

GEG HOLDING PLC (ex SeaBird Exploration Plc)

Extraordinary Annual General Meeting of 13 October 2022 Report of the Board of Directors relating to the exclusion of Pre-emption rights

Terms used herein shall have the same meaning as used in the Calling Notice for the Extraordinary General Meeting, unless otherwise defined herein.

1. PURPOSE OF THE REPORT

This report has been prepared and is being submitted by the Board of Directors of GEG HOLDING PLC (ex SeaBird Exploration Plc) (the "**Company**"), pursuant to the provisions of section 60B of the Cyprus Companies' Law, Cap. 13, as amended (the "**Law**"), in order to support the proposal for the approval by the shareholders, at the Extraordinary General Meeting to be held on 13 October 2022, at 11.00 a.m. Local Time (the "**EGM**"), of an exclusion of pre-emption rights, in connection with the proposed authorization to issue up to 7,000,000 additional ordinary shares (the "**New Shares**").

The approval being sought, if granted, will remain in force until the Annual General Meeting in 2023.

2. PURPOSE AND JUSTIFICATION FOR THE PROPOSAL

2.1 The Board of Directors proposes and is considering the following two possible methods of raising funds through the issue of further equity:

- (a) Offering of further shares to existing shareholders (repair issue).
- (b) Offering of further shares through the Company incentive scheme.

2.2 The fundamental purpose for providing the Board of Directors with the authority to issue shares is to enable the Company to fulfill its obligations to minority investors in conjunction with repair issues, as well as towards management in the Company's incentive scheme. An exclusion of the pre-emption rights of the existing shareholders would provide the Board of Directors with the required flexibility to utilize the authority given. It is therefore in the interest of all shareholders and other stakeholders, considering all options available to the Company, to provide the directors with the flexibility needed to allocate shares for these purposes.

By way of background to the proposal, the Board of Directors refers to its announcement in July 2022 of a planned offering of shares (the "**Subsequent Offering**") to its existing shareholders as of close of trading 28 July 2022, as subsequently recorded in the VPS on 1 August 2022, who were not allocated shares in the Private Placement of shares conducted in July 2022. The Board of Directors further advises the shareholders that the Company has certain obligations pursuant to current share incentive programs (the "**Share Incentive Programs**").

On 8 August 2022, the annual general meeting rejected a proposed exclusion of pre-emption rights in relation to new share issues of the Company. The absence of the ability to exclude pre-emption rights means that the Subsequent Offering cannot be completed. It further means that the Company cannot settle its obligations under the Share Incentive Programs in shares, and will need to settle them in cash.

The Board of Directors considers it in the shareholders' interests that granted options under existing option programs may be settled in shares rather than in cash. It also deems it in the

Company's and the shareholders interest (particularly the minority shareholders' interest), that the Subsequent Offering may be concluded as planned. It has therefore decided to present the matter again for renewed consideration by the shareholder meeting. The Board of Directors emphasizes that if the proposed resolution to exclude pre-emption rights in relation to new share issues of the Company, the Subsequent Offering will be cancelled and obligations under Share Incentive Programs will need to be settled in cash.

3. ISSUE PRICE

As a formal matter, the nominal value of any share would be the minimum price at which a new share may be issued. In practice, the issue price for the repair issue will be equal to the price in the private placement, while the price in the incentive scheme is regulated in the allocations given.



Ståle Rodahl
Chairman
On behalf of the Board of Directors