Uncertificated Securities Regulations 2001. Shares held in certified form and those held in uncertificated form may be changed to certificated form.

(b) Preference Shares

- (i) The Preference Shares rank *pari passu* with each other but otherwise shall have the rights and be subject to the limitations and restrictions set out in the Articles as well as such further rights, limitations and restrictions as may be determined by the board prior to allotment;
- (ii) The holders of the Preference Shares shall be entitled, in priority to any payment of dividend to the holders of any other class of shares, to be paid out of the profits available for distribution and resolved to be distributed, a fixed cumulative preferential dividend at the rate of 7.50 per cent. per annum on the capital for the time being issued and paid up or credited as paid up, including any premium paid up thereon without any resolution of the directors or of the Company.
- (iii) Each preferential dividend shall be payable annually in arrears on 31 May and 30 November in each year in respect of the twelve months ending on the preceding dividend date.
- (iv) On a return of capital on a winding-up, the holders of the Preference Share shall be entitled to receive, out of the surplus assets of the Company remaining after payment of its liabilities and the repayment of capital, an amount per Preference Share equal to the nominal amount of a Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has been earned or has become due and payable, to be calculated up to and including the day of the commencement of the winding-up.
- (v) On a return of capital (otherwise than on a winding-up or on a redemption or purchase by the Company of shares of any class), the holders of the Preference Shares shall be entitled to receive an amount per Preference Shares equal to the nominal amount of a Preference Share together with all arrears and accruals (if any) of the dividend payable thereon, whether or not such dividend has been earned or has become due and payable, to be calculated up to and including the day of the return of capital.
- (vi) No Preference Share shall confer any right to participate in the profits or assets of the Company.

- (vii) Save with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares, the board shall not authorise or create, or increase the amount of, any shares of any class, or any securities convertible into any shares of any class, ranking as regards participation in the profits or assets of the Company (otherwise than on a redemption or purchase by the Company of any such share) in priority to the Preference Shares.
- (viii) Subject to the Articles, the rights attached to any Preference Shares allotted or in issue shall (unless otherwise provided by their terms of issue) be deemed not to be varied by the allotment or issue of any further Preference Shares ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Preference Shares.
- (ix) The holders of the Preference Shares shall, by virtue of their holdings of Preference Shares, have the right to receive notice of every general meeting of the Company but shall not have the right to attend, speak or vote at any general meeting of the Company unless;
  1. At the date of such meeting, the preferential dividend on such shares is in arrears for six months or more after any date fixed for payment thereof, in which case such holders shall have the right to attend, speak and vote on any resolution at such general meeting; or
  2. A resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares, in which case the holders of the Preference Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on such resolution; or
  3. A resolution is proposed for winding up the Company, in which case the holders of the Preference Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on such resolution.
  4. The above does not impact the holders of the Preference Shares to attend, speak and vote at any general meeting concerning the issue of further Preference Shares.
- (x) Whenever the holders of Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such general meeting, on a show of hands every holder thereof who (being an individual) is present in person or by proxy or (being a Corporation) is present by representative or proxy shall have one vote and on a poll every holder thereof who is present in person or by proxy shall have one vote in respect of every fully paid Preference Share registered in the name of such holder.

### **Voting Rights**

(a) Ordinary Shares

On a vote on a resolution on a show of hands at a meeting each member who is present in person or by proxy shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.

(b) Preference Shares

Please refer to paragraphs 3(b)(x-xi).

### **Redemption Rights**

- (a) Subject to the provisions of the Companies Act 2006, The Company has a right to issue further redeemable shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the Directors may determine. For the avoidance of doubt the Preference Shares to which this Admission Document refers to shall be redeemed as per the Terms and Conditions of the

Preference Shares in Part IV below.

### **Transfer and Transmission of Shares**

- (a) A share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Directors may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- (b) Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules. No provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred.

### **Dividend Rights**

- (a) The Ordinary Shares carry the right to a dividend declared and paid according to amount paid up on such shares, but no dividend shall exceed the amount recommended by the Directors.
- (b) The Preference Shares carry a right to a fixed cumulative preferential dividend at the rate of 7.50 per cent. per annum on the capital for the time being issued and paid up or credited as paid up.

### **The Directors**

- (a) Remuneration

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of these Articles) must not exceed £100,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this Article shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles and shall accrue from day to day.

- (b) Retirement of Directors

Each Director, who has been appointed by the Board since the previous annual general meetings or for whom it is the third annual general meeting following the annual general meeting at which he was elected or last re-elected shall retire from office and shall be eligible for reappointment at the annual general meeting after the general meeting at which he was appointed or last reappointed. If the Company, at the meeting at which a Director retires under this Article, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.

- (c) Alternate Directors

Each Director may appoint any person (including another Director) to be his alternate and may at his discretion remove an alternate Director so appointed. Any appointment or removal of an alternate Director must be by written notice delivered to the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting or in any other manner approved by the Board. The appointment requires the approval of the Board unless it has been previously approved or the appointee is another Director.

- (d) Directors Proceedings

Pursuant to Article 114 the Directors are prohibited from voting on any transaction involving a company in which he has an interest in or a controlling position. This Article 114 further

confirm that any transaction involving the funding of the Company shall only be on commercial terms and may only be voted by those Director who do not have an interest and/or controlling position in that company.

In accordance with Article 108 of the Company's Articles of Association, where a deadlock of equal votes arises in any board meeting, the non-executive chairman of the Company shall have a casting vote.

### General Meeting

- (a) The Board may call general meetings and, on the requisition of the members pursuant to the Acts, shall forthwith convene a general meeting.
- (b) A general meeting shall be called by at least such minimum notice as is required or permitted by the Companies Acts. The period of notice shall in either case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given to all members other than those who are not 20 entitled to receive such notices from the Company. The Company may give such notice by any means or combination of means permitted by the Companies Acts.
- (c) Notice of a general meeting shall specify the place, date, and time of the meeting and the general nature of business to be transacted at the meeting. If the general meeting is to be an annual general meeting this shall also be stated. Where it is proposed that a special resolution be passed at a general meeting such intention and the terms of the resolution shall be specified.
- (d) Subject to any restrictions imposed on any shares, every notice of a general meeting shall be sent to the members and to the Directors and auditors of the Company. The accidental failure to give notice of a meeting to any one or more persons entitled to receive the same, or the non-receipt of a notice of meeting shall be disregarded for the purpose of determining whether notice of the meeting is duly given.

## 4. Directors' shareholding & interests

4.1 The interests of the Directors in the issued share capital of Company at Admission are:

Name	Number of issued Ordinary Shares	% of issued Ordinary Shares
Neil Robertson	35,000	50%
Duncan Webster	35,000	50%

## 5. Additional information on the board

5.1 Details of the Directors and their functions in the Company are set out on page 5 of this Admission Document. In addition to their directorship of the Company, the Directors currently hold, and have during the five years preceding the date of this document held, directorships of the following companies:

Name	Current Directorships/ Partnerships	Past Directorships/ Partnerships
Peter Jay	Mountfield Group Plc  Mountfield Land Limited Zeme Ltd Limitless Earth Plc	Harrow Multiple Sclerosis Therapy Centre Limited Molten Capital Ltd Cape Resources Plc Acre 1173 Limited Dominion Energy Plc

Neil Robertson	Altair Renewable Energy Ltd Green Park Corporate Services Ltd Belgravia Investment Solutions Ltd Bio Gea d.o.o BCx Services Ltd	
Duncan Webster	Medical Device Innovations Limited Aratus Capital Limited RDSS Japan Limited Brand Advisory Limited Taxxa LLP Psammead Ventures Ltd Verdant Invest Ltd Altair Renewable Energy Ltd Dissectoview Ltd Skyend Ltd Preston Pyro Limited Quorum Sports Ltd Carbon Demeto Ltd	Devon Green and Blue Limited EBW Capital Limited Taunton Logs Limited Crystal AD Limited Silver Biogas Limited STN Energy Limited CFS Care Ltd Verdaquin Ltd Biomass Investor Ltd Green Arbour Limited White Top Limited HYCSA UK Limited
Andrew Firmston-Williams	EVI Solutions Limited EVMIU Solutions Limited Intelico Limited	Leclanché SA

Duncan Webster is a designated member of Taxxa LLP, a tax consultancy providing advice to high net worth individuals from 29 May 2012. Taxxa LLP is in the process of being placed in liquidation due to HMRC arrears. The outstanding liability is of £51,593 on liquidation.

5.2 At the date of this Document, none of the Company's Directors:

- (a) is currently or has over the previous five years been a director or partner of any companies and partnerships other than those which are disclosed above;
- (b) has any unspent convictions in relation to indictable offences;
- (c) has been involved in any bankruptcy or individual voluntary arrangements;
- (d) has been involved as a director of a company which has gone into receivership or been the subject of any compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors at the time of or within the 12 months preceding such events; or
- (e) has been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 6. Director's service agreements

6.1 The Directors have been appointed to the roles set out against their respective names on page 5 of this document. The key details relating to the executive Directors' service agreements and the non-executive Director's letter of appointment are summarised below:

## **Peter Jay**

Peter Jay entered into a letter of engagement with the Company on 30 June 2018 under which he was appointed as Non-Executive Chairman of the Company. Under the terms of the letter of engagement Peter Jay shall be entitled to receive a fee of £12,000 per annum payable monthly in arrears. Peter Jay's appointment is terminable by either the director or the Company giving three (3) months' written notice.

## **Neil Robertson**

Neil Robertson entered into a service contract with the Company on 30 June 2018 under the terms of which Neil Robertson was appointed as Joint Managing Director. No salary is payable to Neil Robertson until the Company enters into its first agreement to help finance an acquisition of a renewable energy project. Thereafter Neil Robertson shall be entitled to a salary of £2,000 per month. Under the terms of the service contract, the salary will be reviewed on a regular basis by the Board. The terms also place a duty on Neil Robertson to use his best endeavours to avoid conflict arising between his duty as a Director of the Company and any other directorship he may hold and where any conflict may arise, to refer such matter to the Company's non-executive director(s) from time to time. Neil Robertson's appointment is terminable either by Neil Robertson or the Company giving not less than six (6) months' written notice. As there are no ancillary benefits due to Neil Robertson then following termination of the service contract no compensation for loss of ancillary benefits (other than salary) will fall due.

## **Duncan Webster**

Duncan Webster entered into a service contract with the Company on 30 June 2018 under the terms of which Duncan Webster was appointed as Joint Managing Director. No salary is payable to Duncan Webster until the Company enters into its first agreement to finance an acquisition of renewal projects. Thereafter Duncan Webster shall be entitled to a salary of £2,000 per month. Under the terms of the service contract, the salary will be reviewed on a regular basis by the Board. The terms also place a duty on Duncan Webster to use his best endeavours to avoid conflict arising between his duty as a Director of the Company and any other directorship he may hold and where any conflict may arise, to refer such matter to the Company's non-executive director(s) from time to time. Duncan Webster's appointment is terminable either by Duncan Webster or the Company giving not less than six (6) months' written notice. As there are no ancillary benefits due to Duncan Webster then following termination of the service contract no compensation for loss of ancillary benefits (other than salary) will fall due.

## **Andrew Firmston-Williams**

Andrew Firmston-Williams entered into a letter of engagement with the Company under which he was appointed as a Non-Executive Director of the Company. Under the terms of the letter of engagement Andrew Firmston-Williams shall be entitled to receive £12,000 per annum payable monthly in arrears. Andrew Firmston-Williams's appointment is terminable by either the Director or the Company giving three (3) months' written notice.

## **7. Litigation**

So far as the Company is aware, there are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company which are having, or may have, a significant effect on the financial position of the Company.

## **8. Working capital**

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company will be sufficient for a period of at least twelve months following Admission.

## **9. Material contracts**

### **9.1 Admission Engagement Letter**



On 22 January 2018, the Company entered into a Corporate Adviser agreement with Alexander David Securities Limited ("**ADSL**") under which the Company appointed ADSL as its corporate adviser in connection with Admission and the issue of the Preference Shares. Under the terms of this letter of engagement the Company agreed to pay ADSL an engagement fee of £15,000, a submission fee of £15,000, a success fee of £15,000 payable upon the admission to NEX Exchange Growth Market, a placing fee of £20,000 payable on completion of a placing of at least £1m and a selling commission fee of five per cent. of gross proceeds received by the Company from investors introduced by ADSL, one percent selling commission of gross proceeds received by the Company from third party investors. An annual retainer fee of £12,000 per annum, payable quarterly in advance upon admission to NEX Exchange Growth Market.

## **9.2 Subordinated loans**

9.2.1 On 24 October 2018 the Company entered into a subordinated loan agreement with Duncan Webster ("the Subordinated Loan Agreement"). Under the terms of the Subordinated Loan Agreement Duncan Webster agreed to lend the sum of £70,000 ("the Subordinated Loan") on an unsecured, interest free basis with effect from [30 September 2018]. The Subordinated Loan is to be repaid by 31 December 2023 though the Company may repay part or all of the Subordinated Loan prior to 31 December 2023 should the Company have surplus retained earnings. In the event of a winding up of the Company the Subordinated Loan shall rank subordinate to the interest of the Preference Shares.

9.2.2 On 24 October 2018 the Company entered into a subordinated loan agreement with Neil Robertson ("the Subordinated Loan Agreement"). Under the terms of the Subordinated Loan Agreement Neil Robertson agreed to lend the sum of £70,000 ("the Subordinated Loan") on an unsecured, interest free basis with effect from [30 September 2018]. The Subordinated Loan is to be repaid by 31 December 2023 though the Company may repay part or all of the Subordinated Loan prior to 31 December 2023 should the Company have surplus retained earnings. In the event of a winding up of the Company the Subordinated Loan shall rank subordinate to the interest of the Preference Shares.

## **10. Taxation**

### **10.1 United Kingdom Taxation**

The following summary is intended as a general guide for UK tax resident Shareholders as to their tax position under current UK tax legislation and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The Company is at the date of this document resident for tax purposes in the United Kingdom and the following is based on that status.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Preference Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Preference Shares and who hold their Preference Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 5 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are "employment related securities" as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Preference Shares.

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

### **10.2 Taxation of dividends**

#### *10.2.1 United Kingdom resident shareholders*

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 7.50 per cent. up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 32.5% up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 38.1% being at the additional rate of income tax.

Dividends received by the trustees of discretionary or accumulation trusts and not exceeding the first band will be taxed at 7.50 per cent. The first band is established by taking £1,000 and dividing this amount by the number of settlements formed by the settlor up to a maximum of 5. The minimum first band is £200. Any dividends received by such trusts in excess of the first band will be taxed at 38.1%. If the shareholder is in doubt as to the amount of the first band, then independent professional advice should be sought.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

### *10.2.2 Companies*

Subject to UK dividend exemption rules, a corporate Shareholder resident in the UK (for tax purposes) should generally not be subject to corporation tax or income tax on dividend payments received from the Company.

### *10.2.3 Non-residents*

In general, the right of non-UK resident shareholders to reclaim tax credits attaching to dividend payments by the Company will depend upon the existence and the terms of an applicable double tax treaty between their jurisdiction of residence and the UK. In most cases, the amount of tax credit that can be claimed by non-UK resident Shareholders from HMRC will be nil. They may also be liable to tax on the dividend income under the tax law of their jurisdiction of residence. Non-UK resident Shareholders should consult their own tax advisers in respect of their liabilities on dividend payments, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

Persons who are not resident in the UK should consult their own tax advisers on whether or not they can benefit from all or part of any tax credit and what relief or credit may be claimed in the jurisdiction in which they are resident.

## **10.3 Taxation of chargeable gains**

### **United Kingdom resident shareholders**

A disposal of Preference Shares by a shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on a disposal of Preference Shares.

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2019 is £11,700. Generally speaking, where the individual's taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year ended 5 April 2019 the

allowance is £5,850. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

### **Non-residents**

A shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the shareholder is not a company) and has used, held or acquired the Preference Shares for the purposes of such trade, profession or vocation through such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Preference Shares.

In addition, any holders of Preference Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

All non-resident or non-domiciled shareholders should seek professional advice before considering a transaction which will be considered a chargeable gain.

### **Companies**

For UK corporates, capital gains are currently chargeable at the rate of 19 per cent. subject to indexation which may apply to reduce any such gain, although indexation cannot create or increase a capital loss (indexation is no longer available to individuals and trustees). Other reliefs may be relevant.

## **10.4 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

No UK stamp duty or SDRT will be payable on the issue of new shares pursuant to the Placing, other than as explained below.

Dealings in new shares will generally be subject to stamp duty or SDRT in the normal way. An instrument effecting the transfer on sale of new shares will generally be liable to stamp duty at the rate of 0.5 per cent. (rounded up, if necessary, to the nearest multiple of £5) of the amount or value of the consideration payable. However, where the amount or value of the consideration is £1,000 or less, and provided that the transfer does not form part of a larger transaction or series of transactions where the combined consideration exceeds £1,000, such instrument should be exempt from charge upon certification of such facts.

An unconditional agreement to transfer new shares will generally be liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, but such liability will be cancelled, or a right to a repayment (generally, with interest) in respect of the payment of such SDRT liability will arise, if the agreement is completed by a duly stamped or exempt transfer within six years of the agreement having become unconditional. Stamp duty and SDRT are normally the liability of the purchaser.

Subject to certain exemptions, a charge to stamp duty or SDRT will arise on the transfer of new shares to a person providing a clearance service, its nominee or agent, or to an issuer of depositary receipts, its nominee or agent, where that transfer is not an integral part of an issue of share

capital. The rate of stamp duty or SDRT, as the case may be, in such circumstances will generally be 1.5 per cent. of the amount or value of the consideration for the transfer or, in some circumstances, the value of the new shares concerned, in the case of stamp duty rounded up, if necessary, to the nearest multiple of £5.

No stamp duty or SDRT will arise on a transfer of new shares into the CREST system provided that the transfer is not for money or money's worth. Paperless transfers of new shares within CREST are liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration payable) rather than stamp duty, and SDRT arising on the agreement to transfer new shares under relevant transactions settled within the system or reported through it for regulatory purposes will generally be collected by CREST.

## **10.5 Inheritance tax**

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Preference Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

## **11. Significant Change**

Other than as disclosed in this Document, there has been no significant change in the financial or trading position of the Company from 30 September 2018, being the date of the financial statements set out in Part II, to the date of this Document.

## **12. Related Party Transactions**

- 12.1 By virtue of their shareholdings in the Company, the Directors are related parties. If a conflict of interest or a potential conflict appears from the activities of the Company's Director's, the Director(s) shall refer such matter to the Company's non-executive director(s) to approve any such activity.
- 12.2 In the view that the subordinated loans described in the Material Contracts section are provided by the Directors of the Company, these transactions are considered to be related party transactions.
- 12.3 By virtue of common directorships and shareholdings, Bio Gea d.o.o is a related party. Neil Robertson is a director and shareholder of Bio Gea d.o.o.

## **13. The Company's accounting reference date is 28 February.**

There is no other information of which the Company or Directors are aware that they consider (acting reasonable) would be reasonably required in order to make an informed assessment of the Company, its financial position and business activities.

## **14. Documents available for inspection**

14.1 For the period of 12 months following the date of this Admission Document, copies of the following documents will, when published, be available for inspection from the registered office of the Company.

- (a) the Memorandum and Articles of Association of the Company;
- (b) a copy of this Admission Document; and

(c) any future offering circulars and supplements to this Admission Document, any other documents incorporated therein by reference;

14.2 This document is available for review on the Company's website at <http://www.llyrianpower.com>. In addition, hard copies of this document may be collected from the Company's registered office and the offices of Alexander David Securities Ltd.

**30 October 2018**

## PART IV

### TERMS AND CONDITIONS OF THE PREFERENCE SHARES

The issue of the Preference Shares was authorised by a resolution of the board of Directors of the Company passed on 5 July 2018.

The Preference Shares of £1 each in the capital of the Company have the rights and are subject to the restrictions as set out below:

#### **Income**

The Preference Shares rank *pari passu* with each other but otherwise shall have the rights and be subject to the limitations and restrictions set out in the Articles as well such further rights, limitations and restrictions as may be determined by the Board prior to allotment.

Each Preference Share shall confer on the holders thereof the right to receive, out of the profits of the Company available for distribution, a fixed cumulative preferential dividend at the rate of 7.50 per cent. per annum on the capital for the time being issued and paid up or credited as paid up, including any premium paid up thereon ("**Preferential Dividend**") without any resolution of the Directors or of the Company.

The Preference Shares shall rank for the Preferential Dividend in priority to all dividends or distributions payable in respect of other shares of the Company from time to time in issue. Subject to the Preferential Dividend payable to the holders of the Preference Shares, the holders of Ordinary Shares are entitled to all the profits of the Company available for dividends and resolved to be distributed.

Dividends will be paid only to the extent that payment of the same can be made out of profits of the Company available for distribution and permitted by law to be distributed on each Dividend Payment Date ("**Dividend Date**").

Where the payment of the dividend cannot be made out of profits of the Company available for distribution at any given Dividend Date, or permitted by law, the dividend shall accrue and be paid at the next Dividend Date to the extent that the same can be made out of profits of the Company and is permitted by law.

The Preferential Dividend shall be payable annually in arrears on 31 May and 30 November (or, in the event of any such date being a Saturday, Sunday or a day which is a public holiday in England, on the next day which is not such a day) in each year in respect of the twelve months ending on the preceding Dividend Date, save that the first such payment after the date of issue of the Preference Shares shall be made on the 19 May 2019.

Payments of Preferential Dividend shall be made to holders on the register at any date selected by the Directors up to 42 days prior to the relevant Dividend Date.

The Preference Shares shall not confer on the holders any further right of participation in the profits of the Company.

#### **Capital**

On a return of capital on a winding up or otherwise the assets of the Company available for distribution to its members shall be applied:

First, in repaying to the holders of the Preference Shares a sum equal to all arrears and accruals (if any) of the Preferential Dividend, whether or not such dividend has been earned or declared, calculated down to the date of the commencement of the winding-up (in the case of winding-up) or the return of capital (in any other case);

Second, in repaying to the holders of the Preference Shares the capital paid up or credited as paid up on the Preference Shares;

Third, in distributing all the remaining assets of the Company rateably amongst the holders of fully paid Ordinary Shares according to their respective holdings of shares in the Company immediately prior to the commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case).

The Preference Shares shall not confer on the holders any other right to participation in the assets of the Company.

### **Allotment of further shares**

Save with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares, the board shall not authorise or create, or increase the amount of, any shares of any class, or any securities convertible into any shares of any class, ranking as regards participation in the profits or assets of the Company (otherwise than on a redemption or purchase by the Company of any such share) in priority to the Preference Shares.

Subject to the Articles, the rights attached to any Preference Shares allotted or in issue shall (unless otherwise provided by their terms of issue) be deemed not to be varied by the allotment or issue of any further Preference Shares ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Preference Shares.

### **Voting**

The holders of the Preference Shares shall, by virtue of their holdings of Preference Shares, have the right to receive notice of every general meeting of the Company, but shall not have the right to attend, speak or vote at any general meeting of the Company unless;

- (i) at the date of such meeting, the Preferential Dividend on such shares is in arrears for six months or more after any date fixed for payment thereof, in which case such holders shall have the right to attend, speak and vote on any resolution at such general meeting; or
- (ii) a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares, in which case the holders of the Preference Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on such resolution; or
- (iii) a resolution is proposed for winding up the Company, in which case the holders of the Preference Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on such resolution.
- (iv) the above does not impact the holders of the Preference Shares to attend, speak and vote out at any general meeting concerning the issue of further Preference Shares.

For the avoidance of doubt, it is hereby declared that a resolution for the dis-application of section 561 of the Companies Act 2006 (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights or privileges.

Whenever the holders of Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such general meeting, on a show of hands every holder thereof who (being an individual) is present in person or by proxy or (being a Corporation) is present by representative or proxy shall have one vote and on a poll every holder thereof who is present in person or by proxy shall have one vote in respect of every fully paid Preference Share registered in the name of such holder.

### **Redemption**

In accordance with the Company's Articles of Association and unless Article 70.14 applies, the Company shall (subject to provisions of the statutes) on 31 December 2023 (the "Redemption Date") redeem at £1 per Preference Share the share the whole of the Preference Shares for the time being issued and outstanding. The Preference Shares may not be redeemed at the option of the Company or any Preference Shareholder other than in accordance with these Articles of Association.

All Preference Shares in respect of Article 70.14 of the Company's Articles under which Notice of redemption is given in accordance with Article 70 shall be redeemed at a premium of £0.05 per Preference Share on the date specified in such notice in accordance with this Article.

In accordance with Article 70.14 shares shall only be redeemed at a premium of £0.05 per Preference Share if the Company has or will become obliged to pay additional amounts as a result of any change, or amendments to the laws or regulations of the United Kingdom, any political subdivision or any

authority, which becomes effective on or after the issue date, and such obligation cannot be reasonably avoided by the Company.

Upon the redemption the holders of the redeemable Preference Shares shall present the Company a certificate in respect thereof in order that the same may be cancelled and may not be reissued or resold. Upon such deliver the Company shall pay to such holders the amount due to them in respect of such redemption. The moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.



## PART V

### DEFINITIONS

<b>“Admission”</b>	admission of the 7.50 per cent. Cumulative Redeemable Preference Shares of the Company to trading on the NEX Exchange Growth Market in accordance with the NEX Exchange Growth Market Rules
<b>“Admission Document” or “Document”</b>	this document
<b>“Admission Date”</b>	the effective date of Admission
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Board”</b>	the board of directors of the Company whose names appear on page 5 of this Document
<b>“Companies Act”</b>	means the Companies Act 2006
<b>“Company”</b>	Illyrian Power Plc, a company incorporated in England and Wales under Company Number 11227772
<b>“Corporate Adviser”</b>	means Alexander David Securities Limited of 30 Percy Street, London, W1T 2DB
<b>“CREST”</b>	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear UK and Ireland Limited
<b>“CREST Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time
<b>“Cumulative”</b>	designating or of preferred stock that pays regular dividends which, if not paid on the scheduled date, accumulate and take priority over dividend payments to other classes of the company's stock
<b>“Directors”</b>	the executive and non-executive directors of the Company at the date of this Document whose names are set out on pages 23 and 33 of this Document and “Director” means any one of them
<b>“Euroclear”</b>	means Euroclear UK and Ireland Limited
<b>“FCA”</b>	the Financial Conduct Authority
<b>“NEX Exchange Growth Market”</b>	the NEX Exchange primary market segment operated by NEX Exchange for dealings in unlisted securities admitted to trading in accordance with the Rules
<b>“NEX Exchange Growth Market Rules for Issuers” or “the Rules”</b>	NEX Exchange Growth Market Rules for issuing companies as published by NEX Exchange and amended or supplemented from time to time by market notice
<b>“Ordinary Shares”</b>	the 70,000 Ordinary Shares of £1 each in the share capital of the Company

<b>"Preference Shareholders"</b>	the holder of the Preference Shares
<b>"Preference Shares"</b>	fully Redeemable Preference Shares 2023
<b>"Redemption Date"</b>	in relation to the Preference Shares under the Preference Shares Terms and Conditions, the date falling 5 years after the Admission of the Preference Shares
<b>"Sterling or £"</b>	the official currency in the United Kingdom