

**The Directors**  
**Contango Holdings plc**  
4th Floor  
36 Spital Square  
London  
E1 6DY

10 May 2024

**Strictly Private & Confidential**  
**Re: Tavira Financial Limited to be appointed as Financial Adviser and Broker**

Dear Sirs and/or Madam,

**1 INTRODUCTION**

1.1 This engagement letter (the "**Engagement Letter**") sets out the terms on which we, Tavira Financial Limited ("**Tavira**", "**us**" or "**we**") have agreed to act as Financial Adviser and Broker ("**Broker**") for Contango Holdings plc (the "**Company**", "**you**" or "**your**"), on behalf of itself and all of its affiliates, (the "**Engagement**").

1.2 The scope of the Transaction (the "**Transaction**") consists of the following:

- (a) General financial advice on the preparation of prospectus to be lodged and approved by the FCA;
- (b) Project manage the advisory team for the preparation of the prospectus; and
- (c) Acting as Broker for the fundraise of a minimum of £4m through the placing of new ordinary shares by the Company.

*Tavira reserves the right to revise the terms of engagement in the event the scope of the Transaction is varied.*

1.3 Our appointment will be upon the terms and conditions set out in this Engagement Letter and which include Tavira's standard terms and conditions attached as Schedule 2 (the "**Terms and Conditions**") and the indemnity attached as Schedule 3 (the "**Indemnity**").

**2 SCOPE OF OUR ENGAGEMENT**

2.1 Under this Engagement Letter we will act as Financial Adviser and Broker ("**Broker**") to the Company and provide general financial advice and other services in connection with the Transaction.

2.2 In these roles we will provide such of the following advice and services as the Company may require:

- (a) advising the Company on the timing, structure, mechanics and terms of the Transaction in conjunction with the Company's other advisers;

- (b) co-ordinating the Transaction with the board of the Company and other advisers engaged on the Transaction;
- (c) acting as lead adviser on the marketing and fundraising arrangements for the Transaction, the pricing and other terms of the financial instruments to be issued;
- (d) advising on the preparation of marketing materials for the Transaction;
- (e) subject to agreeing the terms of a placing agreement, seeking to introduce prospective investors or, subject to agreeing the terms of the appropriate agreements, seeking to procure prospective investors into the Transaction on a reasonable endeavours basis, as appropriate;
- (f) providing financial advice on the preparation of the prospectus to be lodged and reviewed by the FCA;
- (g) acting as project manager for the preparation of the prospectus; and
- (h) commenting on and discussing with you any reports prepared by independent experts.

2.3 Tavira may effect the Transaction by seeking to introduce prospective investors or, subject to agreeing the terms of the appropriate agreements, seeking to procure prospective investors, on a reasonable endeavours basis, by means of book building exercises. Should a book building exercise be undertaken, this will result in us having obligations both to the Company and to our investment clients. We will ensure that the interests of the Company are protected, during such a book building exercise, by adopting the following measures during the course of our engagement and we will conduct the Transaction with the objectives and policies on marketing, allocation and pricing as set out below:

- (a) we will provide the Company, when appropriate and/or on request, with information on the level of investor interest. We will make recommendations to the Company as to the allocation of securities having regard to the factors in paragraph 2.6 and after completion of the Transaction, disclose to you full details of the allocations of securities which have been made with the agreement of the Company; and
- (b) we confirm that, when we consider the size of securities allocations to be made to our investment clients, the level of commission business which we conduct with those clients will not be the determining factor.

2.4 In order to be able to arrange the equity issue or other financing activity, we will target a range of investors who will be approached and offered the opportunity of a presentation from the Company's management concerning the Transaction. Following such meetings, our Sales Department will ascertain the demand from these investors and will prepare a recommended allocation list.

2.5 The basic objective of deciding the range of target investors, and of the final allocation, will normally be to produce an appropriate spread of investors (for example between long term holders and providers of liquidity), with a view to achieving an orderly aftermarket with a balance between liquidity and price stability.

2.6 The basis of allocation will depend on the particular facts and circumstances and will be the result of discussion with the Company and the exercise of judgement. Final allocation will be by agreement with the Company. No one factor will be determinative, but factors which will often be relevant include the following:

- (a) the size of an investor's expressed interest (both absolutely and relative to the investor's portfolio or assets under management);
- (b) the extent to which the investor's expressed interest and the size of the allocation requested appears consistent with the investor's investment strategy and objective and purchasing capacity;
- (c) the investor's behaviour in, and following, past issues generally and their interest and past dealings in securities of other issuers in your sector;
- (d) the investor's interest in, and past dealings in, your securities;
- (e) any indication or reasonable belief that the investor has exaggerated the true extent of its interest in the expectation of being scaled down;
- (f) the category or description into which the investor falls;
- (g) the desirability of avoiding allocations in inconvenient or uneconomic amounts; and
- (h) the Company's objectives with respect to diversity of shareholders and securing shareholders which would be beneficial to the profile of the Company.

2.7 The valuation and pricing of equity issues are complex processes which normally involve a strong element of judgement and experience. In the context of an issue of securities, there will often be a tension between the wish to maximize the proceeds of the offering, your interest in the future performance, and investor perception of and interest in the future performance, of your securities. The objective of our pricing recommendation may therefore be wider than merely maximising price and may include the provision of initial discounts, achieving a desired shareholder base or other factors in order to find the appropriate balance between these sometimes conflicting objectives.

### **3 MATTERS OUTSIDE THE SCOPE OF ENGAGEMENT**

3.1 The duties and responsibilities of Tavira shall be those expressly set out in this Engagement Letter and, for the avoidance of doubt, shall not include:

- (a) giving tax, legal, accountancy or actuarial advice or, other than as expressly set out in paragraph 2.2 above, any other specialist or technical advice or services; or

- (b) giving advice on any aspects relating to regulatory requirements in or outside the United Kingdom; or
- (c) being obliged to sell, acquire, place, underwrite or sub-underwrite any investments; or
- (d) providing services as receiving bankers or registrars; or
- (e) other than as expressly set out in paragraph 2.2 above, giving general financial or strategic advice; or
- (f) providing specific Takeover Code advice to the Company and its independent shareholders.

3.2 It may be necessary for the Company, in conjunction with its advisers, to carry out due diligence or verification procedures to ascertain and/or check the accuracy of facts, estimates and opinions that are relevant to the Engagement. Save as required by the obligations of Tavira under the rules of the LSE or under the regulatory system as defined in the FCA Rules, Tavira shall not be responsible for undertaking any such due diligence or verification procedures as principal or agent or for providing or procuring the provision of any information in connection therewith.

3.3 Subject to the prior agreement in writing between Tavira and the Company about the specific tasks involved and the related fees, Tavira shall not provide services outside the scope of this Engagement Letter and any services other than those specified in paragraph 2.2 above which are provided by Tavira to the Company shall be invoiced separately on terms to be agreed between Tavira and the Company.

3.4 You agree not to engage any other person in any role to which we have been appointed during the term of our appointment under this Engagement Letter without our prior consultation and such consent not to be unreasonably withheld.

#### **4 FEES AND EXPENSES**

4.1 In consideration of Tavira's agreement to act as Lead Broker to the Transaction, the Company agrees to pay Tavira the following (with the addition of any applicable VAT and disbursements):

- (a) an advisory fee of £60,000 regarding the financial advisory work payable on the closing of the Transaction;
- (b) cash commission of 5% of the funds raised by Tavira payable from gross proceeds of the placing at the date of admission to the LSE; and
- (c) Broker warrants, exercisable at the placing price over 5% of the number of ordinary shares subscribed for by investors introduced by Tavira. These warrants will be exercisable for a period of 3 year from the date of admission to the LSE.

- 4.2 Company shall also reimburse Tavira promptly (irrespective of whether the Transaction is completed or not) for all costs, charges and expenses of or incidental to, or incurred in connection with the Engagement or the provision of any services referred to herein, as may be invoiced by Tavira from time to time and as more particularly referred to in the Terms and Conditions contained in Schedule 2. Tavira will not incur any expenses in excess of £1,000 per item without the Company's prior approval (such approval not to be unreasonably withheld). Tavira will appoint a lawyer to the Placing (subject to the prior approval of the Company) whom will be paid from the gross proceeds of the Transaction and subject to prior approval of the Company.
- 4.3 If the Engagement is terminated by the Company, and within a period of 12 months from the effective date of such termination the Company enters into a deal, arrangement or transaction with a potential investor, introduced by Tavira, in the same form as, or in a similar form to, that upon which prior to such termination Tavira had been advising, you will pay to us all fees payable in accordance with this letter as if the Transaction envisaged by this letter had been consummated on the same basis and terms (including those relating to consideration) as those of the subsequent deal, arrangement or transaction.
- 4.4 The fees set out in paragraph 4.1 have been determined on the basis that the Transaction will take place no later than 31 December 2024. If it becomes clear that the Transaction will not occur by that date, we reserve the right to re-negotiate with you the fees payable to us.
- 4.5 In the event that Tavira has undertaken and completed a marketing exercise and book building process in respect of the Company as a result of which indicative commitments to take up shares in the Fundraising have been received by Tavira, but prior to any placing agreement being entered into, the transaction does proceed by reason of:
- (a) a material default by the Company and/or its directors and/or the selling shareholders;  
or
  - (b) by reason of the Company deciding to effect an alternative transaction.

The Financial Adviser and Broker fee referred to in paragraph 4.1 shall become immediately due and payable to Tavira.

- 4.6 All fees, commissions and expenses referred to in this paragraph 4.1, and all fees commissions and expenses incurred or charged by Tavira pursuant to the Engagement, are calculated exclusive of any applicable VAT (or other similar taxes) which will be paid and/or charged to the Company.

## **5 THE COMPANY'S OBLIGATIONS**

The Company confirms that it will comply with all the obligations set out in Schedule 1.

## **6 TERMS AND CONDITIONS AND INDEMNITY**

The Terms and Conditions contained in Schedule 2 and the Indemnity contained in Schedule

3 are deemed to be part of this Engagement Letter. By executing the counterpart of this Engagement Letter the Company accepts such Terms and Conditions and agrees to be bound by the Indemnity contained in Schedule 3. Where there is any conflict between the express terms of this Engagement Letter and the Terms and Conditions contained in Schedule 2, the terms of this Engagement Letter will prevail.

## **7 ACKNOWLEDGEMENTS**

The Company acknowledges and confirms that:

- (a) the directors of the Company understand the nature of their responsibilities as directors of a Company listed on the Standard list of the Main Market and the duties owed by them to holders and potential holders of the Company's securities and will carry out all their obligations and will, in so far as they are able, procure that the Company carries out all of its obligations under, and in accordance with, the Listing Rules and all relevant Applicable Laws (as defined in Schedule 1);
- (b) the shares in the Company which have been or are to be admitted to trading on the LSE are free from restrictions on transferability (including any limitations on size of holdings and in respect of classes or identity of holders) except for any restrictions of the kind permitted by the Listing Rules;
- (c) Tavira may take such steps as it considers necessary or desirable to comply with legal or other regulatory requirements relevant to any services provided by it to the Company provided that it shall give prior written notice of any such steps to the Company;
- (d) the terms of this Engagement Letter have been unanimously agreed and approved by the board of directors of the Company; and

## **8 TERMINATION**

8.1 Subject to paragraph 8.2 the Engagement shall remain in place for a minimum of 4 months notwithstanding any other engagements entered into between the Company and Tavira.

8.2 Tavira shall be entitled to terminate the Engagement immediately, without liability for continuing obligations to the Company, if:

- (a) in the sole and absolute discretion of Tavira, acting reasonably, it is of the opinion that:
  - (i) there has been a material breach by the Company, or any of the directors of the Company, of the Listing Rules, the City Code, LSE or any Applicable Law (as defined in Schedule 1);
  - (ii) there has been a material or persistent breach by the Company of the terms of this Engagement Letter;
  - (iii) there has been a fraudulent act by the Company or any of the directors of the Company;

- (iv) Tavira's name or reputation is likely to be prejudiced by continuing to act for the Company;
  - (v) there has occurred a material adverse change in the business of or in the financial or trading position of the Company; or
  - (vi) the Company has failed to act in accordance with Tavira's advice and such failure has a direct material adverse effect on the Engagement or Tavira.
- (b) it is proposed that new directors are appointed to the board of the Company and Tavira has been unable to satisfy itself as to the suitability of such director or directors and/or the resulting or proposed composition of the board of the Company;
- (c) the Company does not pay any sum payable as invoiced within 30 days of Tavira providing the Company with written notice that it remains unpaid; or
- (d) the Company becomes insolvent or has any winding up, receivership or administration order made in respect of it, or makes or seeks to make any arrangement with its creditors or passes a resolution for its winding up or a petition is presented for its winding up or administration.
- 8.3 The Company shall notify Tavira as soon as reasonably practicable upon becoming aware that any of the events or circumstances referred to in paragraph 8.2 have occurred or are likely to occur.
- 8.4 The Company shall be entitled to terminate the Engagement immediately if it is of the opinion, acting reasonably, that:
- (a) there has been a material breach by Tavira, or any representative of the firm, of the FCA Rules or any other Applicable Law (as defined in Schedule 1); or
  - (b) there has been a material breach by the Tavira, or any representative of the firm, of the terms of this Engagement Letter.
- 8.5 Either party may terminate the Engagement without cause by giving 3 months' prior written notice to the other subject to the provisions of this paragraph 8.
- 8.6 Any termination of the Engagement shall be effected in accordance with paragraph 12 (*Notices*) of the Terms and Conditions contained in Schedule 2. The obligations and liabilities of the parties accrued as at the date of termination under paragraphs 8 (*Termination*) of this Engagement Letter, the Terms and Conditions contained in Schedule 2 and the Indemnity contained in Schedule 3 shall not be extinguished in the event of any such termination.

## **9 FCA CLIENT CLASSIFICATION**

- 9.1 On the basis of the information provided to it by the Company, Tavira has categorised the

Company as a professional client for the purposes of the FCA Rules.

## 10 NOTICES

For the purposes of paragraph 12 (*Notices*) of the Terms and Conditions contained in Schedule 2, the Company's address for services is:

**Address:** as per address of this letter unless notified of a separate address by the Company  
**Email:**

## 11 ACCEPTANCE

Please confirm the Company's acceptance of the terms of this Engagement Letter by signing below and returning one executed copy to us.

Yours faithfully,

**TAVIRA FINANCIAL LIMITED**

.....  
Director/authorised signatory

Accepted by:



.....  
**Director**  
**for and on behalf of Contango Holdings plc**

Yours faithfully

Simon Mason  
for and on behalf of  
**Tavira Financial Limited**