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Dial Square Investments PLC
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10 March 2023

Dial Square Investments Plc

("Dial Square" or the "Company")

Proposed Acquisition of UK energy transition company, Proposed Cancellation of Listing and Suspension of Trading

Dial Square, a London Stock Exchange traded special purpose acquisition vehicle, is pleased to announce that it has entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company. EnergyPathways is an energy transition company, targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

EnergyPathways holds, indirectly through its subsidiary, a 100 per cent. interest in block 110/4a in Seaward Licence P2490 that contains the Marram gas field ("Marram Field"), located 30km west of mainland UK, close to the developed Morecambe gas complex in the UK waters of the East Irish Sea Basin. The Marram Field, which was discovered in 1993, contains 38.8 Bcf of

undeveloped gas 2P Reserves and lies approximately 15km east of the offshore South Morecambe Gas Field Platform. Gas produced from the South Morecambe Platform is transported along the existing South Morecambe trunkline to the onshore North Morecambe Terminal in Barrow. At the peak of its production, the Morecambe complex satisfied approximately 20 per cent. of the UK's gas demand. In the Marram Field, EnergyPathways has identified a 'ready-to-go' gas development asset, that is, Marram has low sub-surface technical risk, with no further appraisal drilling required. It also has near-term production potential due to the ability to tie-in to neighbouring existing infrastructure that has spare capacity. EnergyPathways is targeting first gas in 2024.

The directors of the Company and EnergyPathways believe that natural gas is a bridging fuel with a key role in the global energy transition and that a successful development of the Marram Field has the potential to make a favourable contribution towards reducing emissions and supporting the UK's transition to Net Zero. The extreme volatility experienced in the UK energy market through 2022, resulting from years of under-investment in oil and gas projects, and exacerbated by the supply crunch caused by the ongoing war in Ukraine, has highlighted the necessity for development of gas projects like Marram that have the potential to deliver cleaner, home-grown energy that contributes to UK energy security.

EnergyPathways' initial focus will be the development of the Marram Field, however, in line with its aims to develop low emission energy solutions, EnergyPathways has identified potential future opportunities to rejuvenate production from the UK East Irish Sea. It has submitted applications to the UK Government regulator for the award of additional licences with undeveloped gas resources in the region. EnergyPathways anticipates that there may also be potential to integrate new production with the nearby HyNet Northwest CCS and hydrogen hub project by providing gas feedstock as well as integrating with renewable offshore wind projects. It also intends to consider opportunities to participate in other selected discovered fields in the region and UK more broadly.

EnergyPathways has a strong management team with an established track record for value creation, operational excellence and a commitment to a progressive ESG agenda that prioritises environmental impact alongside the positive socioeconomic impact of its activities.

Pursuant to the Transaction, it is proposed that the issued and to be issued shares of EnergyPathways be acquired for an aggregate consideration of £4,080,833 to be satisfied by the issue of 68,013,885 ordinary shares in the capital of the Company to the vendors of EnergyPathways at an issue price of 6 pence per ordinary share of the Company.

The Transaction remains subject to various conditions, including full due

diligence to the Company's satisfaction and Re-admission (defined below). As the market capitalisation of the enlarged group following completion of the Transaction is expected to be less than £30 million (being the minimum market capitalisation for new applications for admission to Standard Segment and to trading on the Main Market), the Company will not be seeking readmission of its shares to the Standard Segment and to trading on the Main Market for listed securities of the London Stock Exchange. Instead, the Company intends to make an application for its ordinary shares to be admitted to trading on the AIM market operated by the London Stock Exchange ("Re-admission") and will, in due course, publish an admission document.

Shareholders should be aware that there is a possibility that the Transaction will not proceed or that the terms may change depending upon the outcome of due diligence. The Company will provide further updates on the Transaction in due course.

The Company was initially established with the intention of pursuing acquisition opportunities in the sports management sector. The directors have considered a number of acquisition opportunities in this sector, but to date has not yet found an acquisition target that they consider would be appropriate for the Company or in the best interests of its shareholders. As this search has been ongoing, the board were made aware of an opportunity to acquire EnergyPathways. The Transaction represents an opportunity for the Company to invest in a business that has the potential to deliver excellent value for shareholders and as such the directors consider it appropriate to pursue the Transaction rather than continue to spend time and resource seeking an opportunity in the sports management sector that may not come to fruition.

Loan arrangement and Proposed Cancellation of Listing

In conjunction with the entry into the Term Sheet, the Company has made available an unsecured term loan facility of a total principal amount of £200,000 ("**Loan**") to EnergyPathways. The Loan will accrue interest and will be repayable on the earlier of the date of completion of the Transaction, on the first anniversary of the loan agreement and the date falling 6 months after the Term Sheet is terminated. The Company may, at its sole discretion, elect to convert some or all of the Loan (together with the accrued interest) into shares in the capital of EnergyPathways. EnergyPathways shall use the Loan for working capital purposes, including, in particular, costs in relation to progressing its existing offshore gas project and new projects.

The Loan will constitute a reverse takeover of the Company for the purposes of Listing Rule 5.6.4 R and therefore in accordance with Listing Rule 5.2.3 G, the admission of the Company's shares to the Standard Segment and to

trading on the Main Market will be cancelled. The Company does not intend to re-apply for its shares to be readmitted to trading on the Main Market as it does not satisfy the minimum market capitalisation requirement of £30 million.

As stated above, upon completion of the Transaction, the Company would be seeking Re-admission on AIM and would have sought cancellation of its existing listing in any event. The Company expects the cancellation of its listing to be effective from 6 April 2023 and will update Shareholders in due course once the timetable for cancellation is confirmed. Should the Transaction not proceed, the Company will not be able to apply for its listing on the Main Market to be reinstated.

Suspension of Listing

As a result of the entry into the Term Sheet and the making of the Loan, the Company has requested, and has been granted, a suspension of the listing in its shares with immediate effect pending the cancellation of its listing as referred to above.

Neil Cousins, director of Dial Square said: "We are very excited to have agreed initial terms with Ben Clube and his team on the acquisition of EnergyPathways. The Marram Field off the coast of Liverpool is located in a basin that has a well established history of serving the UK with gas production with all key infrastructure already in place. The vision of EnergyPathways is to build on this 'ready to go' gas production and grow a portfolio of additional near-term production gas assets in the UK. We are now conducting due diligence and hope to conclude the transaction as soon as possible."

Ben Clube, CEO of EnergyPathways said: "We are delighted to have agreed terms with the Dial Square team and believe this Transaction will create a platform from which to deliver long-term value for existing shareholders in both companies as well as prospective investors going forward. The macro backdrop for EnergyPathways is very compelling in terms of a raised awareness about the critical role of natural gas in the UK energy mix and the impact on domestic energy security. Our initial focus is the development of a significant resource base of over 2 Tcf of overlooked gas accumulations (based on EnergyPathways' internal estimates) close to existing infrastructure in the UK East Irish Sea, making the Marram Field a material and relevant development that can boost UK near-term energy production and help secure the UK's short and long-term energy security of a clean, natural gas supply. EnergyPathways believes that the East Irish Sea region has the potential to become a leading hydrogen, CCS, and renewable energy centre and sees many integration opportunities for the region to develop into a major low emission energy centre for the UK. These broader opportunities are very much part of our longer-term growth strategy."

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Proposed Acquisition and Suspension of Trading

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Company Announcement - General

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