

Mast Energy Developments PLC
(Incorporated in England and Wales)
(Registration Number: 12886458)
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Share code on the LSE: MAST
ISIN: GB00BMBSCV12
('MED' or 'the Company')



Dated: 23 May 2025

Mast Energy Developments PLC ('MED' or 'the Company')

Convertible Loan, Proposed Equity Fundraise, and Share Consolidation

Mast Energy Developments PLC (LSE: MAST) is pleased to announce that it has entered into a convertible loan note instrument ("CLN") and, conditionally, as set out below, an equity fundraise pursuant to a warrant instrument ("Equity Fundraise") to raise up to £5.0 million in gross proceeds in aggregate with a syndicate of investors in two stages. The CLN and Equity Fundraise have been arranged by the Company's appointed corporate broker, Fortified Securities.

At the same time the Company has undertaken to seek shareholder approval for a 40:1 share consolidation (the "Consolidation"), as well as for the necessary share headroom to accommodate the Equity Fundraise (together the "Resolutions"), at the next general meeting. The Company will comply with any requirements under the Prospectus Regulation Rules with regard to share capital headroom, including if required issuing a supplementary prospectus. References to the terms of the Equity Fundraise relate to the post Consolidation share price.

Key Highlights:

- Stage 1 - CLN delivers £350,000 gross proceeds of interest-free working capital in the immediate term, with the use of proceeds to cover the transaction costs including the issue of a supplementary prospectus and working capital while the parties conclude the Equity Fundraise; and
- Stage 2 - Equity Fundraise delivers £4.65 million gross proceeds via a warrant instrument (explained below), putting the Company in a strong financial position from which to advance its current projects and grow its asset base and portfolio of MWs in production.

Pieter Krügel, MED CEO, commented *"We have been making significant positive progress over the past year, most notably with the successes at Pyebridge and the Growth Capital Partnership with Powertree which commenced with a £5m investment into our Hindlip project. We are very well positioned to expedite the Company's growth trajectory and reach our strategic target of 300+ MWs in production."*

"This financing package secures the future of the Company's existing projects, while allowing it to grow its asset base and MWs in production with a war chest at some pace. Importantly, it also introduces a new source of future capital and enthusiasm to our register."

Stage 1: Convertible Loan Note Instrument

Pursuant to Stage 1, MED has entered into an interest-free CLN with a principal amount of £350,000. The subscriber under the CLN is Big Sky Management Limited, a company controlled by Canadian based corporate financier Eric Boehnke. The CLN is intended as a working capital bridge until completion of the financing under the Equity Fundraise. Upon shareholder approval and completion of the Equity Fundraise, the CLN will convert on the same terms as the Equity Fundraise at Stage 2 detailed below. In the unlikely event the Equity Fundraise does not complete within 90 days, the notes under the CLN become repayable in cash or convertible (at the Company's election) into shares at a 20% discount to the closing share price on the trading day immediately preceding the date of conversion. Further details on the conditions and restrictions

price on the trading day immediately preceding the date of commencement. Further details on the conditions and restrictions under the CLN are included below and will be included in the notice of general meeting.

The net proceeds from the CLN will be used to cover the transaction costs including the issue of a supplementary prospectus and working capital while the parties conclude the Equity Fundraise.

Stage 2: Equity Fundraise

Pursuant to Stage 2, the Company has entered into a warrant instrument and has received conditional subscription letters from investors introduced by Fortified Securities totalling £4.65 million. The Equity Fundraise is conditional upon, amongst other matters, the Resolutions. A further announcement with details in respect of the general meeting will be notified in due course.

The material terms of the Equity Fundraise are set out below.

- The Equity Fundraise is structured as prepaid warrants and ordinary, standard cash warrants. Each warrant, on exercise, entitles each subscriber to one new fully paid ordinary share in the capital of the Company.
- In return for their prepayment of an aggregate of £4.65 million (excluding the CLN), each subscriber under the Equity Fundraise is entitled to receive prepaid warrants ("Prepaid Warrants") in the Company exercisable at a fixed price of £0.04 per warrant along with two attaching cash warrants ("Cash Warrants"), also exercisable at £0.04 per warrant (the Prepaid Warrants and the Cash Warrants together the "Warrants") as set out in the schedule in the Appendix below. The Cash Warrants are exercisable for a period of six months from the date of grant and, if exercised, would bring in substantial additional proceeds to the Company (see Appendix).
- The Equity Fundraise is conditional on, *inter alia*, the following conditions being satisfied on or before 31 July 2025 (the "Conditions"):
 - i) The Company convening a general meeting to approve, *inter alia*:
 - a. share authorities to enable the full and unconditional exercise of the Warrants (subject to the relevant terms of the warrant instrument); and
 - b. a share capital reorganisation by consolidating every forty ordinary shares into 1 new ordinary share.
 - ii) Issue of an FCA approved supplementary prospectus (the "Supplemental Prospectus").
 - iii) The entry into of a relationship agreement, in agreed form, between the Company and each of the investors.

The full terms of the Equity Fundraise and the use of proceeds will be confirmed in the Supplemental Prospectus.

The Equity Fundraise is expected to operate as follows: the five investors (the "Investors") will, subject to the conditions described below having been satisfied, pay the subscription price for the Prepaid Warrants as a pre-payment (at which time the Company receives the £4.65 million in cash); however, the Prepaid Warrants shall remain unexercised until such time as the Investors provide an exercise notice to the Company. The Investors expect that, having invested sufficient capital to advance the business strategy, the Company's share price and liquidity will improve significantly. Accordingly, the Investors then expect to see demand for the Company's shares and be able to exercise their Warrants (within the agreed ownership thresholds detailed in the Appendix) and trade their shares.

Further details on the conditions and restrictions under of the Equity Fundraise are included in the Appendix below.

Stay up to date with MED's latest news and updates by joining our emailing list and social media channels, as follows:

MED emailing list - <https://www.med.energy/contact>

MED LinkedIn page - <https://uk.linkedin.com/company/mast-energy-developments-plc>

MED X (formerly Twitter) handle - @mastplc

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This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU No.

596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ('UK MAR'). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For further information please visit www.med.energy or contact:

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Guy Wheatley, CFA	+44 (0)74 9398 9014	Fortified Securities	Corporate Broker

APPENDIX

Additional Key Terms of the CLN

- As stated above, in the unlikely event the Equity Fundraise does not complete within 90 days, the notes under the CLN become repayable in cash or convertible (at the Company's election) into shares at a 20% discount to the closing share price on the trading day immediately preceding the conversion date.
- However, if the Conditions are satisfied by 31 July 2025, but in the unlikely event the investors fail to close the Equity Fundraise, the CLN is not repayable.
- The CLN is unsecured and interest free.
- No Investor is permitted to exercise notes to the extent that, as a result of such exercise, the Investor will own or control more than 2.99% of the issued ordinary shares of the Company.
- No Investor is permitted to exercise notes (in whole or in part) held by it to the extent that, as a result of such exercise, the Investor (together with persons "acting in concert" with it, as such term is applied for the purposes of the City Code on Takeovers and Mergers) will own or control more than 29.99% of the issued ordinary shares of the Company.
- The Company is subject to a 90-day standstill from the date of the CLN on general equity issuances, subject to carve outs in respect of, amongst other things, issues in connection with existing options and warrants and issues to the Company's employee benefit trust.
- For a period of 180 days from the date of the CLN, each Investor has a right to participate in further fundraisings by the Company up to a maximum aggregate value of £5 million.
- The CLN includes standard terms relating to events of default, warranties by the Company to the Investor, change of control provisions and negative covenants.

Additional Key Terms of the Equity Fundraise

- The Company is subject to a six-month standstill from the date of the warrant instrument on general equity issuances, subject to carve outs in respect of, amongst other things, issues in connection with existing options and warrants, issues to the Company's employee benefit trust and the Company undertaking an open offer or similar structure to existing shareholders as described above.
- No Investor is permitted to exercise warrants to the extent that, as a result of such exercise, such Investor will own or control more than 2.99% of the issued ordinary shares of the Company.
- No Investor is permitted to exercise warrants (in whole or in part) held by it to the extent that, as a result of such exercise, such Investor (together with persons "acting in concert" with it, as such term is applied for the purposes of the City Code on Takeovers and Mergers) will own or control more than 29.99% of the issued ordinary shares of the Company.

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