

Kibo Energy PLC (Incorporated in Ireland)
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(‘Kibo’ or ‘the Company’)



Dated: 7am 11 April 2023

**Kibo Energy PLC ('Kibo' or the 'Company')
Warrant Repricing, Convertible Loan Note Conversion and Reprofiting of Investor Loan**

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable energy-focused development company, announces that following extensive stakeholder engagement the Company has decided and agreed upon several measures to ensure the Company’s financial and operational stability and to secure the continuation of the Company’s development plans as outlined in its operational update RNS dated 6 April 2023.

These measures comprise the following three elements designed to ensure the Company has further capital injections, to reduce its immediate liabilities to improve the balance sheet and to incentivise the Company’s investors for longer-term returns:

- Warrant Repricing – the repricing of all the Company’s 1,128,024,625 unexercised warrants currently in issue and linked with new incentive warrants, to be issued to warrant holders on exercising their current Kibo warrants.
- Convertible Loan Notes Conversion – the conversion of the Company’s 7% Convertible Loan Note Instrument issued on 7 January 2022, which has a current value (including interest) of £714,517, to new ordinary Kibo shares of €0.001 par value each at a price of 0.14 pence per share.
- Bridge Loan Re-Profiting to amend it to a 24-month term loan – the reprofiling of the Company’s existing bridge loan facility as announced in an RNS dated 16 February 2022, with a current balance of £1,182,254 and currently due for payment on 28 April 2023.

As previously announced (RNSs dated 1 February 2023 and 6 April 2023), a key component of the Company’s strategy is the proposed spin-out of a new company, Ultimate Sustainable Energy (‘USE’), to be listed on the AIM Market (‘AIM’) of the London Stock Exchange (‘LSE’) via an initial public offering (‘IPO’). It is envisioned that USE will contain the Company’s existing waste-to-energy (‘WtE’) and biofuel project portfolio and the Company will provide the updated timing for the proposed IPO in the general update referenced above.

The Board expects that the measures summarised above, and outlined in detail below, will, assist with the funding required for the spin-out while incentivising existing long-term shareholders, warrant holders and other stakeholders in having their interests aligned with the Company’s business development goals across its entire project portfolio that spans reserve power, waste to energy, biofuel and long duration energy storage (‘LDES’). (For an overview of the Kibo strategy and project portfolio, the latest Company Corporate Presentation can be accessed on the Company website at www.kibo.energy).

The agreement of current and former directors and management of the Company to convert Loan Notes of £714,517 owed under the 7% Convertible Loan Note Instrument, not only demonstrates their personal support of Kibo’s project portfolio and business strategy but also significantly contributes towards deleveraging the Company’s balance sheet. Similarly, the agreement of the Institutional Investor to reprofile its bridge loan facility further supports the development of the Company’s operations and execution of its business strategy, while allowing the Company to preserve much-needed capital for the further development of the Company’s existing project portfolio. Further details on the measures being announced today are outlined below.

A. Warrant Repricing

All unexercised and outstanding warrants in the Company to the amount of 1,128,024,625 will be repriced (the 'Repriced Warrants') such that they will all be exercisable at £0.001 (0.1p.) The summary details of outstanding Kibo warrants are shown in Table 1 below.

Warrant Instrument Reference	Number of Warrants outstanding and unexpired	Expiry Date	Current Exercise Price	New Exercise Price (Repriced)
W.I 3	313,750,000	22 Sept 2023	0.4p	0.1p
W.I 5	216,000,000	22 Sept 2023	0.25p	0.1p
W.I 6	430,000,000	7 Nov 2023	0.4p	0.1p
W.I.7	168,274,625*	16 Feb 2025	0.231764p	0.1p
TOTAL	1,128,024,625			

*All warrants held by institutional investor – see 'C. Institutional Investor Loan' below

Table 1: Summary of outstanding Kibo warrants

Each Repriced Warrant will permit the holders (the 'Warrant Holders') to subscribe for one ordinary Kibo share of €0.001 par value at the new exercise price of 0.1p on or before the expiry dates, which will remain unchanged.

The Company will also issue incentive warrants (the 'Incentive Warrants') to all Warrant Holders who exercise their current warrants by 30 June 2023 following the repricing as well as to those Warrant Holders who have already exercised warrants under the Warrant Instruments mentioned above. One Incentive Warrant will be issued for each current warrant exercised, at an exercise price of 0.25p with the following terms:

- Each Incentive Warrant will be exercisable for an 18-month period, commencing on the date it is granted.
- Rights to exercise the Incentive Warrants will vest six (6) months from the grant date.
- Granting of Incentive Warrants will be conditional on the Company obtaining necessary authorisations at a General Meeting.
- Incentive Warrants may only be exercised by warrant holders pro-rata to the number of Kibo shares that they continue to hold at the time that they elect to exercise the Incentive Warrants. For example, if a warrant holder exercises 100 warrants resulting in 100 new Kibo shares being issued, they will receive 100 Incentive Warrants. If a warrant holder holds 50 warrants at the time the warrant holder exercises their Incentive Warrant, only 50 warrants will be exercisable and the balance will lapse.

A total of up to 1,200,774,625 Incentive Warrants may be issued by the Company.

B. Conversion of 7% Convertible Loan Note Redeemable Instrument

The Company has reached agreement with the holders (the 'Noteholders') of the Company's 7% Convertible Loan Note Instrument dated 7 January 2022 (the 'Loan Notes'), to convert all principal amounts and accrued interest to ordinary Kibo shares of €0.001 par value. The total amount outstanding, including accrued interest on the Loan Notes, will be £714,517 at the time of conversion and this amount will be converted at a price of 0.14p (the 'Conversion Price'), resulting in the issue of 510,369,286 new Kibo shares to the Noteholders (the 'Noteholder Shares'). The Conversion Price is the same as the most recent price at which the Company issued shares (refer to Company RNS dated 25 January 2023), as is required under the terms and conditions of the Loan Note Instrument. It is noted that the Noteholders comprise directors, former directors and management of the Company who had recently agreed to an extension of the redemption date of the Loan Notes to 31 May 2023

(RNS dated 1 March 2023). As outlined above, these Notes will now be redeemed by conversion to Kibo ordinary shares.

The Noteholders will be granted warrants equal to 50% of the CLN Balance (i.e. £357,258.50) divided by the Reference Price exercisable at €0.0015 per Ordinary Share of the Company, with a 36 month term. The warrants will only vest as exercisable once the Outstanding Balance of the below referred Term Loan Facility (as defined below) is less than 50% as at the Execution Date.

C. Re-profiling of Institutional Investor Bridge Loan Facility

The Company has further agreed to a reprofiling of its existing bridge loan facility into a new 24-month term loan (the 'Term Loan Facility'). The Term Loan Facility will extend the current repayment date (which is 28 April 2023 per the RNS dated 11 January 2023). Under the Term Loan Facility agreement, £1,113,980 (the 'Reprofiled Amount') of the total amount owed under the Facility of £1,182,254 (the 'Outstanding Balance'), will be deemed a First Tranche Drawdown advanced to the Company on the first trading day following the completion of the following conditions precedent:

1. Kibo's 7% Convertible Loan Note Instruments are converted to Kibo shares in the amount and conversion price as outlined above, resulting in the issue of 510,369,286 new Kibo shares to Noteholders.
2. The Warrant Holders exercise up to 264,125,000 of the 1,128,024,625 Kibo warrants outstanding at the repriced exercise price of 0.1p, resulting in cash proceeds of £264,125 to the Company and the issue of up to 264,125,000 new Kibo shares to the Warrant Holders.
3. Following completion of (1) and (2) above, the Institutional Investor exercises 168,274,625 warrants (W.I 7 in Table 1 above), resulting in cash proceeds of £100,000 to the Company, and £68,274 as a reduction against the amount due to be owed under the Term Loan Facility.

As part of this original bridge loan agreement, the Company provided the Institutional Investor with security in the form of shares held by it in Mast Energy Developments Plc ("MAST") in the amount of 54,054,055 shares. This arrangement has been cancelled as part of the reprofiling.

The terms of repayment of the Reprofiled Amount and any additional drawdowns under the reprofiling agreement of the Facility, comprise the following:

- The Reprofiled Amount will be subject to a six-month principal repayment holiday, followed by 18 equal monthly cash repayments of principal and the coupon thereafter on the maturity date unless otherwise capitalised under the terms of the reprofiled Facility, which falls 24 months from the Drawdown Date. It is noted that that the First Drawdown is the Reprofiled Amount, and the Drawdown Date is the first trading day following satisfaction of the condition's precedent outlined above. Further drawdown amounts and drawdown dates will be the subject of mutual agreement between the Investor and the Company for the duration of the Commitment Period (defined as three (3) years from the Execution Date of the loan reprofile agreement).
- If the Company elects not to settle a monthly payment (each being a "Missed Payment"), they will automatically grant a right for the monthly payment to be settled in shares as per the Non-Cash Repayment Terms, being that the Investor will be granted subscription rights over such balances due with respect to the Missed Repayment. The Investor will have the right for 12-months to capitalise such amounts of the Missed Payment from time to time with respect in varying amounts and without any restrictions at an 8% discount to the average of the 1 daily VWAP chosen by the Investor in the 10 trading days preceding each relevant subscription notice ("Adjusted Placing Price").
- The Company will grant senior fixed and floating security over its assets, including the shareholdings of MAST and USE as held by the Company. The Company will subordinate the loan between the Company and MAST (refer RNS dated 15 December 2022) to the funding of the Investor to MAST.
- The Reprofiled Amount will be subject to a 9.5% fixed coupon per 12 months of the 24-month term for each drawdown (i.e., 19% aggregate coupon). Each coupon is calculated at the commencement of a 12-month period based on the gross outstanding balances. The coupon

will be paid at the end of the Term unless otherwise capitalised into shares of the Company under the terms of the Term Loan Facility but accrues on the Execution Date, with respect to the first 12 months and on the first anniversary for the second 12 months.

- An Implementation Fee of 5% of the First Tranche (i.e., the Reprofiled Amount) is added to the balance payable at the end of the Term, unless otherwise capitalised under the terms of the reprofiled Facility, but accrues on the Execution Date and an additional 5% of each relevant drawdown (to be deducted from gross proceeds).
- If the Company fails to pay any sum on the due date for payment certain default terms, including additional fees and conversion of outstanding amounts, would then apply.

The Institutional Investor shall receive Warrants equal to 100% of each Drawdown divided by the Reference Price. With respect to the Drawdown for the Reprofiled Amount, being £0.001 per Share and, with respect to any further Drawdown, being the average of the 5 daily volume weight average prices prior to the Drawdown Date. Half of the warrants will be exercisable at the relevant Reference Price and the other half will be exercisable at 200% of the relevant Reference Price. The exercise period will be as follows:

- 36 months if the outstanding balance is settled in full within 12 months of the date of Term Loan Facility agreement; and
- 48-month term from the date of issuance if the outstanding balance is not settled in full within 12 months of the date of Term Loan Facility agreement.

The exercise of the warrants may be offset against outstanding debt pursuant to the Term Loan Facility.

Implementation of the measures outlined in A to C above is expected to result in the newly issued share capital being 3,995,991,683*. The number of shares and warrants held by the directors of the Company and their related parties before and after the conversion of the Loan Notes is shown in Table 2 below.

*assuming 264,125,000 shares issued pursuant to exercises of Warrants excluding the Institutional Investor and 168,274,625 shares issued pursuant to exercises of Warrants by the Institutional Investor.

	Before Loan Notes Conversion				After Loan Notes Conversion		
Director Name	Number of Kibo shares held	Number of Kibo warrants held	Shares held as % of current issued share capital (3,053,222,772 shares)	Number of shares acquired as result of conversion of 7% Convertible Loan Note Instruments	Number of Kibo shares held	Number of Kibo warrants held	Shares held as % of issued share capital after all measures implemented (3,995,991,683 shares)
Louis Coetzee & Related Parties	19,505,996	None	0.64%	199,875,715	219,381,711	None	5.49%
Noel O'Keeffe & Related Parties	7,037,047	None	0.23%	50,197,857	57,234,904	None	1.43%
Chris Schutte & Related Parties	None	None	n/a	None	n/a	None	n/a
Ajay Saldanha & Related Parties	None	None	n/a	None	n/a	None	n/a
Total	26,543,043	n/a	n/a	250,073,572	276,616,615	n/a	6.92%

Table 2: Kibo Director & Related Parties' Kibo holdings before and after Loan Note Conversion

Louis Coetzee, CEO of Kibo Energy PLC, says: *“We are pleased to have reached agreement with various stakeholders to implement several measures to ensure the Company’s financial and operational stability and to secure its development plans. The warrant repricing aims to provide more favorable terms to warrant holders, most of which include existing shareholders, while supporting the Company’s funding requirement.*

“Additionally, the conversion of the convertible loan notes will deleverage the Company’s balance sheet by significantly reducing its debt exposure. The commitment by noteholders is also testament of their confidence in the Company’s strategy and long-term development plans to deliver renewable energy projects that are commercially viable.”

****ENDS****

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 and is announced in accordance with the Company’s obligations under Article 17 of the specified Regulation.

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

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