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If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale was effected.

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PowerHouse Energy Group Plc

(a public limited company incorporated in England and Wales with registered number 03934451)

Proposed issue of 1,437,440,277 new Ordinary Shares in connection with the proposed acquisition of Waste2Tricity

Approval of Waiver of obligations under Rule 9 of the Takeover Code

Notice of General Meeting

You are recommended to read the whole of this document, but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 12 to 31 of this document. The Directors of the Company accept individual and collective responsibility for the information contained in this Circular including any opinions expressed herein including individual and collective responsibility for compliance with the AIM Rules and the Takeover Code. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the

information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

A notice convening a General Meeting of the Company, to be held at 10 a.m. on 14 July 2020 at the private residence of the Chairman, is set out at the end of this document.

In light of the UK government's announcement on 23 March 2020 of restrictive measures in connection with COVID-19, the Board will be taking appropriate measures in connection with this General Meeting.

Unless the measures change prior to the General Meeting, the Company anticipates that it will run the General Meeting as a closed meeting and that Shareholders will not be permitted to attend the General Meeting in person.

The action to be taken by Shareholders in respect of the General Meeting, including how you may raise questions in relation to business to be considered at the General Meeting, is set out on pages 29 to 31 of this document.

If you hold your Ordinary Shares in certificated form, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post to the Registrar at Neville House, Steelpark Road, Halesowen, B62 8HD by no later than 10 a.m. on 10 July 2020 (or, in the case of an adjournment of the General Meeting, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

As an alternative to completing and returning the printed hard copy Form of Proxy, you can also appoint a proxy or proxies electronically by registering the proxy with the Registrar at www.sharegateway.co.uk and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by the Registrar by no later than 10 a.m. on 10 July 2020.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting services in accordance with the procedures set out in the Crest Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agents (the Registrar (ID: 7RA11)) by no later than 10 a.m. on 10 July 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of the Form of Proxy would not normally prevent you from attending and voting in person at the General Meeting, or any adjournment thereof but due to COVID-19 we are instructing all Shareholders not to attend this meeting in person and instead to raise any questions in relation to the business to be considered at the General Meeting by following the procedure as set out on pages 29 to 31 of this document.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do might constitute a violation of local securities laws or regulations. Ordinary shares have not and will not be registered under the US Securities Act of 1933 (as amended from time to time).

Copies of this document are available, free of charge, at the office of PowerHouse Energy Group Plc at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, West Yorkshire, BD16 1PY and on the Company's website <https://www.powerhouseenergy.net/>.

WH Ireland is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and no-one else in connection with the Acquisition and is not, and will not be, responsible to anyone other than the Company for providing protections afforded to its clients or for providing advice in relation to the Acquisition or the contents of this document or any other matter referred to herein. No representation or warranty, express or implied, is made by WH Ireland as to any of the contents of this document, and WH Ireland has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to or limit any responsibilities which WH Ireland may have under FSMA or the regulatory regime established thereunder.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about the Company that are or may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, including in this document may be forward-looking statements. Without limitation any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the operations of the Company.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements express or implied by such forward looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place over reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Code and/or FSMA), the Company does not undertake any obligations to update publicly or revise any forward looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on their behalf are expressly qualified in the entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of the Company at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Rounding

Certain figures in this document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document and Form of Proxy	26 June 2020
Latest time and date for receipt of Forms of Proxy	10 a.m. on 10 July 2020
General Meeting	10 a.m. on 14 July 2020
Admission of Acquisition Shares	15 July 2020

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to the Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. Admission of the Acquisition Shares on AIM is conditional on, *inter alia*, the passing of the Allotment Resolution at the General Meeting.

KEY STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this document	2,072,360,416
Number of Acquisition Shares to be issued pursuant to the Acquisition	1,437,440,277
Enlarged Share Capital immediately following Admission	3,509,800,693
Fully diluted enlarged share capital immediately following Admission (taking into account the options and warrants in issue)	3,593,600,693
Acquisition Shares as a percentage of the Enlarged Share Capital	40.96%

DIRECTORS AND ADVISERS

Directors	Dr William Cameron Davies (Non-Executive Chairman) Mr David John Ryan (Chief Executive Officer and Chairman of the General Meeting) Mr Nigel Brent Fitzpatrick (Non-Executive Director) Mr James John Pryn Greenstreet (Non-Executive Director) Mr Myles Kitcher (Non-Executive Director)
Registered Office	15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, England, BD16 1PY
Company Secretary	Mr Nigel Brent Fitzpatrick
Legal Advisers to the Company	Bishop & Sewell LLP 59-60 Russell Square London WC1B 4HP
Nominated Adviser	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Brokers	Turner Pope Investments (TPI) Ltd 8 Frederick's Place London EC2R 8AB

DEFINITIONS

The following definitions apply throughout this document (including Notice of General Meeting and the Form of Proxy) unless the context requires otherwise:

Acquisition	the proposed acquisition by PowerHouse of the entire issued share capital of W2T, in accordance with the terms and conditions of the Acquisition Agreement
Acquisition Agreement	the conditional agreement entered into between PowerHouse and the Principal Sellers in relation to the Acquisition dated on or around the publication of this Circular, further details of which are set out in the letter from the Chairman incorporated into this document
Acquisition Shares	the 1,437,440,277 new Ordinary Shares proposed to be issued to the Sellers pursuant to the Acquisition
Admission	the admission of the Acquisition Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	AIM, a market of that name operated by the LSE
AIM Rules	the AIM Rules for Companies published by the LSE, as amended from time to time
Allotment Resolution	resolution 1 as set out in the Notice, to be voted on by the Shareholders at the General Meeting to authorise the Board to allot the Acquisition Shares on a non-pre-emptive basis
Board or Directors	the directors of the Company whose names are set out on page 12 in the letter from the Chairman incorporated into this document
Broker	Turner Pope Investments (TPI) Ltd, a company incorporated and registered in England and Wales with company number 09506196 whose registered office is situated at 8 Frederick's Place, London, EC2R 8AB
Business Day	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
certificated or in certificated form	a share or other security not held in uncertificated form (that is, not in CREST)
Code, City Code or Takeover Code	the City Code on Takeovers and Mergers
Company or PowerHouse	PowerHouse Energy Group Plc, a company incorporated in England and Wales with registration number 03934451 whose registered office is situated at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, England, BD16 1PY
Completion	completion of the sale and purchase of the entire issued share capital of W2T in accordance with the Acquisition Agreement

Concert Party	certain Sellers being Aquavista Limited, Marianna Beck, Jane Bennett, Tony Bennett, Bruce Drew, Linda Farnes, John Hall, Peter Jones OBE, Keith Riley, Piangkwan Thummukgool, Paul Warwick, Ben White, Howard White, Josh White, Serena White-Reyes, Diane Yeo, Timothy Yeo and Anna-Mariya Yordanova and as further described in paragraph 9 of Part I and paragraph 1 of Part II
Conditions	the conditions to Completion as contained within the Acquisition Agreement, being Admission and the passing of the Resolutions
Circular	this document
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
DMG Technology	PowerHouse's proprietary distributed modular generation technology that enables the recovery of energy from unrecyclable plastic, end-of-life tyres and other waste streams through small scale pyrolysis and gasification into an energy rich clean syngas (synthetic gas similar to town gas) from which electrical power and hydrogen can be produced
Enlarged Share Capital	the issued share capital of the Company at the date of Admission (assuming that no further warrants and/or options will be exercised between 25 July 2020 (being the latest practicable date prior to publication of the Circular) and Admission) as enlarged by the issue and allotment of the Acquisition Shares
Existing Ordinary Shares	the 2,072,360,416 Ordinary Shares in issue at the date of this document
Financial Conduct Authority	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part IV of FSMA
Form of Proxy	the enclosed form of proxy for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of PowerHouse to be held at 10 a.m. on 14 July 2020 (or any reconvened meeting following any adjournment of the general meeting) at the Chairman's private residence, notice of which is set out at the end of this document
Independent Directors	the Board, excluding Mr David Ryan who holds shares in W2T, being Dr William Cameron Davies, Mr Nigel Brent Fitzpatrick, Mr James John Pryn Greenstreet and Mr Myles Kitcher
Independent Shareholders	shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with him or her (as defined by the Code) which, for the purposes of the Panel Waiver, excludes all members of the Concert Party and any other shareholders of W2T who hold shares in the Company
Lock-In Deed	the deed between the Company and each of the Locked-In Sellers, further details of which are set out in paragraph 11 of the letter from the Chairman incorporated into this document

Locked-In Sellers	each of John Hall, Peter Jones OBE, Keith Riley, Piangkwan Thummukgool, Howard White, Josh White, Ben White, Serena White-Reyes, Timothy Yeo, Diane Yeo, Paul Heagren, Steve Medlicott and David Ryan
LSE or London Stock Exchange	London Stock Exchange plc
Notice or Notice of General Meeting	the notice of the General Meeting set out at the end of this document
Ordinary Shares	ordinary shares of £0.005 each in the capital of PowerHouse
Panel	the Panel on Takeovers and Mergers
Peel	Peel L&P Environmental Limited, a company incorporated in England and Wales with company number 04480419 whose registered office is situated at Peel Dome Intu Trafford Centre, Trafford City, Manchester, M17 8PL, England
Peel Collaboration Agreement	the agreement between PowerHouse, W2T, W2T Protos and Peel dated 9 August 2019 relating to the deployment of the Company's DMG Technology in the UK in respect of the Protos Project and a further 10 projects (as varied by the Peel Supplemental Collaboration Agreement)
Peel Supplemental Agreement	the agreement between PowerHouse, W2T, W2T Protos and Peel dated 10 February 2020 that varied the Peel Collaboration Agreement to seek to accelerate the development of the Protos Project
Peel UK Exclusivity Option Agreement	the agreement between PowerHouse and Peel dated 6 March 2020 pursuant to which Peel has been granted an exclusive option to commercialise the DMG Technology in the UK
Principal Sellers	John Hall and Howard White
Protos Project	the proposed application of the DMG Technology at the Protos Site
Protos Site	part of a 54 hectare site known as 'Protos' near Ellesmere Port, Cheshire, England
Registrar	Neville Registrars Limited, a company incorporated in England and Wales with registration number 04770411 whose registered office is situated at Neville House, Steelpark Road, Halesowen, B62 8HD
Relationship Agreement	the agreement in agreed form between PowerHouse and the White Family, further details of which are set out in paragraph 10 of the letter from the Chairman incorporated into this document
Resolutions	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
Rule 9 Offer	a general offer under Rule 9 of the Code
Sellers	the sellers of the ordinary shares of £0.01 each in W2T, being Aquavista Limited, Marianna Beck, Jane Bennett, Tony Bennett, Ron Bezalel, Izhaki Omer Chalamis, Chris Vanezis, Moshe Cohen, Dima Alfalasi, Bruce Drew, Linda Farnes, Alon Gad, Steven Giles,

Sheila Gimson, Tristan Haley, John Hall, Neville Harris, Paul Heagren, Ram Itzhaki, Peter Jones OBE, Agnieszka Makarewicz, Steve Medicott, Stefan Iucovici, Mollyndave PTY Ltd - Mollyndave Family A/C, N.O.M. Itzhaki Consulting Limited, Nick Penn, Martin Peters, Conrad Griffiths QC, Keith Riley, Herardo Rippa, David Ryan, Ian Smith, Maria Suttle, Kate Templeman, Piangkwan Thummukgool, Joseph Tytunovich, Shlomit Tytunovich, Nony Verioti, Paul Warwick, Ben White, Howard White, Josh White, Serena White-Reyes, Diane Yeo, Timothy Yeo and Anna-Mariya Yordanova

Shareholders	the holders of Ordinary Shares
uncertificated or uncertificated form	in recorded on the register of members of PowerHouse as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
Waiver	the waiver granted by the Panel (conditional on the approval of the Waiver Resolution by the Independent Shareholders) of the obligation of the Concert Party to make a Rule 9 offer under the Takeover Code as a consequence of the allotment and issue to it (or members of it) of the Acquisition Shares
Waiver Resolution	the ordinary resolution of the Independent Shareholders to approve the Waiver, to be proposed on a poll at the General Meeting and set out as Resolution 2 in the Notice
Waste2Tricity or W2T	Waste2Tricity Limited, a company incorporated in England and Wales with company number 06708968 whose registered office is situated at Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
WH Ireland	WH Ireland Limited, a company incorporated in England and Wales with company number 02002044 whose registered office is situated at 24 Martin Lane, London, EC4R 0DR, England
W2T International	Waste2Tricity International Limited, a company incorporated in England and Wales with company number 07979088 whose registered office address is situated at Finsgate, 5-7 Cranwood Street, London EC1V 9EE
White Family	Howard White, Josh White, Ben White and Serena White-Reyes
W2T Protos	Waste2Tricity (Protos) Limited, a company incorporated in England and Wales with company number 08361548 whose registered office address is situated at Finsgate, 5-7 Cranwood Street, London, EC1V 9EE
W2T Thai	Waste2Tricity International (Thailand) Ltd, a company incorporated and registered in Thailand with the Juristic Person Registration Number 0105555173929
£, pounds sterling, penny or pence	UK pound sterling, the lawful currency of the United Kingdom

PART I

LETTER FROM THE CHAIRMAN

PowerHouse Energy Group Plc

(a public limited company incorporated in England and Wales with registered number 03934451)

Directors:

Dr William Cameron Davies (Non-Executive
Chairman)
Mr David John Ryan (Chief Executive Officer)
Mr Nigel Brent Fitzpatrick (Non-Executive
Director)
Mr James John Pryn Greenstreet (Non-Executive
Director)
Mr Myles Kitcher (Non-Executive Director)

Registered Office:

15 Victoria Mews
Mill Field Road
Cottingley Business Park
Bingley
England
BD16 1PY

26 June 2020

To holders of Ordinary Shares

Dear Shareholder,

Proposed issue of 1,437,440,277 new Ordinary Shares in connection with the proposed acquisition of Waste2Tricity

Approval of Waiver of obligations under Rule 9 of the Takeover Code

Notice of General Meeting

1. INTRODUCTION

On 23 December 2019, the Board announced that PowerHouse had entered into heads of terms with W2T to acquire the entire issued share capital of W2T (**Heads**), a structured solutions provider to the energy-from-waste sector. The Board provided updates on the proposed Acquisition and related arrangements on 11 February 2020 and 9 March 2020. On 25 June the Company and the Principal Sellers entered into the Acquisition Agreement. The consideration for the Acquisition, in accordance with the Acquisition Agreement, is the issue of 1,437,440,277 Acquisition Shares to the Sellers in proportion (as nearly as may be practicable) to their current respective W2T holdings, which shall be issued and allotted conditional only on the passing of the Allotment and Waiver Resolutions and Admission and is expected to represent, in aggregate, 40.96% of PowerHouse's Enlarged Share Capital and 40% of PowerHouse's fully diluted enlarged share capital, taking into account the options and warrants in issue. Certain of the Sellers are acting in concert (as defined by the Takeover Code) and

therefore comprise the Concert Party as described further in paragraph 9 of Part I and paragraph 1 of Part II of this Circular.

The Acquisition Shares will rank *pari passu* in all respects with the Ordinary Shares in issue including the right to receive all dividends and other distributions made or paid following Admission.

The issue of the Acquisition Shares is conditional upon, inter alia, the Shareholders passing the Allotment Resolution and the passing of the Waiver Resolution by the Independent Shareholders at the General Meeting which will grant authority to the Board to allot the Acquisition Shares on a non-pre-emptive basis.

Under Rule 9 of the Code, the issue of the Acquisition Shares to the Concert Party and the resultant increase in the Concert Party's percentage holding of Ordinary Shares would normally result in the Concert Party being obliged to make a Rule 9 Offer. The Panel has agreed to waive this obligation subject to the passing, on a poll, of the Waiver Resolution by the Independent Shareholders of PowerHouse at the General Meeting. Your attention is drawn to the section on the Code contained in paragraph 8 of the letter from the Chairman of PowerHouse.

A General Meeting is therefore being convened at 10 a.m. on 14 July 2020 (or any reconvened meeting following any adjournment of the general meeting) at the Chairman's private residence for the purposes of considering the Resolutions.

Due to ongoing circumstances surrounding COVID-19 Shareholders wishing to participate are requested not to attend the meeting in person and instead vote in advance by completing and returning the hard copy Form of Proxy (or, alternatively, appointing a proxy or proxies electronically by registering the proxy with the Registrar at www.sharegateway.co.uk and completing the authentication requirements as set out on the Form of Proxy) or if you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Please refer to paragraph 13 of this Part 1 of this Circular and the Notice of General Meeting set out at the end of this Circular, for further information in respect of the General Meeting.

The formal Notice of General Meeting is set out at the end of this document.

Prior to the Acquisition, PowerHouse, W2T and Peel have been collaborating to develop the Protos Project as a 'first-of-a-kind' application of the DMG Technology at the Protos Site, together with 10 additional potential projects. The terms of this collaboration have, as it has developed over time, been recorded in a number of agreements culminating in the Peel Collaboration Agreement, the Peel Supplemental Agreement and, most recently, the Peel UK Exclusivity Option Agreement (all together, **Peel Agreements**) with the Acquisition being a condition to full implementation of the Peel Agreements pursuant to which Peel has, on exercise of its option (exercisable from Completion) (**Option**), agreed to pay the sum of £500,000 to PowerHouse for the exclusive right to use the DMG Technology in the United Kingdom (**Exclusivity Sum**) and, as a consequence, will further lead the development and the further funding strategy for all developments contemplated within the Peel Agreements.

The purpose of this letter is to explain why the Independent Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of the Ordinary Shares held by them.

2. BACKGROUND

PowerHouse is the designer, creator, licensor and vendor of a modular energy recovery system using renewable or waste feedstock and owner of the DMG Technology. The DMG Technology is a proprietary design that converts calorific waste streams into a valuable intermediate product, a synthetic gas, a product that can be used for power generation and as a source of hydrogen for fuel cell vehicles.

W2T was established in September 2008 by Howard White to identify technologies capable of generating low cost hydrogen. W2T has two wholly owned UK subsidiaries, W2T International and W2T Protos, both of which are dormant.

W2T and PowerHouse's former director, Keith Allaun, had regular contact about technology development during Keith's tenure at PowerHouse which was demonstrated by an agreement that was entered into by PowerHouse for territorial use of technology in Thailand in 2014. Following this, PowerHouse and W2T continued to keep regular contact regarding the potential of trialling the technology using non-recyclable plastics as a feed to generate a stream of hydrogen.

These exploratory project discussions led in January 2017 to a memorandum of understanding (**MOU**) to harness PowerHouse and W2T's strengths to develop, build and operate a number waste to energy plants in the UK, utilising PowerHouse's technology but focussing on hydrogen as a product, on a 50:50 partnership. Under this development partnership, W2T arranged initially for the use of an interim testing site from Peel, with whom they had a long standing project co-operation agreement with and, subsequently a permanent research and development site lease with Thornton Energy Park.

The partnership set the objectives of technology development by PowerHouse, following W2T's key market application of distributed hydrogen using waste plastic as an operational feedstock. This hydrogen focussed product vision was developed from 2017 by the Company using W2T team members including David Ryan, who at that time had been seconded from W2T. The output from this programme became the DMG Technology.

W2T fostered a closer relationship for PowerHouse with Peel, whereby Peel considered exploiting the DMG Technology and its applications in the UK, with Peel initially offering a site to the Company for it to develop in another area of Ellesmere Port in Cheshire, England. However, the Company faced commercial challenges leading a development on this site and W2T therefore proposed that they lead an alternative development. W2T and Peel continued discussions and, as a result, in April 2019, Peel offered W2T a 124-year lease on part of the Protos Site, which presented a far better route to commerciality.

On signature, PowerHouse initiated the site-specific design engineering work whilst Peel and W2T developed the documentation to enable planning applications to be made.

In August 2019, the MOU between the Company and W2T was formalised into the Peel Collaboration Agreement under which PowerHouse agreed to grant W2T and Peel exclusivity in respect of the development of the DMG Technology in the UK in respect of at least eleven 'waste plastic-to-hydrogen' facilities, with the Protos Site identified as the first site.

Under the Peel Collaboration Agreement, PowerHouse was engaged to provide engineering services and the license covering DMG Technology for each project under development. PowerHouse enhanced its engineering designs such that the Protos Project facility capacity increased to 35 tonnes of waste plastic per day, targeting production of 3.8MWe of electricity on site, exporting 3.4MWe to

local customers and up to two tonnes of hydrogen per day. Planning submissions were finalised by Peel, W2T and W2T Protos in September 2019.

Throughout the negotiations in the second half of 2019, Peel indicated their intent to engage in a potential UK wide roll out of the DMG Technology, aligned to a wider 'Plastic Parks' strategic development, where waste plastics are recycled and regenerated.

Under the Peel Collaboration Agreement, Peel further committed to supporting W2T with ongoing engagement with third party funders, with the intention of securing funding for the project pipeline (the Protos Project and the envisaged further ten projects) from sector market investors. The Board believes that Peel will develop its 'Plastic Parks' concept in such a way that the DMG Technology would be a key component of each facility and a cornerstone of each 'Plastic Park' bringing together potential counterparties for waste, power and hydrogen and easing the contractual and funding roadmap for DMG Technology applications.

Peel's investigations with the funding community for these DMG Technology applications revealed that, for the strategy to be attractive to funders, Peel would need to act as sole developer, with exclusive rights to use the DMG Technology in the UK, supported by PowerHouse as technology provider. However, the W2T project rights of development acted as a contractual impediment to this strategy, and with other commercial options ruled out, it was proposed that, to follow the Peel led roll-out of the DMG Technology at the Protos Project and the further ten projects envisaged under the Peel Collaboration Agreement, PowerHouse would acquire W2T thus allowing rights of development to be returned to PowerHouse.

The PowerHouse board considered that given the research and definition activities undertaken by Peel to date, they were in a prime position as a developer and that any delay in adopting Peel's offer to develop the DMG Technology application at the Protos Project would have a deleterious effect on the capacity of PowerHouse to deliver a project on any other site. The development of this first site was critical to PowerHouse's plan to take the DMG Technology to the next stage of its commercial development and the Board was of the opinion that Peel would not be in a position to progress the Protos Project to its conclusion without Completion taking place. Hence, in December 2019 the Board initiated its due diligence on W2T.

As a result of the proposal by the Company to acquire W2T, subject to the execution by Peel, W2T and W2T Protos of the Peel Supplemental Agreement, PowerHouse and W2T entered into the heads of terms for the Protos site as announced on 23 December 2019. On 9 March 2020 Peel entered into the Peel UK Exclusivity Option Agreement which is conditional upon and requires the completion of the proposed PowerHouse acquisition of Waste2Tricity.

In February 2020, PowerHouse announced the entry into the Peel Supplemental Agreement with Peel, W2T and W2T Protos under which it was agreed that Peel will take lead responsibility for the development and funding strategy of the first five of the earlier announced eleven projects. This Peel Supplemental Agreement contains commercial arrangements regarding the monetisation of the DMG Technology at the Protos Site and subsequent sites which includes the payment by Peel of a £500,000 annual licence fee per project to PowerHouse starting when each project is commissioned (**PHE Licence Fee**), and the immediate commitment to pay PowerHouse £100,000 in historic costs. At the same time, fallback agreements were made to cover PowerHouse sharing revenues with W2T should the Acquisition not proceed. Notwithstanding commercial fallback positions taken, the Board remains

of the opinion that that neither Peel nor the funders would progress the Protos Project to completion without the Acquisition proceeding.

On 3 March 2020, the Cheshire West and Chester planning committee approved the planning application made by Peel and W2T for the DMG Technology to be utilised on the Protos Site. This success arose from the successful partnership of the three companies and the Board is happy to confirm that all principal team members from W2T will be incorporated into the PowerHouse team at completion of the acquisition, focussed either on the Protos Project services delivery activities or international development, and monthly operational costs will be reduced significantly.

The Board consider that, should the Acquisition be completed, the key outcome would be that all project licence fees, and project technology incomes would revert to PowerHouse, together with the rights to assign project development for projects twelve and beyond. Hence PowerHouse would then be in a position to grant exclusivity for the DMG Technology in the UK.

The Board considers that the engagement of Peel as an experienced player in the sustainable waste and energy sector, together with the size, infrastructure credentials, national reach, and expertise in industrial real estate of the wider Peel group will bring additional credibility to the DMG Technology offering. Peel is, in the Board's view, a natural fit for PowerHouse, given Peel's land bank, industrial real estate and infrastructure credentials.

On 9 March 2020, the Company announced the entry into the Peel UK Exclusivity Option Agreement with Peel for all UK DMG Technology development projects, under which it is envisaged that the DMG Technology applications projects would be both owned by Peel and third parties. Peel has agreed that they will pay a fee of £500,000 for this exclusivity on award, in addition to the project-by-project annual licences. As a result of this further commitment to the future of PowerHouse, the Board considered it appropriate to offer Peel the opportunity to nominate a non-executive director to the Board and following this invitation, on 18 March 2020, Myles Kitcher, managing director of Peel, was appointed to the Board.

The Board firmly believes that the strategic rationale for the Acquisition is underpinned by the success of the combined PowerHouse and W2T team to date, in identifying and resolving the key technology application, the importance of the delivery of the Protos Project and the other four early projects. Post-Completion, the longer-term collaboration with Peel provides a significant commercial advantage compared to other delivery strategies or partnering with alternative collaboration parties.

3. INFORMATION ON WASTE2TRICITY

PowerHouse granted W2T and Peel exclusive development rights to the DMG Technology in the UK in respect of the 11 'waste plastic-to-hydrogen' facilities and separately afforded W2T the right to exclusive development of the DMG Technology in Japan and Korea, subject to identifying suitable target projects and securing initial contracts. PowerHouse has separately granted W2T Thai exclusive development rights to the DMG Technology in Thailand. W2T International recently sold 31% of the issued share capital in W2T Thai pursuant to a share purchase agreement dated 17 April 2020 (**Thai SPA**) which, as a result, means that W2T International is no longer the majority shareholder of W2T Thai, and has also agreed (by way of granting an option) to divest the remaining shares held by it in W2T Thai within six months of the date of the Thai SPA.

For the period 1 May 2018 to 30 April 2019, W2T generated an operating loss of £282,412 and a loss after exceptional items of £459,937. The unaudited accounts as at 30 April 2020, show that the net liabilities of Waste2Tricity totalled £722,550.

W2T's Board has recommended the Acquisition to the Sellers who have accepted, conditional upon Admission.

4. ISSUE OF THE ACQUISITION SHARES IN POWERHOUSE

On or around the date of this Circular, the Company and the Principal Sellers shall enter into the Acquisition Agreement, the terms of which require that the Principal Sellers transfer their respective number of shares held in the capital of W2T to the Company on Completion. Arrangements are also in place to facilitate the transfer of all of the remaining shares in the capital of W2T from the Sellers (other than the Principal Sellers) to the Company at Completion.

The consideration for the purchase of the share capital of W2T held by the Principal Sellers under the Acquisition Agreement and the arrangements with the Sellers (other than the Principal Sellers) is the issue of the Acquisition Shares to each of the Sellers in respect of their proportional shareholding in W2T such that the Sellers, following Completion, will own 46.42% (which includes, for the avoidance of doubt, any PHE shares owned by the Sellers prior to the issue of the Acquisition Shares) of the Enlarged Share Capital of the Company. The Acquisition Shares shall rank *pari passu* in all respects with the Existing Ordinary Shares, including the right (subject always to the rights attaching to the Acquisition Shares) to receive all dividends declared, made or paid after Completion (save that they shall not rank for any dividend or other distribution declared made, or paid by reference to a record date before Completion).

The Acquisition shall complete automatically and is conditional on the satisfaction of the Conditions. If the Conditions are not satisfied or waived on or before the date falling 2 months after the date of the Acquisition Agreement (**Longstop Date**), the Acquisition Agreement will cease to have effect immediately at 6.00pm on the Longstop Date.

In the Acquisition Agreement, the Principal Sellers have agreed to give certain undertakings to assist the Company pre-Completion with settling certain debts owed by W2T and, following Completion, the Principal Sellers have agreed to give certain undertakings related to events post-Completion covering customary restrictive covenants and also in relation to the termination or winding up of all of W2T's existing operational and corporate arrangements.

The Principal Sellers have also agreed under the Acquisition Agreement to give limited warranties to the Company subject to customary contractual limitations.

The Acquisition Shares will be issued at the mid-market closing price of 3.71 pence on 25 June 2020, the latest practicable date prior to the publication of this document, the Acquisition Shares represent a total value of £53,329,034.28.

Conditional only on the passing of all the Resolutions at the General Meeting, PowerHouse will allot the Acquisition Shares and apply to the London Stock Exchange for Admission.

5. INFORMATION ON CURRENT TRADING

The Company's financial performance was set out in the Company's unaudited interim results announcement released on 27th September 2019. As at 30 June 2019 the assets totalled £481,191.00

with total current liabilities in the sum of £296,812.00 and the Company's loss before tax was £865,408 for the 6 months ended 30 June 2019.

Since the interim results for June 2019 announced in September 2019, the Company has been engaged primarily in the continued development of the intended first commercial use of the DMG Technology at the Protos Site. This has involved the necessary technical preparatory work carried out in advance of formal contracts, and with Peel, tendering and selecting contracting partners for the engineering definition.

The Company's results for the full year 2019 are currently being audited but are expected to be in line with the trading position reported in the interim results to June 2019. The 2019 results will reflect the full cost of the Directors for the 2019 financial year though it should be noted that the Directors did not take their remuneration in pay during 2019 and will only be compensated for this during 2020.

During 2020, the Company's work on the pre-contract stage for the Protos Site, whilst not significant in value, has been invoiced and represents the Company's first recognition of revenue. The Company is now engaged with the client and contracting partners in reviewing contractual structures suitable for the build phase and their key terms. The Company is expected to act as a sub-contractor in this phase providing engineering expertise for the technology build and commissioning.

Financial performance in 2020, is represented by similar operating costs to 2019, though aided by the recognition of some engineering fees as detailed above. Cash has continued to be managed during this period by the avoidance of unnecessary spend and in utilising share settlement deals with contractors where appropriate.

6. POWERHOUSE/W2T STRATEGY FOLLOWING COMPLETION

The Directors promote the Acquisition as they consider that the post-Acquisition enlarged company will be better understood by its customers and investors, with rights to markets and developments in-house, and will be able to present a clear message to international markets about its innovative technology designed to address a major world challenge; that of efficiently eliminating plastic waste. The substantial global potential for the application of PowerHouse's DMG Technology will drive the Board's strategy to exploit this opportunity as quickly and effectively as possible.

The fundamental tenet of the market engagement strategy, given the vast size of the addressable market, will be to negotiate similar exclusivity arrangements to the UK, with carefully selected experienced well-financed development partners on a country-by-country basis to enable rollout of its DMG Technology in each region. This strategy will enable international delivery of DMG Technology projects in a speedy yet manageable manner, whilst also mitigating operational and financial risk to PowerHouse, thus creating a company operation and management system to optimise profit and deliver sustainable growth.

To deliver this strategy, the existing pipeline of two dozen screened DMG Technology plant opportunities in the UK will be handed over to Peel under the Peel Collaboration Agreement and a future UK exclusivity agreement, freeing company operational resource and removing all of associated UK business development costs. The international business development activities of W2T will now be integrated into those of PowerHouse and will focus on developing territory-by-territory partnership agreements with regional partners, contractors and operators to roll out the DMG Technology in each territory. PowerHouse will continue these international business development activities of seeking

industrial partner relationships, including the current W2T led Japanese and Asian customer liaison which will be taken in-house and become technically led.

Following Completion, the Board's immediate focus will be on delivering the first commercial application of DMG Technology on the contracted Protos Site. To support the Protos Project development and other future projects, PowerHouse intends to seek to expand its operational teams in a phased manner, aligned to projects progress, with teams set up to maintain and develop the delivery and supply chain relationships designed to enable it to deliver and provide licensing support to multiple projects simultaneously. PowerHouse intends to invest in operational personnel, management systems and equipment to deliver these services as required.

The Board will use reasonable endeavours to ensure that the transfer of the remaining shares held by W2T International in W2T Thai will be completed after Completion and that the opportunities in Thailand are fully explored with the new W2T Thai owners. The Board will also commence steps to wind up W2T's two wholly owned, dormant subsidiaries (W2T Protos and W2T International) and W2T as an entity as soon as reasonably practical after Completion.

PowerHouse will continue with the DMG Technology development. PowerHouse will be the IP owner and licensor, providing technical services and our partners will undertake the project development, project funding and ownership. The Board consider that the global outlook for the expanded Company is extremely positive, with sales and marketing effort brought in house and more focused to deliver the international ambitions of the Company and the roll out of the application of the DMG Technology worldwide.

7. PROPOSED BOARD AND MANAGEMENT

On Completion, it is proposed that Timothy Yeo, current chairman of W2T, will join the Board of the Company as a non-executive director. Mr Yeo has wide experience in government, serving in the Environment and Health Departments, and subsequently as Shadow Secretary of State for Trade and Industry in the Shadow Cabinet. He is currently the chairman of the New Nuclear Watch Institute, Honorary Ambassador of Foreign Investment Promotion for South Korea and since 2007 has been a non-executive director of Getlink SE, operator of the Channel Tunnel whose market capitalisation on the Paris Bourse exceeds £6 billion.

Upon his proposed appointment as a non-executive director, Tim will enter into a new letter of appointment with PowerHouse.

Furthermore, it is proposed that John Hall and Howard White will join PowerHouse at Completion as consultants. The Principal Sellers and some of the other W2T directors who are also shareholders of W2T will agree to certain restrictive covenants not allowing them to promote similar distributed modular generation technologies to the DMG Technology for a period of 24 months following Completion.

8. CITY CODE ON TAKEOVERS AND MERGERS

The Code applies to the Company and as such the Shareholders are subject to and entitled to the protections afforded by the Code, as described in this paragraph (paragraph 8) and Part I of this Circular. For the purposes of the Code, the members of the Concert Party are regarded as acting in concert, as defined by the Code, with regard to their respective holdings of shares in the issued share capital of the Company.

The issue of the Acquisition Shares gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are set out below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom, the Channel Islands or the Isle of Man (and to certain categories of private limited companies). The Company is a public company whose Ordinary Shares are admitted to trading on AIM, and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or by one specific transaction, an interest (as defined in the Takeover Code) in shares which (taken together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent, or more of the voting rights of a company that is subject to the Takeover Code, that person is normally required by the Panel to make a Rule 9 Offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Similarly, Rule 9 of the Takeover Code also provides, among other things, that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of that company which is subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of the voting rights of that company and such person or any person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person or persons acting in concert with him will normally be required by the Panel to make a Rule 9 Offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any interest in shares in the company by the person required to make the offer or any person acting in concert with him.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, inter alia, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a Rule 9 Offer to the other shareholders to acquire their shares.

For the purposes of the Takeover Code, persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of a company or frustrate the successful outcome of an offer for a company subject to the Takeover Code. For the purposes of the Takeover Code, "control" means a holding, or aggregate holdings, of shares in the capital of a company carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holdings give de facto control. Under the Takeover Code, shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies are also presumed to be acting in concert in respect of that company unless the contrary is established.

9. CONCERT PARTY AND TAKEOVER CODE

9.1 Background to Concert Party

Upon Admission, the Concert Party will hold a maximum 39.90% of the voting rights of the Company which, without the Waiver, would result in the Concert Party being required to make a Rule 9 Offer for the Company. The Panel has agreed, subject to the Waiver Resolution being passed on a poll by the Independent Shareholders at the General Meeting, to waive the requirement under Rule 9 of the Code for the Concert Party to make a Rule 9 Offer for the Ordinary Shares of the Company, that would otherwise arise upon the issuance to the Concert Party of the Acquisition Shares. Some members of the Concert Party currently hold shares in the Company and will not be able to vote on the Resolutions put forward in this Circular as they are not viewed as independent.

The Independent Directors believe that it is in the best interests of the Company that the Waiver Resolution be passed so as to allow the Company to acquire Waste2Tricity. Further details in relation to the Waiver are set out in this paragraph 9.

The Notice of General Meeting, at which the resolutions to approve the issue of the Acquisition Shares, conditional on Admission, and the approval of the Waiver Resolution will be proposed, is set out at the end of this document. Should, at the General Meeting, the approval of the Shareholders not be obtained in respect of the Allotment Resolution and/or the Independent Shareholders fail to approve the Waiver Resolution, the Acquisition will not proceed.

The persons set out in the table below are presumed to be acting in concert with each other. Their interests in the enlarged Company immediately following Admission are also set out in the table below. Further information is set out at paragraph 1 of Part II of this document.

9.2 Information on the Concert Party

For the purposes of the Takeover Code, the members of the Concert Party are regarded by the Panel as acting in concert with regard to their holdings of shares in the issued share capital of the Company.

The members of the Concert Party and their respective interests in the existing share capital of W2T and the Company and also the Enlarged Share Capital of the Company are:

Name	Holdings in W2T	Holdings % in W2T	Current holdings in PHE	Current % holdings in PHE	Acquisition shares	Total % in PHE Enlarged Share Capital
Aquavista Limited	16,000	1.23%	-	-	17,642,161	0.50%

Beck, Marianna	11,290	0.87%	-	-	12,448,750	0.35%
Bennett, Tony	1,222	0.09%	3,762,306	0.18%	1,347,420	0.15%
Bennett, Jane	1,222	0.09%	23,715,616	1.14%	1,347,420	0.71%
Drew, Bruce	3,500	0.27%	-	-	3,859,223	0.11%
Farnes, Linda	5,000	0.38%	-	-	5,513,175	0.16%
Hall, John	103,431	7.93%	-	-	114,046,647	3.25%
Jones OBE, Peter	47,500	3.64%	-	-	52,375,166	1.49%
Riley, Keith	11,000	0.84%	-	-	12,128,986	0.35%
Thummukgool, Piangkwan	82,024	6.29%	-	-	90,442,538	2.58%

Warwick, Paul	11,560	0.89%	48,818,890	2.36%	12,746,461	1.75%
White, Ben	172,987	13.27%	32,756,786	1.58%	190,741,532	6.37%
White, Howard	131,001	10.05%	16,172,010	0.78%	144,446,296	4.58%
White, Josh	309,019	23.70%	-	-	340,735,185	9.71%
White-Reyes, Serena	172,986	13.27%	-	-	190,740,429	5.43%
Yeo, Diane	56,879	4.36%	-	-	62,716,780	1.79%
Yeo, Timothy	8,303	0.64%	-	-	9,155,179	0.26%
Yordanova, Anna-Mariya	11,560	0.89%	-	-	12,746,461	0.36%
Total	1,156,484	88.71%	125,225,608	6.04%	1,275,179,809	39.90%

Other than as disclosed in this document, there are no further relationships (personal, financial and commercial) arrangements and understandings between the Concert Party members. For further information on the Concert Party see paragraph 1 of Part II.

9.3 Waiver of Rule 9 obligation

Under Note 1 on the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel will normally waive the requirement for a Rule 9 Offer to be made in accordance with Rule 9 if, inter alia, those shareholders of the company who are independent of the persons who would otherwise be required to make a Rule 9 Offer (being the shareholders of the Company other than any member of the Concert Party, any of the other shareholders in W2T or any person acting in concert with any such persons) pass an ordinary resolution on a poll at a General Meeting approving such a Waiver.

The Company has applied to the Panel for the Waiver in order to permit the Acquisition to proceed without triggering an obligation on the part of the Concert Party to make a Rule 9 Offer to the Shareholders. Subject to the approval of the Independent Shareholders of the Waiver Resolution, to be taken on a poll at the General Meeting, the Panel has agreed to waive the obligation of the Concert Party to make a Rule 9 Offer. To be passed, the Waiver Resolution will require a simple majority of the votes cast on a poll by the Independent Shareholders participating and voting at the General Meeting.

Shareholders should be aware that under Rule 9 of the Takeover Code, any person who acquires an interest (as such term is defined in the Takeover Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30% or more of the voting rights in a company which is subject to the Takeover Code, is normally required to make a Rule 9 Offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30% of the voting rights but does not hold shares carrying more than 50% of the voting rights of such a company, a Rule 9 Offer will normally be required if any further interests in shares are acquired by any such person. These limits apply to the entire Concert Party as well as the total beneficial holdings of individual members. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

Notwithstanding the Waiver, the individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without the consent of the Panel. In the event that the Waiver is approved at the General Meeting, neither the Concert Party nor any of its connected persons or other persons acting in concert with it will be restricted from making an offer for the Company.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, inter alia, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a Rule 9 Offer to the other shareholders to acquire their shares.

9.4 Dealings by the Concert Party

9.4 (a) Dealings in the past 12 months

Certain persons within the Concert Party have made the following dealings in the 12 months preceding the date of this Circular.

Shares acquired

Jane Bennett

Date	Number of Shares	Price
14 January 2020	457,142	0.79

Ben White

Date	Number of Shares	Price
24 January 2020	1,000,000	0.80
24 January 2020	1,000,000	0.80
24 January 2020	1,000,000	0.79
24 January 2020	1,000,000	0.79
24 January 2020	1,000,000	0.78
10 January 2020	545,248	0.60
19 December 2019	8,928,572	0.51
16 December 2019	1,078,774	0.33
16 December 2019	2,985,764	0.31
16 December 2019	1,985,489	0.31
16 December 2019	2,000,000	0.31
16 December 2019	2,000,000	0.30
16 December 2019	2,000,000	0.30
16 December 2019	2,000,000	0.30
16 December 2019	1,085,679	0.30
16 December 2019	1,056,876	0.29
16 December 2019	1,089,670	0.28
09 December 2019	30,000	0.32

Shares disposed

Ben White

Date	Number of Shares	Price
08 June 2020	- 1,000,000	3.91
08 June 2020	- 500,000	4.01
08 June 2020	- 1,000,000	3.90
08 June 2020	- 100,000	4.01
08 June 2020	- 500,000	4.01
08 June 2020	- 1,000,000	3.93
08 June 2020	- 1,000,000	3.96
08 June 2020	- 1,400,000	4.03
05 June 2020	- 1,000,000	3.60
05 June 2020	- 500,000	3.51
05 June 2020	- 500,000	3.50
04 June 2020	- 500,000	3.32

03 June 2020	-	2,000,000	2.62
03 June 2020	-	1,000,000	2.65
02 June 2020	-	1,000,000	2.80
02 June 2020	-	1,000,000	2.71
02 June 2020	-	1,000,000	2.84
02 June 2020	-	2,000,000	2.81
02 June 2020	-	2,000,000	2.70
02 June 2020	-	1,000,000	2.76
02 June 2020	-	1,000,000	2.85
02 June 2020	-	2,000,000	2.62
02 June 2020	-	1,000,000	2.85
02 June 2020	-	1,000,000	3.05
02 June 2020	-	2,000,000	2.69
02 June 2020	-	957,142	2.83
01 June 2020	-	786,072	3.68
01 June 2020	-	1,000,000	3.87
01 June 2020	-	2,500,000	3.96
13 December 2019	-	580,658	0.27
12 December 2019	-	500,000	0.26
12 December 2019	-	980,000	0.27
12 December 2019	-	1,010,000	0.27
12 December 2019	-	200,000	0.27
11 December 2019	-	500,000	0.27
11 December 2019	-	94,504	0.27
11 December 2019	-	198,576	0.28
11 December 2019	-	1,018,976	0.29
11 December 2019	-	990,950	0.29
11 December 2019	-	80,000	0.29
11 December 2019	-	1,008,767	0.29
11 December 2019	-	105,679	0.29
11 December 2019	-	35,000	0.29
11 December 2019	-	360,888	0.29
11 December 2019	-	150,000	0.29
11 December 2019	-	250,000	0.28
11 December 2019	-	94,344	0.29
11 December 2019	-	43,565	0.29
11 December 2019	-	430,565	0.29
11 December 2019	-	90,600	0.29
11 December 2019	-	33,000	0.29
11 December 2019	-	222,221	0.29
11 December 2019	-	120,000	0.29
10 December 2019	-	30,800	0.29
10 December 2019	-	55,000	0.29
10 December 2019	-	124,580	0.28
10 December 2019	-	50,000	0.29
10 December 2019	-	996,000	0.28
10 December 2019	-	1,025,879	0.30
09 December 2019	-	1,001,856	0.31

09 December 2019	-	500,000	0.30
09 December 2019	-	1,058,707	0.31
09 December 2019	-	1,096,457	0.32
06 December 2019	-	1,254,877	0.32
06 December 2019	-	1,158,707	0.32
05 December 2019	-	1,058,447	0.32
05 December 2019	-	1,008,467	0.33
04 December 2019	-	1,050,008	0.33
04 December 2019	-	1,100,000	0.34
10 October 2019	-	1,897,647	0.38
20 September 2019	-	1,985,764	0.40
19 September 2019	-	1,654,273	0.39
18 September 2019	-	1,728,062	0.39
18 September 2019	-	1,258,497	0.39
17 September 2019	-	1,899,999	0.40
12 September 2019	-	1,258,797	0.39
06 September 2019	-	999,999	0.38
05 September 2019	-	1,005,000	0.39
14 August 2019	-	1,500,000	0.44
12 August 2019	-	2,506,897	0.48
12 August 2019	-	1,000,000	0.49
20 June 2019	-	1,015,828	0.40
18 June 2019	-	1,245,804	0.41
17 June 2019	-	1,258,096	0.42

9.4 (b) Disqualifying Transactions

The Panel will not normally waive an obligation under Rule 9 of the Takeover Code if any member of the Concert Party, or any person acting in concert with it, has acquired any interest in shares in the Company in the 12 months preceding the date of this Circular but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the proposed issue of new shares. In addition, the Waiver will be invalidated if any acquisition of any interest in shares in the Company are made in the period between the date of this Circular and the General Meeting.

The Panel has considered the transactions below, which took place in the time period referred to above, and in the circumstances concluded that these do not prejudice the grant of the Waiver:

<u>Name</u>	<u>Date</u>	<u>Number of shares purchased</u>	<u>Price</u>
Jane Bennett	14 January 2020	457,142	0.79
Ben White	24 January 2020	1,000,000	0.80
Ben White	24 January 2020	1,000,000	0.80
Ben White	24 January 2020	1,000,000	0.79
Ben White	24 January 2020	1,000,000	0.79
Ben White	24 January 2020	1,000,000	0.78
Ben White	10 January 2020	545,248	0.60

Ben White	19 December 2019	8,928,572	0.51
Ben White	16 December 2019	1,078,774	0.33
Ben White	16 December 2019	2,985,764	0.31
Ben White	16 December 2019	1,985,489	0.31
Ben White	16 December 2019	2,000,000	0.31
Ben White	16 December 2019	2,000,000	0.30
Ben White	16 December 2019	2,000,000	0.30
Ben White	16 December 2019	2,000,000	0.30
Ben White	16 December 2019	1,085,679	0.30
Ben White	16 December 2019	1,056,876	0.29
Ben White	16 December 2019	1,089,670	0.28
Ben White	09 December 2019	30,000	0.32

9.5 Intentions of the Concert Party

The Concert Party has confirmed that there is no agreement, arrangement or understanding for the transfer of their Acquisition Shares to any third party.

The Concert Party has no intention of making any changes in relation to:

- the future business of the Company;
- the continued employment of the Company's (and its subsidiaries) employees and management, including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management;
- the strategic plans of the Company;
- the location of the Company's places of business;
- any research and development activities of the business;
- the redeployment of any fixed assets of the Company;
- employer contributions into the Company's pension scheme and the admission of new members; or
- the maintenance of the existing trading facilities for the Company's shares on AIM.

The Company has no employees other than the Directors and does not operate a pension scheme.

The Concert Party does not intend to change its own current business strategy, or any other matter referred to in the paragraph above as a result of the Acquisition.

10. RELATIONSHIP AGREEMENT

The Company and each member of the White Family entered into the Relationship Agreement (which is conditional on Admission) to manage the relationship between them to ensure that the Company will at all times be capable of carrying out its business independently of the White Family.

Further details of the Relationship Agreement are set out in the Appendix to this document.

11. LOCK-IN DEED

The Company and each of the Locked-In Sellers have entered into a Lock-In Deed (which is conditional on Admission) containing certain restrictions on each of the Locked-In Sellers regarding the disposal

of their Acquisition Shares following Admission including a restriction on disposals of any interest over any Acquisition Shares held by them for 12 months following Admission and, at the end that 12 month period, orderly market restrictions for a further 12 months. These restrictions will not prevent the Locked-In Sellers from, among other things, accepting a general offer (in accordance with the Takeover Code) made to the Shareholders of the Company to acquire all the Company's issued Ordinary Shares or to the execution and delivery of an irrevocable undertaking to accept such general offer.

12. GENERAL MEETING

For the reasons set out above, Completion is conditional upon, *inter alia*, the approval by the Shareholders of the Resolutions at the General Meeting. Set out at the end of this document is a notice convening the General Meeting which is to be held at the Chairman's private residence at 10 a.m. on 14 July 2020, for the purpose of considering, and if thought fit, passing the Resolutions set out in the Notice of General Meeting, and further described below.

As Shareholders will be aware, the UK government's announcement on 23 March 2020 of new restrictive measures in connection with COVID-19 will restrict the ability of Shareholders to attend the General Meeting in person.

Unless the measures change prior to the General Meeting, the Company anticipates that it will run the General Meeting as a closed meeting. In order to comply with relevant legal requirements, and to ensure the General Meeting is quorate, the General Meeting will be convened with one Shareholder, being the Chairman of the General Meeting, and two proxy shareholders each appointed by a Shareholder, at the Chairman's private residence at 10 a.m. on 14 July 2020. This will be facilitated by the Company.

As such Shareholders will not be permitted to attend the General Meeting in person and, instead, are advised to submit a Form of Proxy (either by completing and returning the hard copy Form of Proxy or, alternatively, appointing a proxy or proxies electronically by registering the proxy with the Registrar at www.sharegateway.co.uk and completing the authentication requirements as set out on the Form of Proxy) in advance of the General Meeting. In order to ensure that each Shareholder's vote counts, the Board recommends that Shareholders appoint the Chairman of the General Meeting as their proxy for the General Meeting to vote on their behalf. If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document).

Should a Shareholder have any questions that they would have raised at the General Meeting in connection with the business of that meeting, the Board asks that Shareholders send any questions by email to inquire@powerhousegroup.co.uk.

The Board will endeavour to provide answers to all appropriate questions and to publish such answers on the Company's website as soon as practicable following the General Meeting. Shareholder engagement is important to the Company even in these exceptional times.

At the current time it is anticipated that Shareholders attempting to attend the General Meeting in person will be refused entry.

The Board will continue to assess the situation in the UK, and in particular any new or existing measures that the UK government takes and will duly notify Shareholders if appropriate and what

further action, if any, Shareholders are permitted to take in respect of the General Meeting via a regulatory news service.

Resolution 1

Resolution 1 is an ordinary resolution to provide the Directors with authority to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company) up to an aggregate nominal amount of £7,187,201.39, in connection with the Acquisition.

Resolution 2

Resolution 2 is an ordinary resolution and is subject to the approval of the Independent Shareholders (being the Shareholders other than the members of the Concert Party and any other shareholders of W2T who hold shares in the Company) on a poll and each Independent Shareholder will be entitled to vote for each ordinary share held.

The authority granted by the Allotment Resolution is required to provide the Board with authority to allot the Acquisition Shares and the Directors will not use the authority granted by the Allotment Resolution for any other reason. The passing of the Waiver Resolution by the Independent Shareholders is a condition of the Panel granting the Waiver.

For the avoidance of doubt the share authority in place from last year's AGM also remains in place.

13. ACTIONS TO BE TAKEN

Please check that you have received with this document a Form of Proxy for use in respect of the General Meeting.

In light of the restrictive measures introduced by the UK government in connection with COVID-19, the Board strongly advises and recommends that all Shareholder's complete, sign and return a Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post to the Registrar at Neville House, Steelpark Road, Halesowen, B62 8HD by no later than 10 a.m. on 10 July 2020 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

In order to ensure that each Shareholder's vote counts, the Board recommends that Shareholders appoint the Chairman of the General Meeting as their proxy for the General Meeting to vote on their behalf.

Please note that in light of the restrictive measures introduced by the UK government in connection with COVID-19, the Board recommends that all Shareholders vote in advance by completing and returning the Form of Proxy, as per above, or voting by way of CREST Proxy Voting, as per below.

As an alternative to completing and returning the printed hard copy Form of Proxy, you can also appoint a proxy or proxies electronically by registering the proxy with the Registrar at www.sharegateway.co.uk and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by the Registrar by no later than 10 a.m. on 10 July 2020.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (the Registrar (ID: 7RA11)) by no later than 10 a.m. on 10 July 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of the Form of Proxy would not normally prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, but due to COVID-19 we are instructing Shareholders not to attend this meeting in person and instead to raise any questions in relation to the business to be considered at the General Meeting by following the procedure as set out on pages 29 to 31 of this document.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. As noted previously, the Board recommends that you appoint the chairman of the forthcoming General Meeting as your proxy. In accordance with the UK Government's advice in relation to COVID-19, it is not anticipated that you will be permitted to attend the General Meeting in person.

14. APPLICATION FOR ADMISSION OF THE ACQUISITION SHARES

Application will be made to the London Stock Exchange for the Acquisition Shares to be admitted to trading on AIM and it is expected that trading in the Acquisition Shares will commence on AIM at 8.00 a.m. on or around 15 July 2020. Admission of the Acquisition Shares is subject to, inter alia, approval of the Allotment Resolution and the Waiver Resolution at the General Meeting.

15. RECOMMENDATIONS AND UNDERTAKINGS

Shareholders should be aware that if the Allotment Resolution and the Waiver Resolution are not passed at the General Meeting, the Acquisition will not proceed, and the engagement with Peel, which is conditional on Completion, will therefore be terminated. This would in turn have a significant impact on PowerHouse's ability to develop the Protos Project, if at all.

The Independent Directors, having been so advised by WH Ireland, consider the Acquisition and the grant of the Waiver to be fair and reasonable and in the best interests of the Company as a whole. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Resolutions at the General Meeting.

The Independent Directors have undertaken to vote in favour of the Resolutions in respect of their holdings of Ordinary Shares, in aggregate, 2,303,459 Ordinary Shares, representing approximately 0.11% of the Company's issued share capital.

Yours faithfully

Dr William Cameron Davies

Non-Executive Chairman

PART II

FURTHER RULE 9 WAIVER INFORMATION

The information set out in this Part II, which relates to the Concert Party, has been accurately reproduced from information provided by the Concert Party. As far as the Company is aware and is able to ascertain from information provided by the Concert Party, no facts have been omitted which would render the information in this Part II, which relates to the Concert Party, inaccurate or misleading.

1. Information on the Concert Party

The Concert Party is made up of Aquavista Limited, Marianna Beck, Jane Bennett, Tony Bennett, Bruce Drew, Linda Farnes, John Hall, Peter Jones OBE, Keith Riley, Piangkwan Thummukgool, Paul Warwick, Ben White, Howard White, Josh White, Serena White-Reyes, Diane Yeo, Timothy Yeo and Anna-Mariya Yordanova being certain Sellers who, by virtue of presumption 9 of the definition of acting in concert under the Takeover Code, whereby shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, are presumed to be acting in concert.

The Panel has agreed to rebut the presumption of concertness in respect of certain Sellers, who do not have close connections to each other and to the members of the Concert Party. Accordingly, those Sellers do not form part of the Concert Party.

As a result of the issue of shares pursuant to members of the Concert Party pursuant to the Acquisition the Concert Party itself will hold an interest of control in the Company's shares, which is as follows:

Name	Holdings in W2T	Holdings % in W2T	Current holdings in PHE	Current % holdings in PHE	Acquisition shares	Total % in PHE Enlarged Share Capital
Aquavista Limited	16,000	1.23%	-	-	17,642,161	0.50%
Beck, Marianna	11,290	0.87%	-	-	12,448,750	0.35%

Bennett, Tony	1,222	0.09%	3,762,306	0.18%	1,347,420	0.15%
Bennett, Jane	1,222	0.09%	23,715,616	1.14%	1,347,420	0.71%
Drew, Bruce	3,500	0.27%	-	-	3,859,223	0.11%
Farnes, Linda	5,000	0.38%	-	-	5,513,175	0.16%
Hall, John	103,431	7.93%	-	-	114,046,647	3.25%
Jones OBE, Peter	47,500	3.64%	-	-	52,375,166	1.49%
Riley, Keith	11,000	0.84%	-	-	12,128,986	0.35%
Thummukgool, Piangkwan	82,024	6.29%	-	-	90,442,538	2.58%
Warwick, Paul	11,560	0.89%	48,818,890	2.36%	12,746,461	1.75%

White, Ben	172,987	13.27%	32,756,786	1.58%	190,741,532	6.37%
White, Howard	131,001	10.05%	16,172,010	0.78%	144,446,296	4.58%
White, Josh	309,019	23.70%	-	-	340,735,185	9.71%
White-Reyes, Serena	172,986	13.27%	-	-	190,740,429	5.43%
Yeo, Diane	56,879	4.36%	-	-	62,716,780	1.79%
Yeo, Timothy	8,303	0.64%	-	-	9,155,179	0.26%
Yordanova, Anna-Mariya	11,560	0.89%	-	-	12,746,461	0.36%
Total	1,156,484	88.71%	125,225,608	6.04%	1,275,179,809	39.90%

White Family

The White Family currently holds in aggregate 60.29% of the issued share capital of W2T. The family is made up of Howard White, the current deputy chairman of W2T, Serena White-Reyes, his daughter and two of his sons, Josh and Ben White. Josh White is also a current director of W2T.

Paul Warwick and family

Paul Warwick currently acts as a consultant to W2T. Paul is also connected to Jane Bennett (his sister) and Tony Bennett (his brother-in-law). Jane and Tony are married and are also shareholders of W2T.

Anna-Mariya Yordanova

Anna-Mariya Yordanova is currently a commercial consultant based in W2T's Tokyo office, having been appointed to that role in September 2017.

John Hall

John Hall is currently the managing director of W2T, having been appointed to that role in November 2009. Prior to his current role, John acted as a consultant to W2T from its incorporation in September 2008 and acted as acting chairman of W2T from December 2015 to June 2019.

Piangkwan Thummukgool

Piangkwan Thummukgool is currently the Thailand project director for W2T. She was also appointed as a director of W2T in May 2013.

Peter Jones OBE

Peter Jones OBE is currently a non-executive director of W2T, having been appointed to that role in September 2017. Peter also previously acted as chairman for W2T from January 2010 until December 2015.

Keith Riley

Keith Riley is currently a non-executive director of W2T, having been appointed to that role in August 2011.

Timothy Yeo and Diane Yeo

Timothy Yeo is the current chairman of W2T. He previously served as a director of W2T from December 2008 to September 2010 and was then re-appointed in June 2019. Diane Yeo is Timothy's wife and is also a shareholder of W2T.

Bruce Drew and Aquavista Limited

Bruce Drew has been a friend of Howard White for several years. Bruce Drew is the sole director and also a shareholder of Aquavista Limited, a company incorporated in England and Wales, and such company is also a shareholder of W2T.

Marianna Beck

Marianna Beck is the partner of Howard White and also a shareholder of W2T.

Linda Farnes

Linda Farnes is the sister of Howard White and also a shareholder of W2T.

The maximum potential percentage of the Enlarged Share Capital in which the Concert Party will have an interest on Admission will be 1,400,405,417 Ordinary Shares representing 39.90 per cent. of the Enlarged Share Capital. This is based on the assumption that there are no other issue of shares, or conversion of warrants or options in the share capital of the Company, even by existing option holders and warrant holders.

Shareholders should be aware that under Rule 9 of the Takeover Code, any person who acquires an interest (as such term is defined in the Takeover Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30% or more of the voting rights in a company which is subject to the Takeover Code, is normally required to make a Rule 9 Offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30% of the voting rights but does not hold shares carrying more than 50% of the voting rights of such a company, a Rule 9 Offer will normally be required if any further interests in shares are acquired by any such person. These limits apply to the entire Concert Party as well as the total beneficial holdings of individual members. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

Notwithstanding the Waiver, the individual members of the Concert Party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without the consent of the Panel. In the event that the Waiver is approved at the General Meeting, neither the Concert Party nor any of its connected persons or other persons acting in concert with it will be restricted from making an offer for the Company.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, inter alia, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a Rule 9 Offer to the other shareholders to acquire their shares.

2. Responsibility

The Directors, whose names appear in paragraph 3 below, accept individual and collective responsibility for the information contained in this Circular including any opinions expressed herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The members of the Concert Party accept responsibility for the information contained in paragraph 9 of Part 1 and this Part II of this Circular relating to themselves. To the best of the knowledge and belief of the members of the Concert Party (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. The Directors of the Company

The current Directors of the Company are:

- Dr William Cameron Davies (Non-Executive Chairman)
- Mr David John Ryan (Chief Executive Officer)
- Mr Nigel Brent Fitzpatrick (Non-Executive Director)
- Mr James John Pryn Greenstreet (Non-Executive Director)
- Mr Myles Kitcher (Non-Executive Director)

Interests and dealings

The interests of each of the Directors in the ordinary share capital of the Company (all of which are beneficial), and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at 25 June 2020 (being the latest date practicable prior to the publication of this document) are set out below:

Director	Number of Ordinary Shares held	% of Issued Voting Shares
Dr William Cameron Davies	1,200,000	0.06
Mr David John Ryan	11,075,000	0.53
Mr Nigel Brent Fitzpatrick	103,459	0.01
Mr James John Pryn Greenstreet	1,000,000	0.05
Mr Myles Kitcher	0	0

The current interests of the current Directors in share options agreements are as follows:

Director	Number of Options held	% of Issued Voting Shares
Dr William Cameron Davies	15,000,000	0.72
Mr David John Ryan	21,000,000	1.01
Mr Nigel Brent Fitzpatrick	20,000,000	0.97
Mr James John Pryn Greenstreet	19,000,000	0.92
Mr Myles Kitcher	0	0

The following Directors have made dealings in the Company in the last 12 months immediately preceding the date of this document:

Director	Volume	Price	Date
William Cameron Davis	1,200,000	0.41p	24 July 2019

In the period of 12 months immediately preceding the date of this document, the Company has undertaken no dealings in its own shares.

Save as otherwise disclosed in this document, during the period of 12 months immediately preceding the date of this document, there have been no dealings in Relevant Securities by the Company, the Directors, the Concert Party or any person acting in concert with the Company, the Directors or Concert Party.

No Relevant Securities have been borrowed or lent by the Company, the Directors, the Concert Party or any person acting in concert with the Company.

Other than disclosed in paragraphs 1 and 3 above, no Director or member of the Concert Party and no other person acting in concert with the Company is interested in any Relevant Securities or has the right to subscribe for Relevant Securities, or securities in the Concert Party, or has a short position (whether conditional or absolute and whether in the money or not), including a short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of or in any Relevant Securities, or securities in the Concert Party.

4. Directors' service agreements, non-executive letters of appointment and consultancy agreements

Dr William Cameron Davies, Mr James John Pryn Greenstreet and Mr Nigel Brent Fitzpatrick (Non-Executive Directors)

Mr Davies, Mr Greenstreet and Mr Fitzpatrick (each non-executive directors of PHE) entered into non-executive letters of appointment with the Company dated 29 September 2017, 18th July 2018 and 18th July 2018 under which they are expected to serve at least two three-year terms and are entitled to receive payments of £50,000, £30,000 and £30,000 per annum respectively for providing non-executive directorship services to the Company. Each director is entitled to participate in the Company's share option scheme to the extent it is not material such that it would affect the duty of independence as a non-executive director and has the right to be reimbursed for reasonable expenses. In each case, such agreement is terminable automatically by the Company and without notice or payment of compensation, save for fees accrued in the period, if a resolution is passed at a general meeting which either removes them as a non-executive director or fails to re-appoint them, save in certain circumstances, including but not limited to, material breach and dishonesty, in which case the agreement shall be terminated automatically by the Company; otherwise each director must serve a three month notice period. At times, as appropriate over the last two years, each non-executive director has agreed to postpone any payments due to them under their respective agreements until appropriate funds are available.

Mr Myles Kitcher (Non-Executive Director)

Mr Kitcher entered into a service agreement with the Company dated 26th March 2020 under which he has elected not to receive any payment for providing his non-executive directorship services to the

Company, however will be reimbursed for reasonable expenses and is entitled to participate in the Company's share option scheme to the extent it is not material such that it would affect the duty of independence of a non-executive director. Such agreement is terminable automatically by the Company and without notice or payment of compensation if a resolution is passed at a general meeting which either removes Mr Kitcher or fails to re-appoint him, save in certain circumstances, including but not limited to, material breach and dishonesty, in which case the agreement shall be terminated automatically by the Company.

Mr Timothy Yeo (Proposed Non-Executive Director)

On Completion, it is proposed that Mr Yeo will enter into a non-executive letter of appointment with the Company and will join the Board as a non-executive director. In accordance with the terms of Mr Yeo's proposed letter of appointment, he will receive a payment of £30,000 per annum (paid in equal monthly instalments). The Company will also reimburse Mr Yeo for expenses and (subject to Board approval) permit participation by Mr Yeo in the Company's share options schemes. Such agreement will be terminable automatically by the Company and without notice if a resolution is passed at a general meeting which either removes Mr Yeo or fails to re-appoint him, save in certain circumstances, including but not limited to, material breach and dishonesty, in which case the agreement shall be terminated automatically by the Company.

Mr John Hall (Proposed consultant)

On Completion, it is proposed that Mr Hall will enter into an agreement with the Company to provide certain consultancy services to the Company for which he will receive a payment of £8,400 per month, to be reviewed after an initial 3 month period, and payment of reasonable expenses.

The Company will be entitled to terminate the agreement by providing one month's written notice to Mr Hall at any time at the end of the three month period following and the agreement also provides for early termination by the Company in certain circumstances, including but not limited to, death. If the Company terminates the agreement (other than for breach by Mr Hall) it shall pay Mr Hall the price for all the Contract Works (as defined therein) provided by him up to the date of such termination and for all reasonable costs and expenses incurred by it by reason of such early termination.

Mr Hall is not prevented from engaging in any other business, trade, profession or occupation during the term of this agreement provided that such activity does not cause a breach of any of his obligations under this agreement; he does not engage in any such activity if it relates to a business which is similar to or in any way competitive with business of PowerHouse without the prior written consent of the Company; and when required by the Company, Mr Hall shall give priority to the provision of the Contract Works to the Company over any other business activities undertaken by him during the course of his engagement under this agreement.

Mr Howard White (Proposed consultant)

On Completion, it is proposed that Mr White will enter into a variation letter to the letter of appointment between W2T and Mr White, dated 18th April 2015.

The variation letter provides that Mr White will receive payment of £5,000 per month and be reimbursed for reasonable expenses.

It is agreed that by no later than 30 September 2020 Mr White will resign as a Director from W2T and its subsidiaries, from which date all services provided will cease and W2T will not be bound by further payments with effect from the date of such termination.

David Ryan (Chief Executive Officer)

Mr Ryan is employed by PowerHouse under the terms of a service agreement dated 26 June 2020 in the role of Chief Executive Officer.

Under the key terms of this agreement, Mr Ryan is paid a salary of £178,000 per annum, a pension contribution of £17,000 per annum to his personal pension scheme, a contractual bonus linked to key performance factors agreed annually between Mr Ryan and the Company private medical insurance and life assurance.

The service agreement contains a change of control provision whereby should Mr Ryan's employment be terminated by either party within twelve months following the change of control, PowerHouse will pay Mr Ryan one year's basic salary, benefits, and his yearly bonus entitlement.

Either party must provide not less than six months' notice, in writing, to terminate the agreement. Upon termination of employment, Mr Ryan will be bound by non-solicitation and non-compete restrictions for a period of 12 months.

PowerHouse may pay Mr Ryan in lieu of notice. Payment will be equal to basic salary and benefits in addition to a pro-rated bonus payment, but does not include any element in relation to any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu of notice is made.

There are no other service contracts between the Directors and the Company, and no service contracts have been entered into nor have existing service contracts been replaced or amended during the period of six months prior to the date of this Circular.

5. Definitions

For the purposes of this Part II:

- (a) references to persons "acting in concert" comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:
 - (i) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (ii) a company with any of its directors (together with their close relatives and the related trusts of any of them);

- (iii) a company with any of its pension schemes and the pension schemes of any company covered in (i);
 - (iv) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;
 - (v) a person, the person's close relatives, and the related trusts of any of them, all with each other;
 - (vi) the close relatives of a founder of a company to which the Takeover Code applies, their close relatives, and the related trusts of any of them, all with each other;
 - (vii) a connected adviser with its client and, if its client is acting in concert with an offeror or with the offeree company, with that offeror or with that offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader);
 - (viii) directors of a company which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent; and
 - (ix) shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, or who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies;
- (b) an "arrangement" includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing;
 - (c) a "connected adviser" has the meaning attributed to it in the Takeover Code;
 - (d) "connected person" a director, those persons whose interests in Ordinary Shares the director would be required to disclose pursuant to Part 22 of the Act and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting capital;
 - (e) "control" means a holding, or aggregate holdings, of shares in the capital of a company carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holdings give *de facto* control;
 - (f) "dealing or dealt" include:
 - (i) acquiring or disposing of Relevant Securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to Relevant Securities or general control of Relevant Securities;

- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option in respect of any Relevant Securities;
 - (iii) subscribing or agreeing to subscribe for Relevant Securities (whether in respect of new or existing securities);
 - (iv) exercising or converting any Relevant Securities carrying conversion or subscription rights;
 - (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to Relevant Securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell Relevant Securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of Relevant Securities in which a person is interested or in respect of which he has a short position.
- (g) “derivative” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security;
- (h) “disclosure date” means 25 June 2020, being the latest practicable date prior to the publication of this document;
- (i) “disclosure period” means the period of 12 months ending on the disclosure date;
- (j) an “exempt fund manager” means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Takeover Code;
- (k) an “exempt principal trader” means a person who is recognised by the Panel as an exempt principal trader for the purposes of the Takeover Code;
- (l) being “interested” in Relevant Securities includes where a person:
- (i) owns Relevant Securities; or
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to Relevant Securities or has general control of them; or
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire Relevant Securities or to call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (m) “Relevant Securities” means securities which comprise equity share capital (or derivatives referenced thereto) and securities convertible into rights to subscribe for and options (including traded options) in respect of any such securities; and

- (n) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

6. Interests of the Concert Party in the Company

As at the close of business on the disclosure date save as otherwise disclosed in this document:

- (a) no member of the Concert Party is interested in any voting rights of the Company, other than Ben White, Paul Warwick, Howard White, Jane Bennett and Tony Bennett as previously disclosed in Part I, 9.2 and Part II, paragraph 1;
- (b) no member of the Concert Party nor any member of his or her immediate family, related trusts or connected persons, nor any person acting in concert with the members of the Concert Party, had an interest in or a right to subscribe for, or had any short position in relation to, any Relevant Securities of the Company, nor had any such person dealt in any such securities during the disclosure period other than Ben White and Jane Bennett as previously disclosed in section Part I, paragraph 9.4; and
- (c) no member of the Concert Party nor any person acting in concert with them had borrowed or lent any Relevant Securities of the Company, save for any borrowed shares which have either been on-lent or sold.

7. Middle market quotations

The following table sets out the middle market quotations for an Ordinary Share, as derived from the Daily Official List of London Stock Exchange, for the first Business Day of each of the six months immediately preceding the date of this document and on 25 June 2020 (being the latest practicable date prior to the publication of this document):

Date	Price per Ordinary Share
25 June 2020	3.71 pence
1 June 2020	3.16 pence
1 May 2020	1.15 pence
1 April 2020	0.93 pence
2 March 2020	1.27 pence
3 February 2020	0.73 pence
2 January 2020	0.51 pence

8. Additional disclosures required by the Takeover Code

At the close of business on the disclosure date, save as disclosed in this paragraph 8 of this document and paragraphs 3 or 4 of Part II of this document:

- a. none of the Company nor any of the Directors (including any members of such Directors’ respective immediate families, related trusts or connected persons) had any interest in or a right to subscribe for, or had any short position in relation to, any

Relevant Securities of the Company, nor had any such person dealt in such securities during the disclosure period, other than Dr. William Cameron Davis, Mr. David Ryan, Mr. Brent Fitzpatrick and Mr. James John Pryn Greenstreet who have been granted options as previously disclosed in Part II, paragraph 3;

- b. no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to any Relevant Securities of the Company, nor had any such person dealt in such securities during the disclosure period;
- c. the Company has not redeemed or purchased any of its Relevant Securities during the disclosure period;
- d. there were no arrangements which existed between the Company or any person acting in concert with the Company or any other person;
- e. neither the Company nor any person acting in concert with the Company had borrowed or lent any Relevant Securities of the Company, save for any borrowed shares which have either been on-lent or sold;
- f. no member of the Concert Party nor any person acting in concert with them has entered into an agreement, arrangement or understanding (including any compensation arrangement) with any of the Directors, recent directors, Shareholders, recent Shareholders or any other person interested or recently interested in Ordinary Shares which are connected with or dependent upon the outcome of the Resolutions or Admission;
- g. no member of the Concert Party has entered into agreement, arrangement or understanding to transfer any interest acquired in the Company, pursuant to the Resolutions or Admission;
- h. there are no material contracts (other than the contracts entered into in the ordinary course of business) entered into by the Concert Party in connection with their investment in the Company within the two years immediately preceding the date of this document; and
- i. other than David Ryan, who holds 23,120 ordinary shares of £0.01 each in the capital of Waste2Tricity, neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any Relevant Securities of the Concert Party nor had any such person dealt in such securities during the disclosure period.

There are no current ratings or outlooks publicly accorded to any of the Concert Party by ratings agencies.

9. Independent advice provided to the Board

The Takeover Code requires the Directors to obtain competent independent advice regarding the merits of the transactions which are the subject of the Waiver Resolution, the controlling position they will create, and the effect which they will have on the Shareholders generally. Accordingly, WH Ireland, as the Company's independent financial advisor, has provided formal advice to the Directors regarding

the Acquisition and the Waiver Resolution. WH Ireland confirms that it, and any person who is or is presumed to be acting in concert with it, is independent of the Concert Party and has no personal, financial or commercial relationship or arrangements or understandings with the Concert Party.

WH Ireland has also given and has not withdrawn its consent to the inclusion of its name and references to it in this Circular, in the form and context in which they appear.

10. Financial information on the Company

Below is a table setting out the location of certain financial information contained within the 2018 and 2017 Annual Report and Accounts:

	2018	2017
	Page Number	Page Number
Financial information: Revenue	35	25
Net profit/loss before tax	35	25
Tax charge	35	25
Net profit/loss after tax	35	25
Earnings per share	35	25
Statement of financial position	36	26
Statement of cash flows	37	27
Significant accounting policies and major notes to accounts	39	29

The Company's Annual Report and Accounts for 2018 can be found at:

<https://www.powerhouseenergy.net/wp-content/uploads/2019/06/Annual-Report-2018-Rev-15-Final-signed.pdf>

The Company's Annual Report and Accounts for 2017 can be found at:

<https://www.powerhouseenergy.net/wp-content/uploads/2018/06/Signed-Accounts-2017-final.pdf>

The above financial information has been incorporated into the Circular by reference in accordance with Rule 24.15 of the Code.

11. Documents available for inspection

The Circular, together with the following documents are available, free of charge, to view on the Company's website (<https://www.powerhouseenergy.net>) and at the office of PowerHouse Energy Group Plc at 15 Victoria Mews, Mill Field Road, Cottingley Business Park, Bingley, West Yorkshire, BD16 1PY:

- a) the Articles of Association of the Company;

- b) the audited consolidated accounts for the Company for the financial years 2018 and 2017;
- c) the interim results for the period to 30 June 2019;
- d) this document;
- e) Material contracts; and
- f) Director's service agreements and non-executive letters of appointment.

COMPANY NUMBER: 03934451

POWERHOUSE ENERGY GROUP PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of PowerHouse Energy Group Plc (the “**Company**”) will be held at Chairman’s private residence on 14 July 2020 at 10 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions.

ORDINARY RESOLUTIONS

1. **THAT** the Directors be and are generally and unconditionally authorised pursuant to section 551 of the Company Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**relevant securities**”) up to an aggregate nominal amount of £7,187,201.39, in respect of certain shares to be allotted by the Company in accordance with the terms of the Acquisition Agreement dated 25 June 2020 as described in the circular which accompanies this notice of general meeting (the “**Circular**”) but for no other purpose,

provided that this authority shall, unless duly renewed, revoked, varied or extended by the Company, expire on 14 October 2021 the date falling fifteen months from the date of the passing of this resolution.

2. **THAT**, the waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the City Code on Takeovers and Mergers (the “**Code**”) for the Concert Party (as such term is defined in the Circular) and persons deemed to be acting in concert with them under the Code to make a general offer to shareholders as a result of the issue of shares to them pursuant to the acquisition by the Company of the entire issued share capital of Waste2Tricity Limited as described in the Circular, be and is hereby approved.

By order of the Board

Company Secretary

Dated: 26 June 2020

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it, if attendance is possible. A member so entitled may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrar at Neville House, Steelpark Road, Halesowen, B62 8HD. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 10 below.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Registrar located at Neville House, Steelpark Road, Halesowen, B62 8HD no later than 10 a.m. on 10 July 2020 (or, in the event of any adjournment, no later than 48 hours before the time of the adjourned meeting), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority. Note that, due to the measures implemented by the UK government to combat the COVID-19 (Coronavirus) pandemic, Shareholders and/or their proxies will not generally be able to attend the meeting in person. Accordingly, Shareholders will need to appoint a proxy who will be attending the meeting to exercise their voting rights at the meeting. If Shareholders appoint the Chairman of the meeting as their proxy, this will ensure that their votes are cast in accordance with their wishes given that, in light of the restrictions implemented by the UK government to combat COVID-19, only the bare minimum number of persons will be attending the meeting in person in order to satisfy the quorum requirement for the meeting.
4. As an alternative to completing and returning the printed hard copy Form of Proxy, members can also appoint a proxy or proxies electronically by registering the proxy with the Registrar at www.sharegateway.co.uk and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by the Registrar by no later than 10 a.m. on 10 July 2020.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
6. The right to vote at the meeting is determined by reference to the register of members. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 (as amended) and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the meeting shall be entitled to attend and vote at the meeting, if attendance is possible. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote (and the number of votes they may cast) at the meeting, if attendance is possible.
7. In order to comply with the Code, Resolution 2 will be taken on a poll of the Independent Shareholders.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders' appear in the company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - a. in order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (the Registrar (ID: 7RA11)) by the latest time(s) for receipt of proxy appointments specified in this notice (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
 - b. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
 - c. the Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Any corporation which is a member can appoint one or more persons to act as its representative(s) at the meeting. Each such representative may exercise on its behalf the same powers as the corporation could exercise if it were an individual member provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

APPENDIX

POWERHOUSE ENERGY MATERIAL CONTRACTS

The following contracts are the only material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company within the two years immediately preceding the date of this Circular.

1. Acquisition Agreement

On or around the date of this Circular, the Company and the Principal Sellers shall enter into the Acquisition Agreement, the terms of which require that the Principal Sellers transfer their respective number of shares held in the capital of W2T to the Company on Completion. Arrangements are also in place to facilitate the transfer of all of the remaining shares in the capital of W2T from the Sellers (other than the Principal Sellers) to the Company at Completion.

The consideration for the purchase of the share capital of W2T held by the Principal Sellers under the Acquisition Agreement and the arrangements with the Sellers (other than the Principal Sellers) is the issue of the Acquisition Shares to each of the Sellers in respect of their proportional shareholding in W2T such that the Sellers, following Completion, will own 46.42% (which includes, for the avoidance of doubt, any PHE shares owned by the Sellers prior to the issue of the Acquisition Shares) of the Enlarged Share Capital (as defined in this document) of the Company. The Acquisition Shares shall rank *pari passu* in all respects with the Existing Ordinary Shares, including the right (subject always to the rights attaching to the Acquisition Shares) to receive all dividends declared, made or paid after Completion (save that they shall not rank for any dividend or other distribution declared made, or paid by reference to a record date before Completion).

The Acquisition shall complete automatically and is conditional the satisfaction of the Conditions. If the Conditions are not satisfied or waived on or before the Longstop Date), the Acquisition Agreement will cease to have effect immediately at 6.00pm on the Longstop Date.

In the Acquisition Agreement, the Principal Sellers have agreed to give certain undertakings to assist the Company pre-Completion with settling certain debts owed by W2T and, following Completion, the Principal Sellers have agreed to give certain undertakings related to events post-Completion covering customary restrictive covenants and also in relation to the termination or winding up of all of W2T's existing operational and corporate arrangements.

The Principal Sellers have also agreed under the Acquisition Agreement to give limited warranties to the Company subject to customary contractual limitations.

2. Peel Collaboration Agreement

On 9 August 2019, the Company entered into the Peel Collaboration Agreement relating to the deployment of the DMG Technology in the UK in respect of the Protos Project and ten further projects under which the parties agreed to work together to develop a business plan for the Protos Project and the ten further projects.

3. PHE and W2T Protos Side Letter

On 4 September 2019, the Company entered into a side letter with W2T related to the Peel Collaboration Agreement whereby costs arising and incurred by W2T for pre-project, business advice and consultancy services would continue to be met by PHE through the issue by PHE to W2T of

Ordinary Shares. Furthermore, the letter confirms that development W2T shall be entitled to a share of the profit generated from projects.

4. Peel Supplemental Agreement

On 10 February 2020, the Company entered into the Peel Supplemental Agreement pursuant to which it was agreed that Peel will take lead responsibility for the development and funding strategy of the first five of the earlier announced eleven projects. The agreement provides that the Company shall be paid the PHE Licence Fee, paid from the point the site is complete and operational. This agreement also contains commercial arrangements regarding Peel's immediate commitment to pay the Company's historic costs.

Under the Peel Supplemental Agreement, the parties also agreed that W2T and W2T Protos would surrender the lease relating to the Protos Project to Peel and Peel would be entitled to devise the funding strategy and all other aspects of the business plan for each project.

5. PHE, W2T and W2T Protos Side Letter

On 7 February 2020, the Company, W2T and W2T Protos entered into a side letter which states that if the acquisition of W2T does not proceed W2T is entitled to 40% of each PHE Licence Fee received under the Peel Supplemental Agreement (less certain costs). The Board are, however, of the opinion that if the Acquisition does not proceed neither Peel, nor its funders, will proceed the projects to completion and so no PHE Licence Fees would ever be received.

6. Peel UK Exclusivity Option Agreement

On 6 March 2020, the Company and Peel entered into the Peel UK Exclusivity Option Agreement which grants Peel an option to obtain the exclusive right to develop, distribute, promote and operate the DMG Technology in the UK for a period of 20 years from the date the Exclusivity Agreement (as defined below) comes into legal force and effect under the terms of such agreement. The option is, however, conditional on the Company entering into the Acquisition Agreement and it becoming unconditional and is only then able to be exercised by Peel in a period of 18 months following that date.

If the option is exercised, Peel must, on exercise, pay the sum of £500,000 to the Company. Each of the Company and Peel will then become bound by the terms of an agreed form exclusivity agreement (the **Exclusivity Agreement**). The Exclusivity Agreement is supplemental to the Peel Collaboration Agreement.

Under the Exclusivity Agreement the Company must, in respect of each delivery of an EFW facility (**Project**), among other things, grant Peel (and applicable Project participants/contractors) an exclusive and irrevocable licence to use the Project's design materials and enter into a service agreement (**Supplemental Services**) under which Peel is granted a licence to use the DMG Technology for a specific project in return for payment of a licence fee of at least £500,000, subject to variation if the Index of Consumer Prices has increased by more than 2.5% in the preceding year. The Exclusivity Agreement is, however, subject to certain carve-outs to the exclusivity rights of Peel, including, among other things, the ability of the Company to exploit the DMG Technology outside the UK.

The Exclusivity Agreement may be terminated by Peel at any time on written notice to the Company or by the Company at any time on written notice to Peel in certain specified circumstances. On termination (for any reason), any licences granted to Peel to use the DMG Technology and the Supplemental Services in force shall continue in accordance with their terms.

7. Lock-In Deed

The Company and each of the Locked-In Sellers have entered into a Lock-in Deed (which is conditional upon Admission) to set out certain restrictions on each of the Locked-In Sellers regarding the disposal of their Acquisition Shares following Admission. The Lock-In Deed is subject to English law.

Under the terms of the Lock-in Deed, each Locked-In Seller undertakes to the Company that they shall not, except in certain specified circumstances, for a period of 12 months from Admission (the **Initial Period**), sell, transfer, assign, swap, charge, mortgage, pledge, grant options or grant other rights over, encumber or otherwise dispose of any interest over any Acquisition Shares held by them and not (save in certain specified circumstances), for a further period of 12 months following the expiry of the Initial Period, without the prior consent of the Broker, dispose of any Interest in the Acquisition Shares otherwise than through the Broker, subject in each instance to the terms relating to price and execution offered by the Broker, provided that such terms offered by the Broker are reasonably comparable to those offered by other reputable brokers at the relevant time of each disposal. These restrictions will not prevent the Locked-In Sellers from, among other things, accepting a general offer (in accordance with the Takeover Code) made to the Shareholders of the Company to acquire all the Company's issued Ordinary Shares or to the execution and delivery of an irrevocable undertaking to accept such general offer.

8. Relationship Agreement

The Company and each member of the White Family have entered into the Relationship Agreement (which is conditional upon Admission) to manage the relationship between them to ensure that the Company will at all times be capable of carrying on the Business independently of the White Family. The Relationship Agreement is subject to English law.

Under the terms of the Relationship Agreement, the White Family undertake, *inter alia*, that they shall use all their rights and powers (including, without limitation, voting rights) (**Voting Rights**) attaching to the Ordinary Shares in which they are interested from time to time so that the Company and its Business (as defined therein) shall be managed for the benefit of the Shareholders as a whole and independently of the White Family.

The Relationship Agreement further requires that each member of the White Family shall not, *inter alia*, influence or seek to influence the running of the Company at an operational level and not exercise their Voting Rights so as to vote against any resolution to allot and/or issue any new shares for cash in the Company (**Undertakings**), provided that the Company shall only use such authority to allot and issue additional new shares where it has first provided the White Family with a right to participate in any new share issue up to its prorated entitlement (**Rights Issue**). The parties have agreed that for the White Family to be able to exercise its Rights Issue, it must first, and at all times during the period of the Relationship Agreement, comply with all the Undertakings contained within the Relationship Agreement. The parties have also agreed that, other than the Undertakings within the Relationship Agreement, nothing in the Relationship Agreement will prevent the White Family from exercising its shareholder rights at any general meeting of the Company provided that the general meeting has not been convened in contravention of the AIM rules or the terms of the Relationship Agreement.

The Relationship Agreement shall automatically terminate if the White Family cease to hold 20 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Ordinary Shares.

