

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE OFFER, THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM, OR, IF NOT, ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE TAKING ADVICE IN A TERRITORY OUTSIDE THE UNITED KINGDOM.**

If you sell, have sold or have otherwise transferred all of your Volga Gas Shares (other than pursuant to the Offer), please send this document and any accompanying document, but not the accompanying personalised Form of Acceptance, as soon as possible, to the purchaser or transferee or stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. **However, this document should not be forwarded or transmitted in or into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction, including, but not limited to, any Restricted Jurisdiction.** If you have sold or otherwise transferred only part of your holding of Volga Gas Shares, you should retain these documents and consult your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The release, publication or distribution of this document and accompanying documentation in whole or in part, directly or indirectly in, into or from certain jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions into whose possession this document and/or accompanying documentation comes should inform themselves of, and observe, any applicable legal and regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept, or to procure the acceptance of, the Offer may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to Overseas Shareholders are contained in this document. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

**You should read carefully the whole of this document, including any documents incorporated into it by reference, and the accompanying Form of Acceptance (if you hold Volga Gas Shares in certificated form).**

**Your attention is drawn to the letter from the Non-Executive Chairman of Volga Gas set out in Part I (Letter from the Non-Executive Chairman of Volga Gas) of this document, which contains the views of the Volga Gas Directors in respect of the Offer.**

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## **ALL CASH OFFER**

for

## **VOLGA GAS PLC**

*(incorporated in England and Wales with registered number 05886534)*

by

## **GEM CAPITAL HOLDINGS (CY) LTD**

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The procedure for acceptance of the Offer is set out on pages 21 to 25 of this document and, in respect of Volga Gas Shares in certificated form, in the Form of Acceptance. To accept the Offer in respect of Volga Gas Shares in certificated form (that is, not in CREST), you must complete, sign and return the accompanying Form of Acceptance (along with your valid share certificate(s) and/or other document(s) of title) as soon as possible and, in any event, so as to be received by the Receiving Agent, Link Group, by no later than 1.00 p.m. (London time) on 4 January 2021. Acceptances in respect of Volga Gas Shares in uncertificated form (that is, in CREST) should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on 4 January 2021. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to GEM and no-one else in connection with the Offer and other matters described in this document and will not be responsible to anyone other than GEM for providing the protections afforded to clients of Strand Hanson nor for providing advice in relation to the Offer, the contents of this document or any other matter referred to herein. Neither Strand Hanson nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Strand Hanson in connection with this document, any statement contained herein or otherwise.

Renaissance Capital is an affiliate of Renaissance Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Renaissance Capital is acting exclusively as financial adviser to Volga Gas and no-one else in connection with the Offer and other matters described in this document and will not be responsible to anyone other than Volga Gas for providing the protections afforded to clients of Renaissance Capital nor for providing advice in relation to the Offer, the contents of this document or any other matter referred to in herein. Neither Renaissance Capital nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Renaissance Capital in connection with this document, any statement contained herein or otherwise.

Auctus is an authorised representative of Tamesis Partners LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Auctus is acting exclusively as Rule 3 adviser to Volga Gas and no-one else in connection with the Offer and other matters described in this document and will not be responsible to anyone other than Volga Gas for providing the protections afforded to clients of Auctus nor for providing advice in relation to the Offer, the contents of this document or any other matter referred to herein. Neither Auctus nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Auctus in connection with this document, any statement contained herein or otherwise.

SP Angel, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as nominated adviser and broker to Volga Gas and no-one else in connection with the Offer and other matters described in this document and will not be responsible to anyone other than Volga Gas for providing the protections afforded to clients of SP Angel nor for providing advice in relation to the Offer, the contents of this document or any other matter referred to herein. Neither SP Angel nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SP Angel in connection with this document, any statement contained herein or otherwise.

### **Overseas shareholders**

The attention of all Volga Gas Shareholders who are citizens, nationals or residents of jurisdictions outside the United Kingdom and any persons (including, without limitation, any custodians, nominees or trustees) who would, or otherwise intend to, forward this document and/or the Form of Acceptance outside the United Kingdom is drawn to paragraph 8 of Part C of Appendix I of this document and, in respect of Volga Gas Shares held in certificated form, to the relevant provisions of the Form of Acceptance.

The availability of the Offer to persons who are not resident in the United Kingdom, and the release, publication and distribution of this document and accompanying documentation in jurisdictions other than the United Kingdom, may be restricted by the laws of jurisdictions other than the United Kingdom. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements of their relevant jurisdiction. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of the relevant jurisdictions in which they are located.

Any person (including custodians, nominees and trustees) who would, or otherwise intend to, or may have a legal or contractual obligation to, forward this document, the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom, should inform themselves of, and observe any applicable legal or regulatory requirements of any relevant jurisdiction. If you are in any doubt about your position, you should consult with your legal adviser in the relevant jurisdiction without delay.

This document and the Form of Acceptance have been prepared for the purposes of complying with English law, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document and the Form of Acceptance had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom. The Offer will be implemented in accordance with applicable English law and will be subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the FCA, the Panel and the rules of the London Stock Exchange (including the AIM Rules).

Unless otherwise determined by GEM or required by the Code, and permitted by applicable law and regulation, the Offer is not being and will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance from or within, a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and all other accompanying documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise

forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this document, the Form of Acceptance and all other accompanying documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of Volga Gas or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Volga Gas and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of Volga Gas or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of Volga Gas or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of Volga Gas or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Volga Gas and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Volga Gas or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Volga Gas and by any offeror and Dealing Disclosures must also be made by Volga Gas, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Purchases outside the Offer**

In accordance with normal United Kingdom practice and subject to applicable regulatory requirements, GEM or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Volga Gas Shares other than pursuant to the Offer such as in open market or privately negotiated purchases during the period in which the Offer remains open for acceptance. Such purchases, or arrangements to purchase, must comply with English law and applicable rules in the United Kingdom including the Code and the AIM Rules. Information about such purchases will be disclosed in accordance with Rule 8 of the Code.

### **Cautionary note regarding forward-looking statements**

This document (including information incorporated by reference in this document) contains certain statements that are, or may be deemed to be, forward-looking statements with respect to GEM and/or Volga Gas. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could" or other words of similar meaning. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of GEM's or Volga Gas's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on GEM's or Volga Gas's business. These statements are based on assumptions and assessments made by GEM and/or Volga Gas (as applicable) in light of their

experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this document. Neither GEM or the GEM Group nor Volga Gas or the Volga Gas Group assumes any obligation to update publicly or revise any forward-looking statement or other statements contained in this document as a result of new information, future events or otherwise, except to the extent required by applicable law, the Panel or the Code.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates, and future business combinations or dispositions.

No member of the GEM Group or the Volga Gas Group nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

Except as expressly provided in this document, no forward-looking or other statements have been reviewed by the auditors of the GEM Group or the Volga Gas Group. All subsequent oral or written forward-looking statements attributable to any member of the GEM Group or the Volga Gas Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

#### **No profit forecasts, quantified financial benefit statements or estimates**

No statement in this document (or any information incorporated by reference into this document) is intended, or is to be construed, as a profit forecast, projection, profit estimate or quantified financial benefit statement for any period. No statement in this document should be interpreted to mean that earnings per Volga Gas Share for the current or future financial years would necessarily match or exceed the historical published earnings per Volga Gas Share.

#### **Right to switch to a Scheme of Arrangement**

GEM reserves the right to elect, with the consent of the Panel (who may, in determining the offer timetable following such an election, take into account a number of factors including the views of the Volga Gas Directors), to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such an event, the Offer will be implemented on the same terms or, if GEM so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

#### **No representations**

No person has been authorised to make any representations on behalf of Volga Gas or GEM concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised. No person should construe the contents of this document as legal, financial or tax advice and recipients of this document should consult their own advisers in connection with the matters contained herein.

#### **Publication on websites and availability of hard copies**

This document and the documents required to be published pursuant to Rule 26 of the Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital) by no later than 12.00 noon (London time) on the Business Day following the date of publication of this document. Save as expressly referred to in this document, the contents of the websites referred to in this paragraph are not incorporated into and do not form part of this document or the Form of Acceptance.

Volga Gas Shareholders who have received this document in electronic form or by it being published on Volga Gas's website may request a hard copy of this document and/or any information incorporated into this document by reference to another source, free of charge, by contacting the Receiving Agent, Link Group, on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK or by writing to Link Group at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU stating your name, and the address to which the hard copy version(s) should be sent. Lines are open from 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at your network provider's standard rate and may be included within your plan but will vary by provider. Calls to the helpline from outside the United Kingdom will be charged at

applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, tax, investment or legal advice. Volga Gas Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form. Unless you have previously elected to receive hard copies of any such documents, announcements or information, hard copies shall not be sent to you but you may request them.

### **Information relating to Volga Gas Shareholders**

Please be aware that addresses, electronic addresses and certain information provided by Volga Gas Shareholders, persons with information rights and other relevant persons for the receipt of communications from Volga Gas may be provided to GEM during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

### **Taxation**

The receipt of cash pursuant to the Offer by Volga Gas Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. For summary information on certain limited aspects of the taxation of certain UK Volga Gas Shareholders, please refer to Appendix IV of this document. Each Volga Gas Shareholder is urged to consult their independent professional adviser regarding the tax consequences of acceptance of the Offer.

### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Definitions**

Capitalised words and phrases used in this document shall have the meanings given to them in Appendix VI of this document.

### **Date of publication**

The date of publication of this document is 14 December 2020.

## ACTION TO BE TAKEN

**For the reasons set out in this document, the Volga Gas Directors, who have been so advised by Auctus as to the financial terms of the Offer, consider that the terms of the Offer inadequately value Volga Gas and are not sufficiently compelling that the Volga Gas Directors are able to provide a recommendation to Volga Gas Shareholders that they should accept the Offer. However, the Volga Gas Directors consider there to be a number of reasons for Volga Gas Shareholders to seriously consider the Offer and believe that it is appropriate to allow GEM to make its Offer to Volga Gas Shareholders for their consideration, for the reasons set out in this document. Accordingly, if you wish to accept the Offer, it is important that you follow the instructions set out in paragraph 12 of Part II of this document as summarised below.**

### **If you hold Volga Gas Shares in certificated form:**

If you hold your Volga Gas Shares, or any of them, in certificated form (that is, NOT in CREST), to accept the Offer in respect of all or some of those Volga Gas Shares, you should complete, sign and return the enclosed Form of Acceptance along with your original share certificate(s) (no copies accepted) and/or any other relevant document(s) of title as soon as possible and, in any event, so as to be received by post or by hand (during normal business hours only) to the Receiving Agent, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU **as soon as possible and, in any event, by not later than 1.00 p.m. (London time) on 4 January 2021.** Further details on the procedure for acceptance of the Offer if you hold any of your Volga Gas Shares in certificated form are set out in paragraph 12 of Part II of this document, Part D of Appendix I to this document and in the accompanying Form of Acceptance.

A reply-paid envelope, for use within the United Kingdom only, is enclosed for your convenience and may be used by holders of Volga Gas Shares in certificated form in the United Kingdom for returning their Forms of Acceptance.

### **If you hold Volga Gas Shares in uncertificated form:**

If you hold your Volga Gas Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of all or some of those Volga Gas Shares, you should follow the procedure for Electronic Acceptance through CREST, so that the TTE instruction settles **as soon as possible and, in any event, by not later than 1.00 p.m. (London time) on 4 January 2021.** Further details on the procedure for acceptance of the Offer if you hold any of your Volga Gas Shares in uncertificated form are set out in paragraph 12 of Part II of this document and in Part E of Appendix I to this document. If you hold your Volga Gas Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

**Regardless of how you hold your Volga Gas Shares, acceptances of the Offer should be received by not later than 1.00 p.m. (London time) on 4 January 2021, being the First Closing Date of the Offer. You are advised to read the whole of this document carefully.**

### **Helpline**

If you have any questions relating to this document and/or the completion and return of the Form of Acceptance, please telephone Link Group on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK, between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **Settlement**

Subject to the Offer becoming or being declared wholly unconditional and the First Closing Date having passed, settlement for those Volga Gas Shareholders who have validly accepted the Offer will be effected

within 14 calendar days of such date or, in relation to valid acceptances received after this date whilst the Offer is still open, within 14 calendar days of receipt of that acceptance.

**All references to time in this document and the Form of Acceptance are to London time unless otherwise stated.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Offer. The dates and times set out in the table below in connection with the Offer may be subject to change in accordance with the terms and Conditions of the Offer, as described in this document. All references to times are to London time.

<i>Event</i>	<i>Time and/or date</i>
Announcement of the Offer	16 November 2020
Offer document published	14 December 2020
First Closing Date	1.00 p.m. on 4 January 2021
Latest date for Offer to be declared unconditional as to acceptances*	12 February 2021
Payment of consideration due to Volga Gas Shareholders who have submitted valid acceptances	By no later than 14 calendar days after the later of the First Closing Date and the date the Offer becomes or is declared wholly unconditional, or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later

*Note:*

\* – if the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired.



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## PART I

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF VOLGA GAS



*(Incorporated in England and Wales with registered number 05886534)*

*Directors:*

Mikhail Ivanov *(Non-Executive Chairman)*  
Andrey Zozulya *(Chief Executive Officer)*  
Aleksey Kalinin *(Non-Executive Director)*  
Andrei Yakovlev *(Non-Executive Director)*  
Stephen Ogden *(Non-Executive Director)*  
Stewart Dickson *(Non-Executive Director)*

*Registered office:*

6th Floor  
65 Gresham Street  
London  
EC2V 7NQ

14 December 2020

*To: Volga Gas Shareholders and, for information only, to persons with information rights*

Dear Volga Gas Shareholder,

#### **ALL CASH OFFER FOR VOLGA GAS PLC BY GEM CAPITAL HOLDINGS (CY) LTD**

##### **1. Introduction**

On 16 November 2020, the GEM Board announced the terms of a cash offer to be made by GEM for the entire issued and to be issued ordinary share capital of Volga Gas. The Offer of 23.71 pence per Volga Gas Share values the entire existing issued ordinary share capital of Volga Gas at approximately £19.16 million (excluding Treasury Shares).

GEM has received irrevocable undertakings to accept (or procure the acceptance of) its Offer from certain institutional and other major Volga Gas Shareholders, including the Baring Vostok Funds, in respect of, in aggregate, 64,710,349 Volga Gas Shares, representing approximately 80.07 per cent. of Volga Gas's existing issued ordinary share capital (excluding Treasury Shares).

I am writing to you, on behalf of the Volga Gas Directors, to set out the background to, and terms of, the Offer and explain the reasons why the Volga Gas Directors, having taken independent advice from Auctus as to the financial terms of the Offer, consider that the terms of the Offer inadequately value Volga Gas and are not sufficiently compelling that the Volga Gas Directors are able to provide a recommendation to Volga Gas Shareholders that they should accept the Offer.

However, taking into account the considerations detailed in paragraph 4 below, the Volga Gas Directors believe that it is appropriate to allow GEM to make its Offer to Volga Gas Shareholders for their consideration.

GEM is a private, limited liability, company incorporated in Cyprus with registration number HE401550, wholly owned by Anatoly Paliy, which makes investments directly and through its subsidiaries in, *inter alia*, specialised chemicals, nanomaterials and technology companies. In addition, Anatoly Paliy holds interests in several oil and gas assets. Further information on GEM is set out in paragraph 7 below.

The formal Offer, together with details of the procedure for acceptance, is set out in the letter from GEM to Volga Gas Shareholders in Part II of this document.

## **2. The Offer**

Under the terms of the Offer, which is subject to the Conditions and further terms summarised below and in Appendix I to this document, and, in respect of Volga Gas Shares held in certificated form, the accompanying Form of Acceptance, Volga Gas Shareholders who accept the Offer are entitled to receive:

**for each Volga Gas Share**

**23.71 pence in cash**

The Offer values the entire existing issued ordinary share capital of Volga Gas (excluding Treasury Shares) at approximately £19.16 million and the Offer Price represents:

- a premium of approximately 10.28 per cent. to the Closing Price of 21.50 pence per Volga Gas Share on 6 April 2020 (being the last Business Day prior to the commencement of the Formal Sale Process and resultant Offer Period); and
- a discount of approximately 3.22 per cent. to the Closing Price of 24.50 pence per Volga Gas Share on 13 November 2020 (being the last Business Day prior to the date of the Announcement).

The Offer is being effected by means of a takeover offer under Part 28 of the Companies Act 2006. GEM reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such event, the Offer would be implemented on the same terms or, if GEM so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

The Offer can only become effective if the Acceptance Condition has been satisfied together with the other Conditions in Appendix I, including the FAS Condition, having been satisfied or waived, where possible. The Acceptance Condition is not capable of waiver, although GEM may decide to lower the percentage applicable to the Acceptance Condition as described in paragraph 1(a) of Part A of Appendix I to this document. The GEM Board remains confident that the FAS Condition will be satisfied within the Panel's prescribed Code timetable.

If, on or after the date of this document and before the Offer becomes or is declared wholly unconditional, any dividend, other distribution and/or return of capital is authorised, declared, made or paid or becomes payable in respect of the Volga Gas Shares, GEM reserves the right to reduce the Offer Price by an amount of up to the amount of such dividend, distribution and/or return of capital. To the extent that any such dividend, distribution and/or other return of capital is authorised, declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles GEM to receive the dividend, distribution or return of capital and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by GEM of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

The Volga Gas Shares shall be acquired under the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Announcement.

## **3. Information relating to the Volga Gas Group**

Volga Gas is an AIM-quoted, independent oil and gas exploration and production group, operating in the Volga Region of Russia, which is engaged in geological exploration and production of oil, gas and gas condensate in Saratov and Volgograd, as well as in the Republic of Bashkortostan. Volga Gas has a 100 per cent. interest in five oil and gas licences in the Saratov, Volgograd and Bashkiriya regions. The Volga Gas Group generates revenue through the sale of oil, gas, LPG and condensate, primarily to the local domestic market. The Volga Gas Group has approximately 180 employees, all of which are situated in Russia.

Volga Gas was incorporated in England and Wales on 25 July 2006 and its ordinary shares were admitted to trading on AIM on 25 April 2007. Volga Gas Shares are currently admitted to trading on AIM under the symbol VGAS and with an ISIN of GB00B1VN4809.

In its latest financial year to 31 December 2019, the Volga Gas Group reported audited total revenue of US\$46.0 million (2018: US\$45.9 million) and a loss after taxation of US\$10.0 million (2018: profit after taxation of US\$8.4 million).

On 30 September 2020, Volga Gas announced its unaudited interim results for the six months ended 30 June 2020, where it reported Group revenue of US\$13.4 million (2019: US\$26.3 million), a loss after taxation of US\$8.0 million (2019: US\$2.5 million) and net assets as at 30 June 2020 of US\$35.8 million (2019: US\$48.3 million).

As at the last Business Day prior to the date of this document, Volga Gas's issued ordinary share capital comprised 80,818,452 Volga Gas Shares (excluding Treasury Shares). Based on the Closing Price of a Volga Gas Share of 23.00 pence on 11 December 2020 (being the last Business Day prior to the date of this document), this equates to a market capitalisation of approximately £18.59 million.

### ***Current trading and prospects***

The Volga Gas Group continues to trade in line with the Volga Gas Directors' expectations.

## **4. Views of the Volga Gas Directors**

The Volga Gas Directors consider that the financial terms of the Offer inadequately value Volga Gas. In providing this view, the Volga Gas Directors have been advised by Auctus that the financial terms of the Offer are not fair and reasonable as they undervalue Volga Gas.

In providing its advice to the Volga Gas Directors, Auctus has undertaken a valuation exercise in respect of Volga Gas which has considered a variety of valuation methodologies customary for companies such as Volga Gas. Auctus has also taken into account the commercial assessments of the Volga Gas Directors.

Despite the Offer inadequately valuing Volga Gas, the Volga Gas Directors consider there to be a number of reasons for Volga Gas Shareholders to seriously consider the Offer. These are set out below.

### ***Outcome of the Formal Sale Process***

Pursuant to the Formal Sale Process instigated on 7 April 2020, the Company reported on 26 June 2020 that it had received a number of non-binding proposals regarding the sale of the Company or its entire business and assets and that the Volga Gas Board was engaged in ongoing discussions with certain of these parties about the sale of the Company (or its entire business and assets). Thereafter, on 28 September 2020, the Company announced that it was continuing to engage in active discussions with a number of parties regarding the sale of the Company (or its entire business and assets). These discussions have resulted in the Offer from GEM.

The Volga Gas Directors recognise that the Formal Sale Process undertaken by Renaissance Capital represented a comprehensive test of the market for the most likely buyers of Volga Gas and that GEM's Offer represents the highest price offered from the potential buyers who participated in this process.

Discussions with other potential offerors have ceased.

### ***Major shareholders' intentions***

The Formal Sale Process commenced following the investment advisor to the Baring Vostok Funds indicating a desire for such funds to monetise their long term investment in the Company in a structured manner.

The Volga Gas Directors recognise this desire and that the Baring Vostok Funds have moved from the investing stage to the harvesting stage of their life-cycle. As a result, even if the Offer were to be unsuccessful, the Baring Vostok Funds' desire to monetise their Volga Gas Shares would continue which would likely have a detrimental impact on the market price of Volga Gas Shares pending and, in particular, during such monetisation.

### ***Basis of GEM's proposal***

GEM indicated that the Offer would only proceed on the basis of, *inter alia*, the Baring Vostok Funds and Nicolas Mathys providing irrevocable undertakings to accept the Offer.

Both the Baring Vostok Funds and Nicolas Mathys have entered into irrevocable undertakings to accept the Offer in respect of their entire holdings, representing, in aggregate, approximately 80.07 per cent. of the Volga Gas Shares in issue (excluding Treasury Shares).

### ***Prospects as an independent public company***

In the Company's annual report and financial statements for the year ended 31 December 2019 and its interim results for the six months ended 30 June 2020, the Volga Gas Directors set out the strategic challenge to re-build the Company's reserves and production base and re-establish a growth profile, and the progress made in meeting this challenge.

### ***Liquidity***

The Volga Gas Directors believe that Volga Gas Shareholders should be given the opportunity to consider the Offer as it provides the potential for liquidity at a certain price per Volga Gas Share that is worthy of consideration by Volga Gas Shareholders in circumstances where the daily average trading volume in Volga Gas Shares over the 90 days prior to the Announcement was less than 16,500 shares.

### ***GEM's intentions for Volga Gas***

GEM recognises the skills, expertise and operational experience of Volga Gas's management and employees and has indicated that it does not expect to implement material changes to the senior executive management structure and expects that existing management will play an important role in the future development of Volga Gas.

GEM has also indicated that it has no intention to redeploy the fixed assets of the Volga Gas Group or to change Volga Gas's headquarters location or headquarters functions in Saratov.

### ***Consequences of the Offer becoming unconditional***

If the Offer becomes or is declared unconditional in all respects, a Volga Gas Shareholder who does not accept the Offer in respect of his/her holding of Volga Gas Shares while the Offer remains open for acceptances after it has been declared unconditional may be in a minority position and therefore may be exposed to certain risks. In particular:

- (i) GEM, as the majority shareholder, would be able to determine the timing and amount of any future dividends and would be under no obligation to reinstate regular dividend payments; and
- (ii) GEM has indicated its intention to cancel the admission of the Volga Gas Shares to trading on AIM which, if it occurs, would significantly reduce the liquidity and marketability of any Volga Gas Shares in respect of which the Offer has not been accepted at that time and the value of any such Volga Gas Shares may be adversely affected as a consequence.

### ***Conclusions of the Volga Gas Directors***

The Volga Gas Directors, who have been so advised by Auctus as to the financial terms of the Offer, consider that the terms of the Offer inadequately value Volga Gas and are not sufficiently compelling that the Volga Gas Directors are able to provide a recommendation to Volga Gas Shareholders that they should accept the Offer.

However, taking into account the considerations detailed above, the Volga Gas Directors believe that it is appropriate to allow GEM to make its Offer to Volga Gas Shareholders for their consideration.

Volga Gas Shareholders should carefully consider the factors and information set out above in making their decision as to whether to accept the Offer. If Volga Gas Shareholders are in any doubt about the action they should take in respect of the Offer they should consult an independent financial adviser without delay.

Each of the Volga Gas Directors who currently hold or control Volga Gas Shares, namely Mikhail Ivanov, Andrey Zozulya and Stephen Ogden, do not intend to accept (or procure the acceptance of) the Offer in respect of their own beneficial shareholdings (or the shareholdings which they control), amounting, in aggregate, to 1,726,652 Volga Gas Shares representing approximately 2.14 per cent. of the existing issued ordinary share capital of Volga Gas (excluding Treasury Shares). However, these Volga Gas Directors reserve the right to accept the Offer should it be declared unconditional as to acceptances.

## **5. The Volga Gas Directors' view of GEM's stated intentions and assurances**

Your attention is drawn to the statement of GEM's strategic plans for Volga Gas if the Offer becomes or is declared wholly unconditional, as set out in paragraph 5 of Part II of this document.

The Volga Gas Directors have given due consideration to GEM's stated intentions and assurances regarding Volga Gas contained in paragraph 5 of Part II of this document. In particular, the Volga Gas Directors note GEM's intention to support Volga Gas's management in continuing to execute and refine their existing business plan and strategy for the development of the Volga Gas Group. The Volga Gas Directors additionally note GEM's expectation that, following successful completion of the Offer, Volga Gas would operate principally as it does today, but as a direct or indirect subsidiary of GEM. The Volga Gas Directors also welcome GEM's confirmations that it will fully safeguard the existing employment rights, including pension rights, of the management and employees of Volga Gas in accordance with contractual and statutory requirements and that it does not intend to make any material changes in the conditions of employment of the employees and management of Volga Gas.

## **6. Volga Gas share option schemes**

There are currently no options outstanding under any incentivisation scheme run by the Volga Gas Group or any other outstanding rights to acquire Volga Gas Shares. Accordingly, no proposals regarding the effect of the Offer need to be made to participants in any such schemes or otherwise.

## **7. Irrevocable undertakings**

GEM has received irrevocable undertakings to accept (or procure the acceptance of) the Offer (or, in the event that the Offer is implemented by way of a Scheme of Arrangement, to vote, or procure the vote, in favour of such Scheme of Arrangement at the Scheme Meetings) from the Baring Vostok Funds and Nicolas Mathys, in respect of, in aggregate, 64,710,349 Volga Gas Shares, representing approximately 80.07 per cent. of the existing issued ordinary share capital of Volga Gas (excluding Treasury Shares).

The irrevocable undertakings from the Baring Vostok Funds and Nicolas Mathys shall lapse and cease to be binding, *inter alia*, if (i) the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects, unless: (a) this is as a result of Volga Gas exercising its right to implement the Offer by way of a Scheme of Arrangement; or (b) a new, revised or replacement Offer or Scheme of Arrangement is announced by GEM within ten (10) business days of the lapse or withdrawal of the Offer provided that it represents no diminution in the value of the consideration, nor change to the currency of the consideration nor provides for non-cash consideration; or (ii) GEM announces, with the consent of the Panel, that it does not intend to proceed with the Offer.

Further details of the irrevocable undertakings received by GEM (including the circumstances in which the irrevocable undertakings will cease to remain binding) are set out in paragraph 5 of Appendix V to this document.

Copies of the irrevocable undertakings are also on display on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital).

## **8. UK Taxation**

Your attention is drawn to the summary of United Kingdom Taxation set out in Appendix IV to this document. If you are in any doubt about your own tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

## **9. Overseas shareholders**

The attention of all Volga Gas Shareholders who are citizens, nationals or residents of jurisdictions outside the United Kingdom and any persons (including, without limitation, any custodians, nominees or trustees) who would, or otherwise intend to, forward this document or the Form of Acceptance outside the United Kingdom is drawn to paragraph 8 of Part C of Appendix I to this document and, in respect of Volga Gas Shares held in certificated form, to the relevant provisions of the Form of Acceptance.

## **10. Cancellation of admission to trading on AIM and compulsory acquisition**

Your attention is drawn to paragraph 9 of Part II of this document in relation to GEM's intentions with regard to the cancellation of admission to trading of Volga Gas Shares on AIM and the compulsory acquisition of Volga Gas Shares.

**Volga Gas Shareholders should note that the cancellation of the admission to trading of Volga Gas Shares on AIM would significantly reduce the liquidity and marketability of any Volga Gas Shares in respect of which the Offer has not been accepted at that time and the value of any such Volga Gas Shares may be adversely affected as a consequence.**

## **11. Action to be taken to accept the Offer**

Your attention is drawn to paragraph 12 of Part II of this document, Parts D and E of Appendix I to this document and the Form of Acceptance. The procedure for acceptance of the Offer is set out in paragraph 12 of Part II of this document and, if you hold your Volga Gas Shares in certificated form, in the Form of Acceptance. The Appendices and the Form of Acceptance contain material information which may not be summarised elsewhere in this document.

Your decision as to whether to accept the Offer will depend upon your individual circumstances. If you are in any doubt as to the action you should take, you should seek your own independent financial advice immediately.

Yours faithfully,

**Mikhail Ivanov**

*Non-Executive Chairman*

For and on behalf of

**Volga Gas plc**

## PART II

### LETTER FROM GEM TO VOLGA GAS SHAREHOLDERS

# GEM Capital

*(Incorporated under the laws of the Republic of Cyprus with registration number HE401550)*

*Directors:*

Christina Vgenopoulou  
Thomas Keane

*Registered office:*

2 Arch. Makarios III Ave.  
Atlantis Building, 2nd floor, Office 201  
Mesa Geitonia, 4000, Limassol  
Cyprus

14 December 2020

*To: Volga Gas Shareholders and, for information only, to persons with information rights*

Dear Volga Gas Shareholder,

#### **ALL CASH OFFER FOR VOLGA GAS PLC BY GEM CAPITAL HOLDINGS (CY) LTD**

##### **1. Introduction**

On 16 November 2020, the GEM Board announced the terms of a cash offer to be made by GEM for the entire issued and to be issued ordinary share capital of Volga Gas. The Offer of 23.71 pence per Volga Gas Share values the entire existing issued ordinary share capital of Volga Gas at approximately £19.16 million (excluding Treasury Shares).

GEM has received irrevocable undertakings to accept (or procure the acceptance of) its Offer from certain institutional and other major Volga Gas Shareholders, including the Baring Vostok Funds, in respect of, in aggregate, 64,710,349 Volga Gas Shares, representing approximately 80.07 per cent. of Volga Gas's existing issued ordinary share capital (excluding Treasury Shares).

GEM is pleased to set out the full terms of, and background to, its Offer. The Offer is being effected by means of a takeover offer within the meaning of Part 28 of the Companies Act 2006.

GEM is a private, limited liability, company incorporated in Cyprus with registration number HE401550, wholly owned by Anatoly Paliy, which makes investments directly and through its subsidiaries in, *inter alia*, specialised chemicals, nanomaterials and technology companies. In addition, Anatoly Paliy holds interests in several oil and gas assets. Further information on GEM is set out in paragraph 4 below.

This document and, if you hold Volga Gas Shares in certificated form, the accompanying Form of Acceptance, contain details of the formal Offer (including its terms and Conditions), and certain other information on GEM and Volga Gas. The formal Offer, together with details of the procedure for acceptance, is set out in this letter. Please read carefully paragraph 12 below which sets out the procedure for acceptance of the Offer. Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in Appendix I to this document and, if you hold Volga Gas Shares in certificated form, in the Form of Acceptance.

To accept the Offer, you must complete, sign and return the Form of Acceptance, or make an Electronic Acceptance, as soon as possible and, in any event, so as to be received or settled by no later than 1.00 p.m. (London time) on 4 January 2021.



## 2. The Offer

Under the terms of the Offer, which is subject to the Conditions and further terms summarised below and in Appendix I to this document, and, in respect of Volga Gas Shares held in certificated form, the accompanying Form of Acceptance, Volga Gas Shareholders who validly accept the Offer are entitled to receive:

**for each Volga Gas Share**

**23.71 pence in cash**

The Offer values the entire existing issued ordinary share capital of Volga Gas at approximately £19.16 million (excluding Treasury Shares) and the Offer Price represents:

- a premium of approximately 10.28 per cent. to the Closing Price of 21.50 pence per Volga Gas Share on 6 April 2020 (being the last Business Day prior to the commencement of the Formal Sale Process and resultant Offer Period); and
- a discount of approximately 3.22 per cent. to the Closing Price of 24.50 pence per Volga Gas Share on 13 November 2020 (being the last Business Day prior to the date of the Announcement).

The Offer is being effected by means of a contractual takeover offer under Part 28 of the Companies Act 2006. GEM reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such event, the Offer would be implemented on the same terms or, if GEM so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

The Offer is conditional on valid acceptances of the Offer being received in respect of not less than 90 per cent. (or such lower percentage as GEM may decide) of the Volga Gas Shares to which the Offer relates and of the voting rights attached to those shares.

The Offer can only become effective if the Acceptance Condition has been satisfied together with the other Conditions in Appendix I, including the FAS Condition, having been satisfied or waived, where possible. The Acceptance Condition is not capable of waiver, although GEM may decide to lower the percentage applicable to the Acceptance Condition as described in paragraph 1(a) of Part A of Appendix I to this document. The GEM Board remains confident that the FAS Condition will be satisfied within the Panel's prescribed Code timetable.

If, on or after the date of this document and before the Offer becomes or is declared wholly unconditional, any dividend, other distribution and/or return of capital is authorised, declared, made or paid or becomes payable in respect of the Volga Gas Shares, GEM reserves the right to reduce the Offer Price by an amount of up to the amount of such dividend, distribution and/or return of capital. To the extent that any such dividend, distribution and/or other return of capital is authorised, declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles GEM to receive the dividend, distribution or return of capital and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by GEM of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

The Volga Gas Shares shall be acquired under the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Announcement.

## 3. Background to and reasons for the Offer and future plans for Volga Gas

On 7 April 2020, Volga Gas announced the commencement of a formal review of the various strategic options available, including a Formal Sale Process, following the investment advisor to the Company's majority shareholders, the Baring Vostok Funds, indicating a desire for such funds to monetise their long term investment in the Company in a structured manner.

GEM opted to participate in the Formal Sale Process, affording it, and certain of its professional advisers, access to undertake a period of legal, financial and commercial due diligence, culminating in the Offer.

The GEM Board is pleased to confirm that it has full confidence in the management of Volga Gas, its existing strategy and the overall prospects for the Volga Gas Group's operating businesses. However, the GEM Board believes that in order to achieve its full potential, the Company would be better suited to a private company environment where, with GEM's support and assistance, particularly with regard to potentially accessing and providing additional growth capital, management would be in a stronger position to deliver its longer term business plan, with a simplified corporate structure, free from requirements to, *inter alia*, meet the UK public equity market's shorter term expectations.

The GEM Board believes that, should Volga Gas remain publicly quoted on AIM, it will, as a relatively small, Russia-focused, oil and gas exploration and production company, continue to find it difficult to attract and retain sufficient interest and research coverage in its activities to generate stock liquidity and a level of market rating that would make retaining its existing AIM quotation worthwhile.

If the Offer is successful, the GEM Board intends that Volga Gas will continue to invest in the growth of its production base, with a view to maintaining economic gas production, maximising the extraction of remaining reserves and supporting its execution of a sustained exploration drilling programme in the Karpenskiy licence area, with the aim of discovering material new hydrocarbon reserves, along with continued business development activities. The GEM Board also intends to maintain a tight control of costs at Volga Gas reflecting the reduced regulatory burden and elimination of the numerous expenses associated with maintaining a UK public quotation.

#### **4. Information relating to GEM**

GEM was incorporated in September 2019 with registration number HE401550. It is a private, limited liability, company incorporated in Cyprus, which makes investments directly and through its subsidiaries in, *inter alia*, specialised chemicals, nanomaterials and technology companies.

The GEM Directors are Christina Vgenopoulou and Thomas Keane, both of whom are based in Cyprus and are partners at Limassol-based law firm, Keane Vgenopoulou & Associates LLC.

GEM is wholly owned by its founder, Anatoly Paliy (aged 40). Prior to founding GEM, Anatoly spent more than 10 years in a senior management position at one of the largest oil and gas companies in Russia, where he was responsible for its LPG, LNG and petrochemical businesses.

Subsequently, he founded 1Oil Holdings Limited, a private oil and gas group, whose assets collectively produce more than 500 thousand tons of oil per year in two regions of the Russian Federation: the Khanty-Mansi Autonomous Okrug and the Komi Republic. In the first half of 2019, Anatoly sold a controlling stake in 1Oil Holdings, retaining a large minority interest.

In his earlier career, Anatoly worked at PwC in Paris and Moscow, where he was engaged in the audit of, and consulting for, large companies in the oil & gas sector. Anatoly received MA degrees from the Financial University under the Government of the Russian Federation and Jean Moulin University Lyon III (France).

#### **5. Intentions of GEM with regard to Volga Gas's directors, management, employees, research and development, capital structure, assets and locations**

GEM recognises the significant skills, expertise and operational experience of the existing Volga Gas executive team and, following completion of the Offer, does not expect to implement material changes to the senior executive management structure and expects that existing management will play an important role in the future development of Volga Gas. The GEM Board intends to augment the Volga Gas Group's finance and strategic development functions with appropriate GEM appointed personnel.

The GEM Directors intend to support Volga Gas's management in continuing to execute and refine their existing business plan and strategy for the development of the Volga Gas Group. However, on completion of the Offer, GEM intends to commence a review of the Volga Gas Group in order to confirm and potentially identify operational efficiencies. Such review process is expected to occur within 12 months following completion of the Offer, and may result in a limited number of cost savings and redundancies where operational efficiencies are identified, likely to be focused on head office and administrative related functions, especially those related to Volga Gas's current status as a publicly quoted company on AIM.

All of the non-executive Volga Gas Directors, being Mikhail Ivanov, Aleksey Kalinin, Stephen Ogden, Stewart Dickson and Andrei Yakovlev, have agreed to resign with effect from completion of the Offer or, if later, on the date when admission of the Volga Gas Shares to trading on AIM is cancelled. They will each receive remuneration in line with the termination provisions of their letters of appointment by way of compensation.

Accordingly, the GEM Board does not have any plans to make any material headcount reductions or other material changes to the terms and conditions of employment or in the balance of the skills and functions of the management and employees of the Volga Gas Group or the GEM Group, other than as set out above with regard to the non-executive directors of Volga Gas and anticipated limited number of cost savings and redundancies focused on the areas outlined above. Volga Gas has no dedicated research and development function and the GEM Board generally expects that, following successful completion of the Offer, Volga Gas will operate principally as it does today but as a subsidiary of GEM, although the GEM Board does intend to carry out a review of the Volga Gas Group's corporate structure, with a view to simplifying the legal ownership of its subsidiaries.

The GEM Board has given assurances to the Volga Gas Directors that, following the Offer becoming or being declared wholly unconditional, the existing contractual and statutory employment rights and terms and conditions of employment of the management and employees of the Volga Gas Group will be fully safeguarded. The Volga Gas Group has no defined benefit pension schemes and GEM does not intend to make any changes with regards to any current pension arrangements.

Furthermore, the GEM Board has no intentions to redeploy the fixed assets of the Volga Gas Group. The GEM Directors also have no intention to change Volga Gas's headquarters location or headquarters functions in Saratov.

The GEM Directors believe that the Offer, if successfully completed, will provide a stable and well capitalised future for Volga Gas. In addition, the GEM Board intends, over the short to medium term, to undertake a review in order to optimise the capital structure of Volga Gas.

This review may, *inter alia*, lead to GEM sourcing additional financing, including external debt and/or equity, for Volga Gas, with the form of such funding being dependent on what the GEM Board believes maximises the capital efficiency of Volga Gas, whilst also having regard to the financing and wider macro-economic background prevailing at that time.

It is intended that the appointment of the sole executive director of Volga Gas will remain unchanged following successful completion of the Offer. However, there are no agreements or arrangements between GEM and any of the directors, management or employees of Volga Gas in relation to their on-going involvement in the business and the Offer is not conditional on reaching agreement with such persons.

In addition, GEM has not entered into, nor is it in discussions on any proposals to enter into, any form of incentivisation arrangements with members of Volga Gas's management who are interested in Volga Gas Shares and has no plans so to do. Following completion of the Offer, GEM may put in place incentive arrangements for certain members of the Volga Gas management team. No proposals have been made on the terms of any incentive arrangements for relevant management.

As set out in paragraph 9 below, the GEM Board intends to seek the cancellation of the admission of the Volga Gas Shares to trading on AIM shortly following the Offer becoming, or being declared, unconditional in all respects, thereby enabling Volga Gas's management to be entirely focussed on the growth and development of the business, rather than AIM investor and UK publicly quoted company related matters.

## **6. Irrevocable undertakings**

GEM has received irrevocable undertakings to accept (or procure the acceptance of) its Offer (or, in the event that the Offer is implemented by way of a Scheme of Arrangement, to vote, or procure the vote, in favour of such Scheme of Arrangement at the Scheme Meetings) from the Baring Vostok Funds and Nicolas Mathys, in respect of, in aggregate, 64,710,349 Volga Gas Shares, representing approximately 80.07 per cent. of the existing issued ordinary share capital of Volga Gas (excluding Treasury Shares).

The irrevocable undertakings from the Baring Vostok Funds and Nicolas Mathys shall lapse and cease to be binding, *inter alia*, if (i) the Offer lapses or is withdrawn without becoming or being declared unconditional

in all respects, unless: (a) this is as a result of Volga Gas exercising its right to implement the Offer by way of a Scheme of Arrangement; or (b) a new, revised or replacement Offer or Scheme of Arrangement is announced by GEM within ten (10) business days of the lapse or withdrawal of the Offer provided that it represents no diminution in the value of the consideration, nor change to the currency of the consideration nor provides for non-cash consideration; or (ii) GEM announces, with the consent of the Panel, that it does not intend to proceed with the Offer.

Further details of the irrevocable undertakings received by GEM are set out in paragraph 5 of Appendix V to this document.

Copies of the irrevocable undertakings are also on display on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital).

## **7. Financing of the Offer**

GEM is wholly owned by Anatoly Paliy, who has committed to support GEM with regard to the financing of the Offer.

The cash consideration payable under the Offer is being funded by way of a loan made by Anatoly Paliy to GEM, at an interest rate of two per cent. per annum, accruing monthly, repayable in January 2022 and otherwise on the terms of the Loan Agreement.

There is no requirement for any funding from third party providers to the GEM Group.

In accordance with Rule 24.8 of the Code, Strand Hanson, financial adviser to GEM, is satisfied that sufficient financial resources are available to GEM to enable it to implement the Offer in full. Assuming the cash consideration is payable to all Volga Gas Shareholders (excluding Volga Gas Shares held by the Company as Treasury Shares), full implementation of the Offer would require a maximum cash payment of approximately £19.16 million by GEM.

## **8. Volga Gas share option schemes**

There are currently no options outstanding under any incentivisation scheme run by the Volga Gas Group or any other outstanding rights to acquire Volga Gas Shares. Accordingly, no proposals regarding the effect of the Offer need to be made to participants in any such schemes or otherwise.

## **9. Cancellation of admission to trading on AIM, compulsory acquisition and re-registration**

On completion of the Offer, Volga Gas would become a subsidiary of GEM. If the Offer becomes or is declared unconditional in all respects and if GEM has by virtue of acceptances of the Offer acquired, or agreed to acquire, Volga Gas Shares which represent not less than 75 per cent. of the voting rights attaching to the Volga Gas Shares, GEM intends to procure that Volga Gas makes an application to the London Stock Exchange for the cancellation of the admission of Volga Gas Shares to trading on AIM. A notice period of not less than 20 Business Days prior to such cancellation will be given on or after the date on which the Offer becomes, or is declared, unconditional in all respects and GEM has reached the 75 per cent. threshold. Should GEM not receive sufficient acceptances to the Offer to proceed with procuring such an application, GEM intends, following completion of the Offer, to seek the cancellation of the admission of Volga Gas Shares to trading on AIM under the other provisions set out in Rule 41 of the AIM Rules.

If GEM receives acceptances under the Offer in respect of, and/or otherwise acquires, not less than 90 per cent. of the Volga Gas Shares, and the voting rights attaching to such shares, to which the Offer relates and assuming that all of the Conditions have been satisfied or waived (if capable of being waived), GEM intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Volga Gas Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

It is also intended that, following the Offer becoming or being declared unconditional in all respects and the admission to trading on AIM of Volga Gas Shares having been cancelled, GEM will seek to re-register Volga Gas as a private limited company under the relevant provisions of the Companies Act 2006.

**The cancellation of the admission of the Volga Gas Shares to trading on AIM would significantly reduce the liquidity and marketability of any Volga Gas Shares in respect of which the Offer has not been accepted at that time and their value may be affected as a consequence. Any remaining Volga Gas Shareholders (unless their Volga Gas Shares are compulsorily acquired by GEM pursuant to the provisions of Part 28 of the Companies Act 2006) would become minority shareholders in a majority controlled private limited company and may be unable to sell their Volga Gas Shares. There can be no certainty that Volga Gas would pay any further dividends or other distributions or that such minority Volga Gas Shareholders would again be offered an opportunity to sell their Volga Gas Shares on terms which are equivalent to or no less advantageous than those under the Offer.**

## **10. United Kingdom taxation**

Your attention is drawn to the summary of United Kingdom taxation set out in Appendix IV to this document. If you are in any doubt about your own tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

## **11. Overseas shareholders**

The attention of Volga Gas Shareholders who are citizens, nationals or residents of jurisdictions outside the United Kingdom and any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, forward this document or any document in connection with the Offer outside the United Kingdom is drawn to paragraph 8 of Part C of Appendix I to this document and, in respect of Volga Gas Shares held in certificated form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The availability of the Offer to persons who are not resident in the United Kingdom, and the release, publication and distribution of this document and accompanying documentation in jurisdictions other than the United Kingdom, may be restricted by the laws of jurisdictions other than the United Kingdom. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements of their relevant jurisdiction. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of the relevant jurisdictions in which they are located.

Unless otherwise determined by GEM or required by the Code, and permitted by applicable law and regulation, the Offer is not being and will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance from or within, a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and all other accompanying documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this document, the Form of Acceptance and all other accompanying documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

## **12. Procedure for acceptance of the Offer**

This paragraph 12 should be read in conjunction with Appendix I and, in respect of certificated Volga Gas Shares, the notes on the Form of Acceptance.

Holders of Volga Gas Shares in certificated form (i.e. not in CREST) may only accept the Offer in respect of such shares by completing and returning the Form of Acceptance in accordance with the procedure set out below. Holders of Volga Gas Shares in uncertificated form (i.e. in CREST) may only accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out below.

You should note that if you hold Volga Gas Shares in both certificated form and uncertificated form you should follow the procedures set out below for each type of holding separately.

**If you are in any doubt as to the procedure for acceptance, please telephone the Receiving Agent, Link Group, between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

***Volga Gas Shares held in certificated form (that is, not in CREST)***

(a) *To accept the Offer*

To accept the Offer in respect of Volga Gas Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. You should complete a separate Form of Acceptance for Volga Gas Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from the Receiving Agent at the address set out below. The instructions for completing a Form of Acceptance below apply, where relevant, to each separate Form of Acceptance to be completed by you.

(b) *Completing the Form of Acceptance*

To accept the Offer in respect of your Volga Gas Shares, you must complete Box 1 and Box 2 on the Form of Acceptance. Moreover, if the details in Box A are incorrect you must insert the correct details in Box A on the Form of Acceptance where indicated. In all cases you must sign Box 2 on the Form of Acceptance. If you are an individual, the signature shall be made in the presence of an independent witness, who should also sign in accordance with the instructions printed on it. Any Volga Gas Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 1, or insert a number greater than your registered holding of Volga Gas Shares, or Box 1 contains the word "ALL" or any other marking, your acceptance will be deemed to be in respect of all Volga Gas Shares held by you in certificated form.

(c) *To accept the Offer in respect of less than all of your Volga Gas Shares held in certificated form*

To accept the Offer in respect of less than all of your Volga Gas Shares held in certificated form, you must insert in Box 1 of the Form of Acceptance such lesser number of Volga Gas Shares in respect of which you wish to accept the Offer in accordance with the instructions printed on it. You should then follow the procedure set out in paragraph (b) above in respect of such lesser number of Volga Gas Shares.

(d) *Return of Form of Acceptance*

To accept the Offer, the completed, signed and (where applicable) witnessed Form of Acceptance must be returned, together with the relevant original share certificate(s) (no copies accepted) and/or other document(s) of title for your Volga Gas Shares, to the Receiving Agent at Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or (if between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) by hand as soon as possible and in any event so as to be received by no later than 1.00 p.m. (London time) on 4 January 2021. A prepaid envelope is provided for your convenience and may be used by Volga Gas Shareholders for returning a Form of Acceptance from within the UK. No acknowledgement of receipt of documents will be given. The Offer may not be accepted in or from any Restricted Jurisdiction.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to GEM or its agents to have been sent from a Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 11 above.

(e) *Share certificates not readily available or lost*

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should still be completed, signed, (where applicable) witnessed and returned to

the Receiving Agent as stated above so as to arrive by no later than 1.00 p.m. (London time) on 4 January 2021. You should also send with the Form of Acceptance any original share certificate(s) (no copies accepted) and/or other document(s) of title that you have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should submit the relevant share certificate(s) and/or other document(s) of title as soon as possible. No acknowledgement of receipt of documents will be given.

In the case of loss, you should write as soon as possible to Volga Gas's registrars, Link Group, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, requesting a form of letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned again to Volga Gas's registrars, Link Group, before then submitting the replacement certificate (or arranging its direct delivery) to the Receiving Agent as set out in paragraph (d) above.

(f) *Validity of acceptances*

Without prejudice to Part B and Part C of Appendix I to this document, subject to the provisions of the Code, GEM reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title or which is received by it in a form or at a place or places other than as set out in this document or the relevant Form of Acceptance. In that event, no payment of cash under the Offer will be made until after the acceptance is entirely in order or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to GEM have been received.

**Volga Gas Shares held in uncertificated form (that is, in CREST)**

(a) *General*

If your Volga Gas Shares are held in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the number of Volga Gas Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s) (that is, send a TTE instruction), specifying Link Group (in its capacity as a CREST participant under the Escrow Agent's relevant participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE instruction settles not later than 1.00 p.m. (London time) on 4 January 2021. **Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational). You should therefore ensure you time the input of any TTE instructions accordingly.**

If you hold Volga Gas Shares in uncertificated form, but under different member account IDs, you should complete a separate TTE instruction in respect of each member account ID.

The input and settlement of a TTE instruction in accordance with this paragraph will (subject to satisfying the requirements set out in Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Volga Gas Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Volga Gas Shares are held. In addition, only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Volga Gas Shares.

By submitting a TTE instruction, the Volga Gas Shareholder for whom the acceptance is made represents that he has read and understood Appendix I to this document and agrees to be bound by the terms therein.

After settlement of a TTE instruction, you will not be able to access the Volga Gas Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer to GEM (or such other person as GEM or its agents may direct) the Volga Gas Shares.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Volga Gas Shares to settle prior to 1.00 p.m. (London time) on 4 January 2021. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(b) *To accept the Offer*

To accept the Offer in respect of your Volga Gas Shares held in uncertificated form, you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to any other information that is required for a TTE instruction to settle in CREST, the following details:

- the ISIN number for the Volga Gas Shares. This is **GB00B1VN4809**;
- the number of Volga Gas Shares in respect of which you wish to accept the Offer (i.e. the number of Volga Gas Shares to be transferred to escrow);
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent. This is **RA10**;
- the member account of the Escrow Agent for the Offer. This is **GEMVOL01**;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 4 January 2021;
- the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with a standard delivery instruction priority of 80; and
- your contact name and telephone number inserted in the shared notes field.

(c) *Validity of acceptances*

A Form of Acceptance which is received in respect of Volga Gas Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Volga Gas Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before 1.00 p.m. (London time) on that date. Without prejudice to Appendix I to this document, GEM reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant TTE instruction. In that event, no payment of cash under the Offer will be made until after the TTE instruction or indemnities satisfactory to GEM have been received.

(d) *Overseas shareholders*

The attention of Volga Gas Shareholders holding Volga Gas Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 11 above and paragraph 8 of Part C of Appendix I to this document.

**General**

GEM will make an appropriate announcement if any of the details contained in this paragraph 12 alter for any reason.

Normal CREST procedures (including timings) apply in relation to any Volga Gas Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Volga Gas Shares or otherwise). Holders of Volga Gas Shares who are proposing so to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of a share certificate(s) or other document(s)).



of title or transfers to an escrow balance as described above) prior to 1.00 p.m. (London time) on 4 January 2021.

**If you are in any doubt as to the procedure for acceptance, please telephone the Receiving Agent, Link Group, between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

### **13. Settlement**

Subject to the Offer becoming or being declared wholly unconditional, settlement of the consideration to which any Volga Gas Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer shall be effected by the issue of cheques or CREST payments: (i) in the case of acceptances received that are complete in all respects by the date on which the Offer becomes or is declared wholly unconditional, within 14 calendar days of the later of such date and the First Closing Date; or (ii) in the case of acceptances received that are complete in all respects after the later of the First Closing Date and the date on which the Offer becomes or is declared wholly unconditional but while the Offer remains open for acceptance, within 14 calendar days of such receipt, in the following manner:

#### ***Volga Gas Shares held in certificated form (i.e. not in CREST)***

Where an acceptance relates to Volga Gas Shares held in certificated form, settlement of any cash due shall be despatched by first class post (or such other method as may be approved by the Panel) to accepting Volga Gas Shareholders or their appointed agents (but not into any Restricted Jurisdiction where such despatch is restricted by applicable law). All such cash payments shall be made in pounds sterling by cheque drawn on a branch of a clearing bank in the United Kingdom.

#### ***Volga Gas Shares held in uncertificated form (i.e. in CREST)***

Where an acceptance relates to Volga Gas Shares held in uncertificated form, the cash consideration to which an accepting Volga Gas Shareholder is entitled shall be paid by means of a CREST payment by GEM in favour of the accepting Volga Gas Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. GEM reserves the right to settle all or any part of the consideration referred to in this paragraph, for all or any accepting Volga Gas Shareholder(s), in the manner referred to in the immediately preceding paragraph (Volga Gas Shares held in certificated form) if, for any reason, it wishes to do so.

#### ***Lapse or withdrawal of the Offer***

If the Offer does not become or is not declared unconditional in all respects:

- in the case of Volga Gas Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title shall be returned by post (or by such other method as may be approved by the Panel) no later than 14 calendar days after the date on which the Offer lapses, to the person or agent whose name and address is set out in Box A or Box 4 (if appropriate) of the Form of Acceptance or, if none is set out, to the first named holder at his or her registered address (provided that no such documents shall be sent to an address in a Restricted Jurisdiction where to do so would infringe applicable law); and
- in the case of Volga Gas Shares held in uncertificated form, the Escrow Agent shall, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days after the lapsing of the Offer), give TTE instructions to Euroclear to transfer all Volga Gas Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Volga Gas Shareholders concerned.

#### ***General***

All remittances, communications, notices, certificates and documents of title sent by, to or from Volga Gas Shareholders or their appointed agents shall be sent at their own risk.

All mandates, instructions and other instruments in force relating to holdings of Volga Gas Shares shall, unless and until revoked, continue in force.

#### **14. Offer-related arrangements**

##### ***Confidentiality Agreement***

A consultant of GEM entered into a confidentiality agreement with Volga Gas on 13 April 2020, which was superseded by a confidentiality agreement between GEM and Volga Gas entered into on 26 October 2020 (the “**Confidentiality Agreement**”). Pursuant to the Confidentiality Agreement, GEM has undertaken to keep confidential information relating to the Volga Gas Group and not disclose it to third parties (other than to permitted persons) unless required by applicable law or regulation.

The Confidentiality Agreement also contains customary standstill and non-solicitation undertakings by GEM which apply until 26 October 2021 in connection with the acquisition of interests in the securities of Volga Gas and certain existing Volga Gas employees.

##### ***Break Fee Agreement***

Dehus Dolmen Nominees Limited (which holds Volga Gas Shares for the benefit of certain Baring Vostok Funds) and Baring Vostok Investment Managers Limited on behalf of Baring Vostok Investments PCC Limited (together the “**Baring Parties**”) entered into an agreement with GEM on 24 August 2020, which was amended on 28 September 2020 and 30 October 2020 (the “**Break Fee Agreement**”), under which the Baring Parties agreed to pay to GEM up to a maximum amount of US\$200,000 on account of GEM’s professional advisers’ due diligence costs if the Offer did not complete and certain other conditions were satisfied (the “**Break Fee**”). One condition of the Break Fee Agreement was that GEM announced the Offer prior to 13 November 2020. Accordingly, the Break Fee will not become payable under the terms of the Break Fee Agreement.

#### **15. Further Information**

The terms and Conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, in respect of Volga Gas Shares held in certificated form, the accompanying Form of Acceptance.

#### **16. Action to be taken**

To accept the Offer in respect of certificated Volga Gas Shares you must complete and sign the Form of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) or other document(s) of title to the Receiving Agent, Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or by hand (between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales)), as soon as possible, but in any event so as to arrive by no later than 1.00 p.m. (London time) on 4 January 2021.

Acceptances in respect of uncertificated Volga Gas Shares should be made electronically through CREST so that the TTE instruction settles not later than 1.00 p.m. (London time) on 4 January 2021.

Yours faithfully,

**Thomas Keane**

*Director*

For and on behalf of

**GEM Capital Holdings (CY) Ltd**

## APPENDIX I

### CONDITIONS AND FURTHER TERMS OF THE OFFER

#### PART A: THE CONDITIONS

##### 1. The Offer is subject to the following Conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the First Closing Date (or such later time(s) and/or dates(s) as GEM may, with the consent of the Panel or in accordance with the Code, decide) in respect of not less than 90 per cent. (or such lower percentage as GEM may decide) of the Volga Gas Shares to which the Offer relates and of the voting rights attached to those shares, provided that this Acceptance Condition will not be satisfied unless GEM and/or any of GEM's wholly owned subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Volga Gas Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Volga Gas;

and for the purposes of this Acceptance Condition:

- (i) Volga Gas Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they shall carry upon issue;
  - (ii) the expression "**Volga Gas Shares to which the Offer relates**" shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act 2006;
  - (iii) valid acceptances shall be deemed to have been received in respect of Volga Gas Shares which are treated for the purposes of Part 28 of the Companies Act 2006 as having been acquired or contracted to be acquired by Volga Gas, whether by virtue of acceptances of the Offer or otherwise; and
  - (iv) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue outside treasury;
- (b) subject to Part B below and to the requirements of the Panel in accordance with the Code, the Offer is also be conditional upon the satisfaction or, where relevant, waiver of the following conditions:
- (i) all notifications and filings which are necessary or reasonably appropriate in connection with the Offer having been made by the relevant party, all necessary waiting periods (including any extension to them) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with and all Authorisations which in each case are necessary or reasonably appropriate for or in respect of the Offer, its implementation or any acquisition of any shares in, or control or management of, Volga Gas or any other member of the Wider Volga Gas Group by any member of the Wider GEM Group, having been obtained on terms and in a form reasonably satisfactory to GEM from all Relevant Authorities or persons with whom any member of the Wider Volga Gas Group has entered into contractual arrangements, and all such Authorisations, together with all Authorisations necessary to carry on the business of any member of the Wider Volga Gas Group, remaining in full force and effect at the time when the Offer becomes wholly unconditional and there being no intimation of any intention to revoke or not to renew, withdraw, suspend, withhold, modify or amend the same in consequence of the Offer becoming wholly unconditional;
  - (ii) without limitation to Condition 1(b)(i) above, in accordance with Russian Federal Law No. 135-FZ On Protection of Competition, dated 26 July 2006 (as amended), FAS Russia approving the acquisition of control of Volga Gas or any subsidiary undertaking of Volga Gas, by GEM, and if such approval is subject to any conditions or restrictions applicable to GEM, such conditions or restrictions also being satisfactory and acceptable to GEM;
  - (iii) no Relevant Authority having instituted, implemented or threatened any action, suit, proceedings, investigation, reference or enquiry, or enacted, made or proposed any statute,

regulation, order or decision, or having taken any other steps or measures that would or might reasonably be expected to:

- (A) make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control over, Volga Gas or any member of the Wider Volga Gas Group by GEM or any member of the Wider GEM Group, illegal, void or unenforceable under the laws of any relevant jurisdiction or otherwise directly or indirectly materially restrict, restrain, prohibit, delay, frustrate or interfere in the implementation of or impose additional material conditions or obligations with respect to or otherwise materially challenge the Offer or such proposed acquisition (including without limitation, taking any steps which would entitle the Relevant Authority to require any member of the Wider GEM Group to dispose of all or some of its Volga Gas Shares or restrict the ability of any member of the Wider GEM Group to exercise voting rights in respect of some or all of such Volga Gas Shares);
- (B) require, prevent or materially delay a divestiture by any member of the Wider GEM Group of any shares or other securities in Volga Gas or any member of the Wider Volga Gas Group;
- (C) impose any material limitation on, or result in a material delay in, the ability of GEM or Volga Gas or any member of the Wider GEM Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities in any member of the Wider Volga Gas Group or voting rights or management control over any member of the Wider Volga Gas Group;
- (D) other than pursuant to the Offer or Part 28 of the Companies Act 2006, require any member of the Wider GEM Group or the Wider Volga Gas Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Volga Gas Group or any asset owned by any third party;
- (E) require, prevent or materially delay a divestiture by any member of the Wider GEM Group or the Wider Volga Gas Group of all or any portion of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties, which in any case is material in the context of the Wider GEM Group or the Wider Volga Gas Group as the case may be taken as a whole;
- (F) result in any member of the Wider Volga Gas Group or the Wider GEM Group ceasing to be able to carry on their business under any name under which it presently does so to an extent which is material and adverse to the relevant group taken as a whole;
- (G) impose any limitation on the ability of any member of the Wider GEM Group or of the Wider Volga Gas Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider GEM Group or of the Wider Volga Gas Group, which is material in the context of the Wider GEM Group or the Wider Volga Gas Group as the case may be taken as a whole; or
- (H) otherwise affect adversely any or all of the businesses, assets, prospects or profits of any member of the Wider GEM Group or any member of the Wider Volga Gas Group in any way, which would be material in the context of the Wider GEM Group or the Wider Volga Gas Group as the case may be, taken as a whole;

and all applicable waiting and other time periods during which any such Relevant Authority could institute, or implement or threaten any proceedings, suit, investigation or enquiry or enact, make or propose any such statute, regulation or order or take any other such step having expired, lapsed or been terminated;

- (iv) except as Disclosed, there being no provision of any Authorisation or other instrument to which any member of the Wider Volga Gas Group is a party, or by or to which any such member, or any of its assets, is bound or subject, which would or might reasonably be expected, as a consequence of the Offer or of the proposed acquisition by GEM of any shares or other securities (or the equivalent) in Volga Gas or because of a change in, or control or management of, any member of the Wider Volga Gas Group, to result, in any case to an extent which is material in the context of the Wider Volga Gas Group taken as a whole, in:

- (A) any assets or interests of any member of the Wider Volga Gas Group being or falling to be disposed of or charged, or any right arising under which any such assets or interests could be required to be disposed of or charged or could cease to be available to any member of the Wider Volga Gas Group, other than in the ordinary course of business;
- (B) any monies borrowed by or other indebtedness or material liabilities (actual or contingent) of, or any grant available to, any member of the Wider Volga Gas Group becoming repayable or being capable of being declared repayable immediately or earlier than its stated repayment date or the ability of such member of the Wider Volga Gas Group to incur any indebtedness becoming or being capable of being or becoming withdrawn or prohibited;
- (C) any such Authorisation or other instrument being terminated or materially adversely modified, affected, amended or varied or any materially adverse action being taken or any onerous obligation or liability arising thereunder;
- (D) the business or interests of any member of the Wider Volga Gas Group with any firm, body or person (or any arrangements relating to such business or interests) being terminated, modified, affected, amended or varied in any materially adverse manner;
- (E) the value of or the financial or trading position or prospects of any member of the Wider Volga Gas Group being prejudiced or adversely affected;
- (F) the creation of any liability (actual or contingent) by any member of the Wider Volga Gas Group other than in the ordinary course of business consistent with past practice;
- (G) any liability of any member of the Wider Volga Gas Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (H) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Volga Gas Group or any such mortgage, charge or security (whenever arising or having arisen) becoming enforceable; or
- (I) any member of the Wider Volga Gas Group ceasing to be able to carry on business under any name under which it currently does so,

and, except as Disclosed, no event having occurred which, under any provision of any Authorisation or other instrument to which any member of the Wider Volga Gas Group is a party, or by or to which any such member, or any of its assets, is bound, or subject, would reasonably be expected to result, in any case to an extent which is material in the context of the Wider Volga Gas Group taken as a whole or which is material in the context of the Offer, in any of the events or circumstances as are referred to in items (A) to (I) inclusive of this Condition (iv);

- (v) since 31 December 2019 and except as Disclosed:
  - (A) save in connection with an application to FAS for the purposes referred to in Condition 1(b)(ii) above, no enquiry or investigation by or complaint or reference to any Relevant Authority against or in respect of any member of the Wider Volga Gas Group or no criminal proceedings, litigation, arbitration proceedings, mediation proceedings, prosecution or other legal proceedings to which any member of the Wider Volga Gas Group is or may become a party (whether as claimant, defendant or otherwise) having been instituted or threatened or remaining outstanding against or in respect of any member of the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole;
  - (B) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits of any member of the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole;
  - (C) no contingent or other liability having arisen, become apparent or increased which in any case is material in the context of the Wider Volga Gas Group taken as a whole; and

- (D) no steps having been taken which would reasonably be expected to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Volga Gas Group which is necessary for the proper carrying on of its business, where such withdrawal, cancellation, termination or modification is material in the context of the Wider Volga Gas Group taken as a whole;
- (vi) since 31 December 2019 and except as Disclosed, neither Volga Gas nor any other member of the Wider Volga Gas Group having:
- (A) save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or agreed to issue or authorised or announced its intention to authorise or propose the issue or grant of additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire any such shares or convertible securities or transferred or sold any Volga Gas Shares out of treasury;
  - (B) sold or transferred or agreed to sell or transfer any Treasury Shares;
  - (C) save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, purchased, redeemed or repaid any of its own shares or other securities or reduced or made any other changes to its share capital;
  - (D) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution whether payable in cash or otherwise, other than to Volga Gas or a wholly-owned subsidiary of Volga Gas;
  - (E) save pursuant to the Offer and save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with, demerged or acquired any body corporate, partnership or business or, save in the ordinary course of trading, acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in subsidiaries and trade investments);
  - (F) save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or authorised the issue of any debentures or, save in the ordinary course of trading, incurred or increased any indebtedness or liability or become subject to a contingent liability;
  - (G) other than in the ordinary course of trading, entered into, varied or authorised any arrangement, transaction, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or which involves an obligation of a nature and magnitude which is material in the context of the Wider Volga Gas Group taken as a whole;
  - (H) save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement (other than the Offer) which would be materially restrictive on the business in relation to itself or another member of the Wider Volga Gas Group;
  - (I) otherwise than in the ordinary course of business, waived or compromised any claim;
  - (J) taken any corporate action or had any legal proceedings started or threatened against it for its winding up (whether voluntary or otherwise), dissolution or reorganisation or analogous proceedings in any jurisdiction or for the appointment of a receiver, trustee, administrator, administrative receiver or similar officer in any jurisdiction of all or any of its assets and revenues or had any such person appointed;
  - (K) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments or a moratorium of any indebtedness;
  - (L) been unable or admitted in writing that it is unable to pay its debts or having stopped or suspended (or threatened to do so) payments of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (M) save as between Volga Gas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made or authorised any change in its loan capital;
  - (N) entered into or varied in any material respect the terms of any letter of appointment or service agreement (as the case may be) with any of the executive directors, non executive directors or senior executives of Volga Gas or any of the directors or senior executives of any other member of the Wider Volga Gas Group;
  - (O) proposed, agreed to provide or modified in any material respect the terms of any share option scheme, incentive scheme or, other than in the ordinary course of business, any other benefit relating to the employment or termination of employment of any person employed by the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole;
  - (P) made any alteration to its articles of association or other incorporation or constitutional documents; or
  - (Q) entered into any agreement, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer which remains open for acceptance or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this paragraph (vi);
- (vii) GEM not having discovered that, except as Disclosed:
- (A) any financial, business or other information concerning the Wider Volga Gas Group disclosed publicly or disclosed to any member of the Wider GEM Group by any member of the Wider Volga Gas Group prior to the date of the Announcement is to a material extent misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information therein not misleading to a material extent and which was not corrected before the date of the Announcement either by public disclosure through a Regulatory Information Service or by a written disclosure to the Wider GEM Group and which is material in the context of the Wider Volga Gas Group taken as a whole; or
  - (B) any information which affects the import of any information disclosed to any member of the Wider GEM Group at any time by or on behalf of any member of the Wider Volga Gas Group which is material in the context of the Wider Volga Gas Group taken as a whole; or
  - (C) any member of the Wider Volga Gas Group has not complied with any applicable legislation or regulations of any relevant jurisdiction with regard to the use, storage, transport, treatment, handling, disposal, release, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person where non-compliance would be likely to give rise to any liability or cost (whether actual or contingent) on the part of any member of the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole; or
  - (D) there has been an emission, discharge, disposal, spillage or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health which would be likely to give rise to any liability or cost (whether actual or contingent) on the part of any member of the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole; or
  - (E) there is or is likely to be any liability (whether actual or contingent) to improve or install new plant or equipment or make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Volga Gas Group under any environmental legislation, regulation, notice, circular or order of any Relevant Authority or any other person or body in any jurisdiction which in any case is material in the context of the Wider Volga Gas Group taken as a whole; or
  - (F) circumstances exist whereby a person or class of person would be likely to have any claim or claims in respect of any product or process of manufacture or materials used

therein now or previously manufactured, sold or carried out by any past or present member of the Wider Volga Gas Group which in any case is material in the context of the Wider Volga Gas Group taken as a whole; or

- (G) any past or present member of the Wider Volga Gas Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010 or any other applicable anti-corruption legislation; or
  - (H) any past or present member of the Wider Volga Gas Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
  - (I) any asset of any member of the Wider Volga Gas Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); and
- (viii) no member of the Wider Volga Gas Group having established any pensions arrangements for the benefit of the directors or employees (or their dependants) of any member of the Wider Volga Gas Group.



## **PART B: WAIVER OF CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER**

1. GEM reserves the right (subject to the requirements of the Code and the Panel) to waive in whole or in part all or any of the above Conditions, other than the Acceptance Condition.
2. If GEM is required by the Panel to make an offer for Volga Gas Shares under the provisions of Rule 9 of the Code, GEM may make such alterations to the terms and conditions of the Offer (including the Acceptance Condition) as are necessary to comply with the provisions of that Rule, and such offer shall be subject to the terms and conditions as so amended.
3. The Offer will lapse unless all the Conditions to the Offer have been fulfilled or (if capable of waiver) waived or, where appropriate, determined by GEM to have been or remain satisfied by midnight (London time) on the date which is 21 days after the later of the First Closing Date and the date on which the Offer becomes, or is declared, unconditional as to acceptances (or such later date (if any) as GEM may, with the consent of the Panel or in accordance with the Code, decide).
4. GEM shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions except for the Acceptance Condition by a date earlier than the latest date for the fulfilment of that condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. The Offer will lapse if, before 1.00 p.m. (London time) on the First Closing Date or the date on which the Offer becomes, or is declared, unconditional as to acceptances (whichever is later):
  - a. in so far as the Offer or any matter arising from or relating to the Offer constitutes a concentration with a Community dimension within the scope of Council Regulation (EC) 139/2004 (the "**Regulation**"), the European Commission initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral under Article 9(1) of the Regulation to the CMA and the CMA makes a CMA Phase 2 Reference; or
  - b. in so far as the Offer or any matter arising from or relating to the Offer becomes subject to a CMA Phase 2 Reference.
6. If the Offer lapses, the Offer shall cease to be capable of further acceptance and accepting Volga Gas Shareholders and GEM shall cease to be bound by Forms of Acceptance submitted (in the case of Volga Gas Shares held in certificated form) and Electronic Acceptances inputted and settled (in the case of Volga Gas Shares held in uncertificated form), in each case, at, or before the time the Offer lapses.
7. GEM reserves the right to elect (with the consent of the Panel) to implement the Offer by way of a court-sanctioned Scheme of Arrangement. In such event, the Offer will be implemented on substantially the same terms as those which would apply to the Offer, subject to appropriate amendments to reflect the change in method (including statutory voting requirements). The Panel, in determining the offer timetable that would apply following such an election by GEM, may take into account a number of factors including the views of the Volga Gas Directors.
8. Under Rule 13.5 of the Code, GEM may only invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn where the circumstances which give rise to the right to invoke the Condition are of material significance to the GEM Group in the context of the Offer. Whether any Condition is capable of being invoked by GEM would be determined by the Panel. The Acceptance Condition is not subject to Rule 13.5 of the Code.
9. The Volga Gas Shares shall be acquired under the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Announcement.
10. If, on or after the date of the Announcement and before the Offer becomes or is declared wholly unconditional, any dividend, other distribution and/or other return of capital is authorised, declared,

made or paid or becomes payable in respect of the Volga Gas Shares, GEM reserves the right to reduce the consideration payable under the terms of the Offer for the Volga Gas Shares by an amount of up to the amount of such dividend, distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend, distribution and/or other return of capital is authorised, declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles GEM to receive the dividend, distribution or return of capital and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by GEM of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

11. The Offer and any dispute or claim arising out of, or in connection with, it (whether contractual or non-contractual in nature) is governed by the laws of England and Wales and subject to the jurisdiction of the courts of England and Wales. The Offer is also subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the AIM Rules and the FCA.
12. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **PART C: FURTHER TERMS OF THE OFFER**

1. Except where the context requires otherwise, any reference in this document and in the Form of Acceptance to:
  - the “Offer” includes any revision, variation, renewal or extension of the Offer;
  - “acceptances of the Offer” includes deemed acceptances of the Offer;
  - the Offer being, becoming or being declared “unconditional” means the Offer being, becoming or being declared unconditional as to acceptances whether or not any other Condition of the Offer remains to be fulfilled;
  - an “extension of the Offer” includes a reference to an extension of the date by which the Acceptance Condition has to be fulfilled;
  - “First Closing Date” means 4 January 2021 (or such later date, if any, as GEM may (subject to the Code or with consent of the Panel) decide);
  - “Day 39” means 22 January 2021 (or such other later date as the Panel may agree);
  - “Day 46” means 29 January 2021 (or such other later date as the Panel may agree); and
  - “Day 60” means 12 February 2021 (or such other later date as may be determined by GEM with the agreement of the Panel to be the last date for fulfilment of the Acceptance Condition in accordance with the Code).

### **Acceptance Period**

- 2.1 The Offer is initially open for acceptance until 1.00 p.m. (London time) on the First Closing Date.
- 2.2 Although no revision is contemplated, if GEM revises the Offer, it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) after the date on which GEM publishes the revised offer document. Except with the consent of the Panel, GEM may not revise the Offer or publish any revised offer document after Day 46 or, if later, the date which is 14 calendar days before the last date on which the Offer can become unconditional.
- 2.3 The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight (London time) on Day 60 (or any other time or date beyond which GEM has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional as to acceptances, provided that GEM reserves the right, with the consent of the Panel, to extend the time for the Offer to become unconditional to a later time(s) and/or date(s). If the Offer has not become unconditional at such time (taking account of any prescribed extension of the Offer), the Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer shall cease to be capable of further acceptance and GEM and Volga Gas Shareholders shall cease to be bound by prior acceptances. GEM reserves the right, subject to the consent of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).
- 2.4 If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer becomes unconditional and it is stated by or on behalf of GEM that the Offer will remain open until further notice, then not less than 14 calendar days’ notice will be given by or on behalf of GEM to Volga Gas Shareholders who have not accepted the Offer prior to closing the Offer and to persons with information rights.
- 2.5 If a competitive situation arises or further develops (as determined by the Panel) after a “no increase” and/or “no extension” statement (as referred to in the Code) has been made by or on behalf of GEM in relation to the Offer, GEM may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw the statement and extend or revise the Offer provided it complies with the requirements of the Code and, in particular, that:

- (a) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of the firm announcement of the competing offer or other competitive situation;
  - (b) it sends a notice to Volga Gas Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of Volga Gas Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom GEM reasonably believes to be nominees, custodians or trustees holding Volga Gas Shares for such persons, by announcement in the United Kingdom; and
  - (c) any Volga Gas Shareholders who accept the Offer after the “no increase” and/or “no extension” statement are given a right of withdrawal as described in paragraph 5.4 below.
- 2.6 If Volga Gas publishes material new information of the kind referred to in Rule 31.9 of the Code after Day 39, GEM may choose not to be bound by a “no increase” and/or “no extension” statement if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) and be free to extend or revise the Offer if permitted to do so by the Panel, provided that:
- (a) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of publication by Volga Gas; and
  - (b) it notifies Volga Gas Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of Volga Gas Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom GEM reasonably believes to be nominees, custodians or trustees holding Volga Gas Shares for such persons, by announcement in the United Kingdom.
- 2.7 GEM may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a “no increase” and/or “no extension” statement and may publish an increased or improved offer if it is recommended for acceptance by the Volga Gas Directors, or in any other circumstances permitted by the Panel.
- 2.8 If a competitive situation arises or further develops (as determined by the Panel) and is continuing on the Business Day immediately preceding Day 60, GEM will enable holders of Volga Gas Shares in uncertificated form, who have not already validly accepted the Offer but who have previously accepted a competing offer, to accept the Offer by special form of acceptance to take effect on Day 60 (or such later date as may be agreed by the Panel). The special form of acceptance shall constitute a valid acceptance of the Offer provided that:
- (a) it is received by the Receiving Agent on or before Day 60 (or such later date as may be agreed by the Panel);
  - (b) the relevant Volga Gas Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Volga Gas Shares to which such withdrawal relates shall not have been released from escrow by the Escrow Agent to the competing offer before Day 60 (or such later date as may be agreed by the Panel); and
  - (c) the Volga Gas Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from GEM contained in Part II of this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter. Volga Gas Shareholders wishing to use such special forms of acceptance should apply to the Receiving Agent between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK by the Business Day preceding Day 60 in order that such forms can be despatched. Notwithstanding the right to use such a special form for acceptance, holders of Volga Gas Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

### 3. **Acceptance Condition**

- 3.1 Except with the consent of the Panel, for the purpose of determining at any particular time whether the Acceptance Condition is satisfied, GEM may only take into account acceptances received or

purchases of Volga Gas Shares made in respect of which all relevant documents and/or TTE instructions are received by the Receiving Agent:

- (a) by 1.00 p.m. (London time) on Day 60 (or any other date beyond which GEM has stated that it will not extend the Offer and GEM has not withdrawn that statement); or
- (b) if the Offer is extended beyond Day 60 with the consent of the Panel, such later time(s) or date(s) as the Panel may agree.

If the latest time at which the Offer may become unconditional is extended beyond midnight on Day 60, acceptances received and purchases made in respect of which the relevant documents are received by the Receiving Agent after 1.00 p.m. (London time) on that date may only be taken into account with the agreement of the Panel (except where the Code permits otherwise).

3.2 Notwithstanding the right reserved by GEM to treat an acceptance of the Offer as valid (even though not entirely in order or in the correct form or not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE instruction, or received at any place or places or in any form or manner otherwise than as set out in this document or in the Form of Acceptance), except as otherwise agreed by the Panel:

- (a) an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;
- (b) a purchase of Volga Gas Shares by GEM or its nominee(s) or (if GEM is required by the Panel to make an offer for Volga Gas Shares under Rule 9 of the Code) by a person acting in concert with GEM or its nominee(s), will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;
- (c) Volga Gas Shares which have been borrowed by GEM may not be counted towards fulfilling the Acceptance Condition; and
- (d) before the Offer may become or be declared unconditional, the Receiving Agent shall issue a certificate to GEM (or its agent) which states the number of Volga Gas Shares in respect of which acceptances have been received and not validly withdrawn, and the number of Volga Gas Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 3. A copy of the certificate will be sent to the Panel as soon as possible after it is issued.

3.3 For the purpose of determining at any particular time whether the Acceptance Condition is satisfied GEM is not bound (unless required by the Panel) to take into account any Volga Gas Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of conversion rights before the determination takes place unless Volga Gas or its agent has given written notice to GEM or the Receiving Agent at the address set out in paragraph 5.8 below on behalf of GEM containing relevant details of the allotment, issue or conversion. Notification by telex, fax or other electronic transmission does not constitute written notice for this purpose.

#### 4. **Announcements**

4.1 Without prejudice to paragraph 5.2 below, by 8.00 a.m. (London time) on the next Business Day (the "relevant day") following the day on which the Offer is due to expire or becomes or is declared unconditional, or is revised or extended (or such later time(s) or date(s) as the Panel may agree), GEM will make an appropriate announcement. The announcement will state (unless otherwise permitted by the Panel):

- (a) the total number of Volga Gas Shares for which acceptances of the Offer have been received, specifying (i) the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with GEM for the purposes of the Offer and (ii) which were the subject of an irrevocable commitment or letter of intent procured by GEM or any person acting in concert with it;
- (b) details of any Volga Gas relevant securities in which GEM or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned and details of any short positions over Volga Gas relevant

securities held by GEM or any person acting in concert with it (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

- (c) details of any Volga Gas relevant securities in respect of which GEM or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
- (d) details of any Volga Gas relevant securities which GEM or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will specify the percentages of each class of relevant securities represented by these figures. The announcement will also include a statement of the total number of Volga Gas Shares which GEM may count towards the satisfaction of the Acceptance Condition and the percentage of Volga Gas Shares represented by this figure.

- 4.2 Except as otherwise agreed by the Panel, in computing the number of Volga Gas Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the Acceptance Condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the Code are satisfied. Subject to this, GEM may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE instruction or which are subject to verification.
- 4.3 Any decision to extend the time and/or date by which the Acceptance Condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 a.m. (London time) on the relevant day or such later time(s) and/or date(s) as the Panel may agree. The announcement may state that the Offer is closed for acceptance or it may state the next expiry time and date or, if the Offer is then unconditional, it may instead state that the Offer will remain open until further notice.
- 4.4 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of GEM include (without limitation), in each case by GEM's public relations consultants or other nominee of GEM, on behalf of GEM, the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless the Panel agrees otherwise).
- 4.5 A copy of any announcement made by GEM in accordance with this paragraph 4 will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital) promptly and in any event by no later than 12 noon (London time) on the Business Day following the announcement. The contents of the websites referred to in this document are not incorporated into and do not form part of this document.
- 4.6 Without limiting the manner in which GEM may choose to make any public announcement and, subject to the obligations of GEM under applicable law and paragraph 4.5, GEM will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

## 5. **Rights of withdrawal**

- 5.1 Except as provided by this paragraph 5 or as may otherwise be agreed in writing between GEM and any particular Volga Gas Shareholder in accordance with the Code, acceptances of and any elections under the Offer are irrevocable.
- 5.2 If GEM announces the Offer to be unconditional and then fails to comply by 3.30 p.m. (London time) on the relevant day (as defined in paragraph 4.1 above) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements under the Code specified in paragraph 4.1 above, an accepting Volga Gas Shareholder may (unless the Panel agrees otherwise) withdraw his/her acceptance of the Offer, in the case of Volga Gas Shares in certificated form, by written notice (as defined in paragraph 5.9 below) or, in the case of Volga Gas Shares in uncertificated form, in accordance with paragraph 5.9 below. Subject to paragraph 2.3 above this right of withdrawal may

be terminated not less than eight calendar days after the relevant day by GEM confirming, if such is the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 4.1 above. If that confirmation is given, the first period of 14 calendar days referred to in paragraph 2.4 above will start on the date of that confirmation.

- 5.3 If by 1.00 p.m. (London time) on the day falling 21 days after the First Closing Date (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Volga Gas Shareholder may withdraw his/her acceptance of the Offer, in the case of Volga Gas Shares in certificated form, by written notice or, in the case of Volga Gas Shares in uncertificated form, in accordance with paragraph 5.9 below at any time before the earlier of:
- (a) the time that the Offer becomes unconditional; and
  - (b) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 3.1 above.
- 5.4 If a “no increase” and/or “no extension” statement is withdrawn in accordance with paragraph 2.5 above, a Volga Gas Shareholder who accepts the Offer after the date of the statement may withdraw such acceptance, in the case of Volga Gas Shares in certificated form, by written notice or, in the case of Volga Gas Shares in uncertificated form, in accordance with paragraph 5.9 below during the period of eight calendar days after the date on which GEM sends the notice of the withdrawal of that statement to Volga Gas Shareholders.
- 5.5 All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by GEM whose determination (except as required by the Panel) will be final and binding. None of GEM, Volga Gas, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph 5.
- 5.6 If an accepting Volga Gas Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned by post (or by such other method as shall be approved by the Panel) as soon as practicable following the receipt of the withdrawal (and in any event no later than 14 calendar days after receipt of the withdrawal) and the Escrow Agent will immediately (or within such period as the Panel may permit, which, in any event, shall be no longer than 14 calendar days) give TFE instructions to Euroclear for the transfer of securities held in escrow to the original balances of the Volga Gas Shareholders concerned.
- 5.7 Volga Gas Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 5 may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 12 of Part II of this document at any time while the Offer remains open for acceptance.
- 5.8 In this paragraph 5, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Volga Gas Shareholder(s) or his/her/their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to GEM) given by post or by hand during normal business hours (excluding public holidays in England and Wales) to the Receiving Agent, Link Group, at Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Email or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice. A notice which is postmarked in, or otherwise appears to GEM or its agents to have been sent from, a Restricted Jurisdiction may not be treated as valid.
- 5.9 In the case of Volga Gas Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 5.2, 5.3 or 5.4 above, an accepting Volga Gas Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- (a) the number of Volga Gas Shares (in uncertificated form) to be withdrawn, together with their ISIN number which is **GB00B1VN4809**;
  - (b) the member account ID of the accepting shareholder, together with his/her participant ID;

- (c) the participant ID of the Escrow Agent (this is **RA10**) included in the relevant Electronic Acceptance, together with the Escrow Agent's member account ID (this is **GEMVOL01**);
- (d) the transaction reference number of the Electronic Acceptance to be withdrawn;
- (e) the intended settlement date for the withdrawal;
- (f) the corporate action number for the Offer (this is allocated by Euroclear and will be available on screen from Euroclear); and
- (g) input with standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will, on behalf of GEM, reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or a receiving agent accept (AEAN) message, as appropriate.

5.10 Any question as to the validity (including time receipt) of any notice of withdrawal will be determined by GEM, whose determination, except as otherwise may be determined by the Panel, will be final and binding. Neither GEM, Volga Gas nor the Receiving Agent nor any other person, will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so.

## 6. Revised Offer

- 6.1 Although no revision is contemplated, if GEM revises the Offer (from its original or previously revised form(s) and either in its terms and Conditions or in the value or nature of the consideration offered or otherwise), the benefit of the revised offer will, subject to paragraphs 6.3, 6.5 and 8 below, be made available to any Volga Gas Shareholder who has accepted the Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a "previous acceptor"). The acceptance by or on behalf of a previous acceptor will, subject to paragraphs 6.3, 6.5 and 8 below be deemed an acceptance of the revised offer and will constitute the separate appointment of each of GEM, and the Receiving Agent and any director or agent of, or any person authorised by, any of them as his agent and/or attorney with an irrevocable instruction and authorisation to such agent and/or attorney to:
- (a) accept the revised offer on behalf of such previous acceptor;
  - (b) if the revised offer includes alternative form(s) of consideration, to make elections for and/or accept the alternative form(s) of consideration on his behalf in the proportions the attorney and/or agent in his absolute discretion thinks fit; and
  - (c) execute on behalf of and in the name of such previous acceptor all documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he may reasonably consider relevant. The attorney and/or agent shall not be liable to any Volga Gas Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- 6.2 Although no revision is contemplated, if the Offer is revised, a revised offer document will be published. On the day of publication, GEM will arrange for the revised offer document to be published on Volga Gas's website and GEM's website and will announce that the revised offer document has been so published.
- 6.3 Although no revision is contemplated, if a revised offer document is published GEM will, as applicable, make the revised offer document readily and promptly available to its employee representatives or, where there are no such representatives, to the employees themselves. Volga Gas will make any circular published by the Volga Gas Directors readily and promptly available to its employee representatives or, where there are no such representatives, to the employees themselves.
- 6.4 The deemed acceptance and/or election referred to in paragraph 6.1 above shall not apply, and the power of attorney and authorities conferred by paragraph 6.1 above shall not be exercised if, as a result, a Volga Gas Shareholder would (on such basis as Strand Hanson may reasonably consider appropriate) receive and/or retain (as appropriate) less in aggregate in consideration under the revised



offer or otherwise than he would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such Volga Gas Shareholder or on his behalf.

- 6.5 The deemed acceptance and/or election referred to in paragraph 6.1 above shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised to the extent that a previous acceptor: (i) in respect of Volga Gas Shares in certificated form, lodges with the Receiving Agent within 14 calendar days of publication of the revised offer document, a Form of Acceptance (or any other form issued by or on behalf of GEM) in which he validly elects to receive consideration under the revised offer in some other manner; or (ii) sends (or, if a CREST sponsored member, procures that his CREST sponsor sends), in respect of Volga Gas Shares in uncertificated form, an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be changed. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- (a) the number of Volga Gas Shares (in uncertificated form) in respect of which the changed election is made, together with their ISIN number which is **GB00B1VN4809**;
  - (b) the member account ID of the previous acceptor, together with his participant ID;
  - (c) the participant ID of the Escrow Agent (this is **RA10**) included in the relevant Electronic Acceptance, together with the Escrow Agent's member account ID (this is **GEMVOL01**);
  - (d) the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed, to be inserted at the beginning of the shared notes field;
  - (e) the intended settlement date for the changed election;
  - (f) the corporate action number for the Offer (this is allocated by Euroclear and will be available on screen from Euroclear);
  - (g) input with standard delivery instruction priority of 80;
  - (h) the member account ID of the Escrow Agent relevant to the new election; and
  - (i) name and contact telephone number in the shared notes field.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of GEM reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) message or a receiving agent accept (AEAN) message.

- 6.6 The powers of attorney and authorities conferred by this paragraph 6 and any acceptance of a revised offer and/or any election in relation to it shall be irrevocable unless and until the previous acceptor withdraws his acceptance having become entitled to do so under paragraph 5 above.
- 6.7 GEM and the Receiving Agent reserve the right to treat an executed Form of Acceptance or TTE instruction relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer. That acceptance will constitute a power of attorney and an authority in the terms of paragraph 6.1 above, *mutatis mutandis*, on behalf of the relevant Volga Gas Shareholder.

## 7. **General**

- 7.1 If the Offer lapses for any reason:

- (a) it will not be capable of further acceptance;
- (b) accepting Volga Gas Shareholders and GEM will cease to be bound by: (i) in the case of Volga Gas Shares held in certificated form, Forms of Acceptance submitted; and (ii) in the case of Volga Gas Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
- (c) in respect of Volga Gas Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post no later than 14 calendar days after the date on which the Offer lapses, at the risk of the Volga Gas Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the Form of Acceptance or,

if none is set out, to the first-named holder at his/her registered address. No such documents will be sent to an address in any Restricted Jurisdiction where to do so would infringe applicable law; and

- (d) in respect of Volga Gas Shares held in uncertificated form, the Receiving Agent will immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days after the date on which the Offer lapses) give TFE instructions to Euroclear to transfer all Volga Gas Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the relevant Volga Gas Shareholders.

7.2 Except with the consent of the Panel:

- (a) settlement of the consideration to which any Volga Gas Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which GEM may otherwise be, or claim to be, entitled against that Volga Gas Shareholder; and
- (b) settlement of the consideration to which any Volga Gas Shareholder is entitled will be effected in the manner prescribed in paragraph 13 of the letter from GEM to Volga Gas Shareholders contained in Part II of this document (i) in the case of acceptances received that are complete in all respects by the date on which the Offer becomes or is declared wholly unconditional, within 14 calendar days of the later of such date and the First Closing Date; or (ii) in the case of acceptances received that are complete in all respects after the later of the First Closing Date and the date on which the Offer becomes or is declared wholly unconditional but while the Offer remains open for acceptance, within 14 calendar days of such receipt.

Subject to paragraph 8 below, GEM reserves the right not to send any consideration to an address in any Restricted Jurisdiction.

7.3 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance unless the context requires otherwise. The provisions of this Appendix I shall be deemed to be incorporated in and form part of the Form of Acceptance.

7.4 If the expiry date of the Offer is extended, a reference in this document and in the Form of Acceptance to the expiry date of the Offer or the First Closing Date will (except in the definition of Offer Period and in paragraph 2.1 above and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.

7.5 The Offer is made in respect of all Volga Gas Shares issued and unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as GEM may, subject to the rules of the Code or with the consent of the Panel, determine). Any omission or failure to send this document, the Form of Acceptance or any other document relating to the Offer and/or notice required to be sent under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is, or should be, made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 8 below, the Offer is made to any Volga Gas Shareholder to whom this document and the Form of Acceptance or any related document may not be sent or by whom such documents may not be received, and these persons may collect these documents from the Receiving Agent at the address set out in paragraph 5.8 above, or inspect this document, subject to certain restrictions relating to persons in Restricted Jurisdictions, on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital), while the Offer remains open for acceptance.

7.6 Subject to the Code, and notwithstanding any other provision of this Appendix I, GEM and the Receiving Agent reserve the right to treat as valid in whole or in part any acceptance of the Offer if received by the Receiving Agent or otherwise on behalf of GEM which is not entirely in order or in the correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE instruction or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or GEM otherwise than as set out in

this document or in the Form of Acceptance. In that event, no payment of cash will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities have been received by the Receiving Agent.

- 7.7 If all Conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances are received and/or sufficient Volga Gas Shares are otherwise acquired, GEM intends to apply the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily any outstanding Volga Gas Shares. GEM intends, after the Offer is declared unconditional in all respects, to procure the making of an application by Volga Gas to the appropriate authorities for the cancellation of the admission to trading of Volga Gas Shares on AIM. A notice period of not less than 20 Business Days prior to the cancellation will be given on or after the date on which the Offer becomes or is declared unconditional in all respects provided GEM has obtained 75 per cent. or more of the voting rights of Volga Gas or otherwise thereafter once GEM has obtained 75 per cent. or more of the voting rights of Volga Gas.
- 7.8 All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the Volga Gas Shareholder and are irrevocable (in respect of powers of attorney granted in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 5 above.
- 7.9 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or document(s) of title will be given by or on behalf of GEM. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Volga Gas Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 7.10 Subject to paragraph 8 below, the Offer is made at 1.00 p.m. (London time) on 14 December 2020 and is capable of acceptance from and after that time. Forms of Acceptance, copies of this document, and any related documents may be collected from the Receiving Agent at the address specified in paragraph 5.8 above.
- 7.11 The Offer, all acceptances of the Offer and all elections in respect of it are governed by and will be construed in accordance with English law.
- 7.12 Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a Volga Gas Shareholder will constitute their agreement that the courts of England and Wales are (subject to paragraph 7.13 of this Part C of Appendix I) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that they irrevocably submit to the jurisdiction of the courts of England and Wales.
- 7.13 Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of an Volga Gas Shareholder will constitute their agreement that the agreement in paragraph 7.12 of this Part C of Appendix I is included for the benefit of GEM and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in paragraph 7.12 of this Part C of Appendix I, GEM and the Receiving Agent shall each retain the right to, and may in their absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and the accepting Volga Gas Shareholder irrevocably submits to the courts of any such country.
- 7.14 All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- 7.15 In relation to any Electronic Acceptance, GEM reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of

CREST, or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.

- 7.16 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- 7.17 Any references in this Appendix I to the return or despatch of documents by post shall extend to the return or despatch by such other method as the Panel may approve.
- 7.18 The Offer is subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the FCA, the Panel and the rules of the London Stock Exchange (including the AIM Rules).

## 8. **Overseas Shareholders**

- 8.1 The availability of the Offer to persons who are not resident in the United Kingdom ("**Overseas Shareholders**") or to persons who are custodians, nominees of or trustees for such persons may be prohibited or affected by jurisdictions other than the United Kingdom. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements of their relevant jurisdiction. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and GEM (and any person acting on behalf of it) shall be fully indemnified and held harmless by such Overseas Shareholders for any such issue, transfer or other taxes or duties or other payments which GEM (and any person acting on behalf of it) may be required to pay.
- 8.2 Unless otherwise determined by GEM in its sole discretion and permitted by applicable law and regulation, the Offer is not being communicated, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer is not capable of acceptance by any such use, means, instrumentality or otherwise from within any Restricted Jurisdiction.
- 8.3 Copies of this document, the Form of Acceptance and any related documents are not being (unless determined otherwise by GEM in its sole discretion and permitted by applicable law and regulation), and must not be, mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction including to Volga Gas Shareholders or persons with information rights or participants in any Volga Gas share option schemes with registered addresses in any Restricted Jurisdiction or to persons whom GEM knows to be custodians, trustees or nominees holding Volga Gas Shares for persons with registered addresses in any Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) must not, directly or indirectly, distribute, mail or send them in, into or from any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.
- 8.4 Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All Volga Gas Shareholders (including nominees, trustees or custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance, should read the further details in this regard which are contained in this paragraph and this Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in any Restricted Jurisdiction or otherwise despatched from such jurisdictions and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.

- 8.5 Subject to the provisions of this paragraph 8 and applicable laws, a Volga Gas Shareholder may be deemed NOT to have accepted the Offer if:
- (a) he or she puts “No” in Box 3 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (c) of Part D of this Appendix I to this document;
  - (b) he or she completes Box 4 of the Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in any such case does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he or she wishes the consideration to which he or she is entitled under the Offer to be sent;
  - (c) he or she inserts in Box 4 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he or she wishes the consideration to which he or she is entitled under the Offer to be sent;
  - (d) the Form of Acceptance received from him or her is in an envelope postmarked in, or which otherwise appears to GEM or its agents to have been sent from, a Restricted Jurisdiction; or
  - (e) he or she makes a Restricted Escrow Transfer pursuant to paragraph 8.7 below unless he or she also makes a related Restricted ESA instruction which is accepted by the Receiving Agent.
- 8.6 GEM reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in Part D or (as the case may be) Part E of this Appendix I to this document could have been truthfully given by the relevant Volga Gas Shareholder and, if such investigation is made and as a result GEM determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.
- 8.7 If a holder of Volga Gas Shares in uncertificated form is unable to give the warranty set out in paragraph 1(b) of Part E of this Appendix I to this document, but nevertheless can provide evidence satisfactory to GEM that he/she is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he/she may purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his/her CREST sponsor sends) both a TTE instruction to a designated escrow balance detailed below (a **Restricted Escrow Transfer**) and one or more valid ESA instructions (a **Restricted ESA instruction**). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and GEM decides, in its absolute discretion, to exercise its right described in paragraph 8.11 below to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 2 above. If GEM accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of GEM accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of GEM reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:
- (a) the ISIN number for the Volga Gas Shares, which is **GB00B1VN4809**;
  - (b) the number of Volga Gas Shares (in uncertificated form) in respect of which the Offer is to be accepted;
  - (c) the member account ID and participant ID of the Volga Gas Shareholder;
  - (d) the participant ID of the Escrow Agent (this is **RA10**) and its member account ID specific to a Restricted Escrow Transfer (this is **RESTRICT**);
  - (e) the intended settlement date;
  - (f) input with standard delivery instruction priority of 80; and
  - (g) name and contact telephone number in the shared notes field.

Each Restricted ESA instruction must, in order for it to be valid and to settle, include the following details:

- (a) the ISIN number for the Volga Gas Shares, which is **GB00B1VN4809**;

- (b) the number of Volga Gas Shares (in uncertificated form) relevant to that Restricted ESA instruction;
- (c) the member account ID and participant ID of the accepting Volga Gas Shareholder;
- (d) the member account ID and the participant ID of the Escrow Agent (this is **RA10**) and its member account ID specific to a Restricted Escrow Transfer;
- (e) the CREST transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates;
- (f) the intended settlement date;
- (g) the corporate action number for the Offer
- (h) input with standard delivery instruction priority of 80; and
- (i) name and contact telephone number in the shared notes field.

8.8 If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, but not limited to, mail, internet, telephone or otherwise) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction in connection with that forwarding, that person should:

- (a) inform the recipient of such fact;
- (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
- (c) draw the attention of the recipient to this paragraph 8.

8.9 GEM reserves the right to notify any matter, including the making of the Offer, to all or any Volga Gas Shareholders:

- (a) with a registered address outside the United Kingdom; or
- (b) whom GEM knows to be a custodian, trustee or nominee holding Volga Gas Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such Volga Gas Shareholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of GEM is to be construed accordingly. No such document will be sent to an address in any Restricted Jurisdiction.

8.10 If any written notice from a Volga Gas Shareholder withdrawing his acceptance in accordance with paragraph 5 above is received in an envelope postmarked in, or which otherwise appears to GEM or its agents to have been sent from, any Restricted Jurisdiction, GEM reserves the right, in its absolute discretion, to treat that notice as invalid.

8.11 The provisions of this paragraph 8 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Volga Gas Shareholders or on a general basis by GEM in its sole discretion. Subject to this discretion, the provisions of this paragraph 8 supersede any terms of the Offer inconsistent with them.

8.12 References in this paragraph 8 to a Volga Gas Shareholder shall include the person or persons making an Electronic Acceptance and the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 8 apply to them jointly and severally.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.**

## **PART D: FORM OF ACCEPTANCE FOR VOLGA GAS SHARES HELD IN CERTIFICATED FORM**

This Part D applies only to Volga Gas Shares held in certificated form. If you hold all your Volga Gas Shares in uncertificated form (i.e. in CREST), you should ignore this Part D and instead read Part E below.

Each Volga Gas Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to the Receiving Agent irrevocably undertakes, represents, warrants and agrees to and with GEM and the Receiving Agent (so as to bind him/her, his/her personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance, whether or not any boxes are completed, and whether or not the Form of Acceptance is validly executed as a deed, shall constitute:
  - (i) an acceptance of the Offer in respect of the number of Volga Gas Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
  - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable GEM to obtain the full benefit of this Part D and/or to perfect any of the authorities expressed to be given in this Part D or otherwise in connection with acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 5 of Part C of this Appendix I, each such acceptance shall be irrevocable provided that if: (i) Box 1 or any other box is not completed; or (ii) the total number of Volga Gas Shares inserted in Box 1 is greater than the number of Volga Gas Shares comprised in the acceptance or Box 1 contains the word "ALL" or any other word or marking, but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all of the Volga Gas Shares in certificated form comprised in the acceptance.

For the purposes of this Appendix I and the Form of Acceptance, the phrase "Volga Gas Shares comprised in the acceptance" shall mean the number of Volga Gas Shares inserted in Box 1 of the Form of Acceptance or if no number (or a number greater than the relevant Volga Gas Shareholder's registered holding of Volga Gas Shares) is inserted, the greater of:

- (i) the relevant Volga Gas Shareholder's entire holding of Volga Gas Shares as disclosed by the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;
  - (ii) the relevant Volga Gas Shareholder's entire holding of Volga Gas Shares as disclosed by the register of members made available to the Receiving Agent prior to the latest time for receipt of the Form of Acceptance which can be taken into account for determining whether the Offer is unconditional; or
  - (iii) the number of Volga Gas Shares in respect of which certificates or an indemnity in lieu thereof is received by the Receiving Agent;
- (b) he/she is irrevocably and unconditionally entitled to sell and transfer the legal and beneficial ownership of the Volga Gas Shares in certificated form comprised or deemed to be comprised in such acceptance and that such Volga Gas Shares are sold fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Announcement;
  - (c) unless "NO" is put in Box 3 of the Form of Acceptance, that such Volga Gas Shareholder:
    - (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
    - (ii) has not otherwise utilised in connection with the Offer or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or by any facility of a national securities exchange of, a Restricted Jurisdiction;

- (iii) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in GEM or any other person acting in breach of the legal or regulatory requirements of, or be liable for any issue, transfer or other taxes or duties or other payments in, any such jurisdiction in connection with the Offer or his/her acceptance thereof;
  - (iv) is accepting the Offer from outside a Restricted Jurisdiction and has not executed, mailed or sent the Form of Acceptance in or from a Restricted Jurisdiction; and
  - (v) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
- (d) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Volga Gas Shareholder not having validly withdrawn his/her acceptance, the irrevocable and separate appointment of each of GEM and the Receiving Agent, and any director or agent of, or any person authorised by any of them, as his/her agent and/or attorney (the “attorney”) and an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Volga Gas Shares referred to in paragraph (a) of this Part D in favour of GEM or such other person or persons as GEM or its agents may direct in connection with acceptance of the Offer;
  - (ii) to deliver such form(s) of transfer and/or other document(s) in the attorney’s discretion and/or the certificate(s) and/or other document(s) of title relating to such Volga Gas Shares for registration within six months of the Offer becoming unconditional in all respects; and
  - (iii) to execute all such other documents and do all such other acts and things as may in the attorney’s opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest the full legal and beneficial ownership of the Volga Gas Shares referred to in paragraph (a) of this Part D in GEM or its nominee;
- (e) that, in relation to Volga Gas Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Volga Gas Shareholder not having validly withdrawn his/her acceptance, an irrevocable authority and instruction, subject to the provisions of paragraph 8 of Part C of this Appendix I to this document:
- (i) to Volga Gas or its agents to procure the registration of the transfer of those Volga Gas Shares referred to in paragraph (a) of this Part D pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Volga Gas Shares to GEM or as it may direct;
  - (ii) to GEM or its respective agents to procure the despatch by post (or by such other method as the Panel may approve) of the cheque for the cash consideration to which an accepting Volga Gas Shareholder is entitled, at the risk of such shareholder, to the person or agent whose name and address outside a Restricted Jurisdiction is set out in Box 4 of the Form of Acceptance, or if no name and address is set out in Box 4, to the first named holder at his/her registered address (outside a Restricted Jurisdiction, unless otherwise permitted by GEM in accordance with applicable law and regulation);
  - (iii) to GEM, Volga Gas or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of Volga Gas in respect of his/her holding of Volga Gas Shares (until such are revoked or varied);
- (f) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes a separate authority to GEM and/or its respective directors within the terms of paragraph 6 of Part C of this Appendix I to this document in respect of the Volga Gas Shares in certificated form comprised or deemed to be comprised in the acceptance;



- (g) that, subject to the Offer becoming or being declared unconditional in all respects (or if the Offer will become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration of any transfer in the name of GEM (or as it may direct) pursuant to the Offer:
- (i) GEM and/or its agents shall be authorised and entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Volga Gas or of any class of its shareholders) attaching to any Volga Gas Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
  - (ii) the execution of a Form of Acceptance in respect of the Volga Gas Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
    - (aa) constitutes an irrevocable authority to Volga Gas and its agents from such Volga Gas Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of Volga Gas (including any share certificate(s) or other document(s) of title) to GEM at its registered office;
    - (bb) constitutes an irrevocable authority to GEM or any director of GEM, or any person authorised by, GEM, to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Volga Gas Shares held by him/her in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as his/her attorney and/or agent and on his/her behalf and/or to attend and/or execute a form of proxy in respect of such Volga Gas Shares appointing any person nominated by GEM to attend general and separate class meetings of Volga Gas (and any adjournments thereof) and to exercise the votes attaching to such shares on his/her behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
    - (cc) will also constitute the agreement of such Volga Gas Shareholder not to exercise any of such rights without the consent of GEM and the irrevocable undertaking of such Volga Gas Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting, save that this authority will cease to be valid if the acceptance is validly withdrawn.
- (h) that he/she will deliver or procure the delivery to the Receiving Agent of his/her share certificate(s) or other document(s) of title in respect of all Volga Gas Shares in certificated form held by him/her in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to GEM in lieu thereof, as soon as possible and in any event within three months of the Offer becoming unconditional in all respects;
- (i) that, if he or she accepts the Offer, he or she will do all such acts and things as shall, in the opinion of GEM or the Receiving Agent, be necessary or expedient to vest in GEM or its nominee(s) or such other person as GEM may decide the number of Volga Gas Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the Offer
- (j) that he/she is the sole legal and beneficial owner of the Volga Gas Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or he/she is the legal owner of such Volga Gas Shares and he/she has the necessary capacity and authority to execute the Form(s) of Acceptance;
- (k) that the Volga Gas Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Announcement;
- (l) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;

- (m) that, if he/she accepts the Offer, he/she will do all such acts and things as shall be necessary or expedient to vest the full legal and beneficial ownership of the Volga Gas Shares referred to in paragraph (a) of this Part D in GEM or its nominee(s) or such other persons as it may decide;
- (n) that he/she agrees to ratify each and every act or thing which may be done or effected by GEM or the Receiving Agent or any director of GEM or any director of the Receiving Agent or their respective agents or Volga Gas or its agents, as the case may be, in the exercise of any of his/her powers and/or authorities under this document;
- (o) that the Form of Acceptance shall be deemed to be delivered on the date of its execution and shall take effect as a deed on such date;
- (p) that if any provision of Part C or Part D of this Appendix I to this document shall be unenforceable or invalid or shall not operate so as to afford GEM or the Receiving Agent or any director of either of them the benefit of the authorities and powers of attorney expressed to be given therein, he/she shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable GEM and/or the Receiving Agent and/or any director of either of them to secure the full benefits of Part C and this Part D;
- (q) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (r) that the execution of the Form of Acceptance constitutes his or her submission, in relation to any dispute arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of GEM to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction;
- (s) that he/she is not a customer (as defined by the rules of the Financial Conduct Authority) of Strand Hanson in connection with the Offer; and
- (t) the Form of Acceptance will be deemed to be delivered on the date of its execution and will take effect as a deed.

References in this Part D to a Volga Gas Shareholder shall include references to the person or persons executing a Form of Acceptance, and if more than one person executes a Form of Acceptance, the provisions of this Part D shall apply to them jointly and severally.

## **PART E: ELECTRONIC ACCEPTANCE FOR VOLGA GAS SHARES HELD IN UNCERTIFICATED FORM**

This Part E applies only to Volga Gas Shares held in uncertificated form (i.e. in CREST).

For the purposes of this Part E, the phrase "Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance" shall mean the number of Volga Gas Shares which are transferred by the relevant Volga Gas Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

1 Without prejudice to the provisions of Parts A, B, C and D of this Appendix I to this document, each Volga Gas Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with GEM and the Receiving Agent (so as to bind him/her, his/her personal or legal representatives, heirs, successors and assigns) to the following effect that:

(a) the Electronic Acceptance shall constitute:

- (i) an acceptance of the Offer in respect of the number of Volga Gas Shares in uncertificated form to which the TTE instruction relates; and
- (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable GEM to obtain the full benefit of this Part E and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his/her acceptance of the Offer;

in each case on and subject to the terms and Conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 5 of Part C of this Appendix I to this document, each such acceptance, election and undertaking shall be irrevocable;

(b) such Volga Gas Shareholder:

- (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from any Restricted Jurisdiction;
- (ii) has not otherwise used in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, email, TTE instruction, telephone, internet or otherwise) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction;
- (iii) is accepting the Offer from outside a Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);
- (iv) in respect of the Volga Gas Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction; and
- (v) has not sent a TTE instruction from any Restricted Jurisdiction; and
- (vi) if such Volga Gas Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he/she has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he/she has not taken or omitted to take any action that will or may result in GEM or any other person acting on behalf of any of them being in breach of the legal or regulatory requirements of, or being liable for any issue, transfer or other taxes or duties or payments in, any such jurisdiction in connection with the Offer or his/her acceptance of the Offer;

(c) the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to such Volga Gas Shareholder not having validly withdrawn his/her acceptance, the irrevocable appointment of each of GEM and the Receiving Agent and any director or agent of, or any person authorised by, any of them as his/her agent and/or attorney with an irrevocable instruction to such agent and/or attorney to do all such acts and things as

- may, in the opinion of such agent and/or attorney, be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer and to vest in GEM (or its nominees) the full legal title and beneficial ownership of Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance;
- (d) the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as Escrow Agent to the Offer with an irrevocable instruction and authorisation to the Escrow Agent:
- (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and such Volga Gas Shareholder not having validly withdrawn his/her acceptance, to transfer to GEM (or to such other person or persons as GEM or its agents may direct) by means of CREST all or any of the Volga Gas Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and
  - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days) to transfer all such Volga Gas Shares to the original balance of the accepting Volga Gas Shareholder;
- (e) the Electronic Acceptance constitutes (subject to the Offer becoming unconditional in accordance with its terms and to such Volga Gas Shareholder not having validly withdrawn his/her acceptance) an irrevocable instruction and authorisation, subject to the provisions of paragraph 8 of Part C of this Appendix I, to GEM, the Receiving Agent or their respective agents or persons authorised by them to procure the making of a CREST payment obligation in favour of such Volga Gas Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled under the Offer provided that GEM may (if, for any reason, it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque (despatched by post) or such other method approved by the Panel, at the risk of the Volga Gas Shareholder, provided that in the case of a Volga Gas Shareholder whose registered address is in a Restricted Jurisdiction such cheque shall be despatched to the first-named holder at an address outside any Restricted Jurisdiction stipulated by such holder or as otherwise determined by GEM;
- (f) the Electronic Acceptance constitutes the giving of authority to each of GEM and the Receiving Agent and any director or agent of, or any person authorised by, any of them as his agent and/or attorney within the terms set out in Part C and Part E of this Appendix I to this document;
- (g) subject to the Offer becoming unconditional in all respects (or if the Offer would become unconditional in all respects or lapse on the outcome of the resolution in question), in respect of Volga Gas Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of GEM or as it may direct:
- (i) GEM or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of Volga Gas) attaching to the Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance;
  - (ii) an Electronic Acceptance by a Volga Gas Shareholder shall constitute with regard to such Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance:
    - (A) an authority to Volga Gas or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him/her as a member of Volga Gas (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Volga Gas Shares into certificated form) to GEM, care of the Receiving Agent;
    - (B) an irrevocable authority to GEM and the Receiving Agent and any director or agent of, or any person authorised by, any of them as his/her agent and/or attorney to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Volga Gas Shares held by him/her (including, without limitation, signing any consent to short notice of a general or separate class meeting as his attorney and on his/her behalf and executing a form of proxy appointing

any person nominated by GEM to attend general and separate class meetings of Volga Gas and attending any such meeting and exercising the votes attaching to the Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance on his/her behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and

- (C) the agreement of such Volga Gas Shareholder not to exercise any such rights without the consent of GEM and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of Volga Gas;
- (h) if, for any reason, any Volga Gas Shares in respect of which a TTE instruction has been effected in accordance with paragraph 12 of the letter from GEM to Volga Gas Shareholders contained in Part II of this document are converted to certificated form, he or she will (without prejudice to paragraph (g) of this Part E) immediately deliver, or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Volga Gas Shares that are so converted to the Receiving Agent at the address specified in paragraph 5.8 of Part C or to GEM at its registered office or as GEM or its agents may direct; and he/she shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Appendix I to this document in relation to such Volga Gas Shares without prejudice to the application of this Part E so far as GEM deems appropriate;
- (i) the creation of a CREST payment obligation in favour of his/her payment bank in accordance with the CREST payment arrangements as referred to in paragraph (e) of this Part E will, to the extent of the obligation so created, discharge in full any obligation of GEM to pay to him/her the cash consideration to which he or she is entitled under the Offer;
- (j) he or she will do all such acts and things as shall, in the opinion of GEM be necessary or expedient to vest in GEM or its nominee(s) the Volga Gas Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable the Receiving Agent to perform its function as Escrow Agent for the purposes of the Offer;
- (k) he or she will ratify each and every act or thing which may be done or effected by GEM or the Receiving Agent or any of their respective directors or agents or persons authorised by them, as the case may be, in the exercise of any of the powers and/or authorities under this Part E;
- (l) if any provision of Part C or this Part E of this Appendix I to this document shall be unenforceable or invalid or shall not operate so as to afford GEM or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit of the authority expressed to be given therein, he or she will, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable GEM and/or the Receiving Agent and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part C or this Part E of this Appendix I to this document;
- (m) he or she is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Volga Gas Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) announced, declared, made, paid or payable, or any other return of capital made, on or after the date of the Announcement;
- (n) the ejusdem generis principle of construction shall not apply to the terms and Conditions of the Offer. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (o) the making of an Electronic Acceptance constitutes such Volga Gas Shareholder's submission to the exclusive jurisdiction of the courts of England and Wales in relation to all matters arising in connection with the Offer and/or the Electronic Acceptance (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof) and that nothing shall limit the right of GEM to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including

in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction;

- (p) by virtue of Regulation 43 of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the CREST member accepting the Offer in the terms of all the powers and authorities expressed to be given in Part C (where applicable by virtue of paragraph (h) above), Part D and Part E of this Appendix I to this document to GEM, the Receiving Agent or any of their respective directors or agents or persons authorised by them; and
- (q) that he or she is not a client (as defined in the FCA Handbook) of Strand Hanson in connection with the Offer.

- 2 A reference in this Part E of this Appendix I to this document to a Volga Gas Shareholder includes a reference to the person or persons making an Electronic Acceptance.

## APPENDIX II

### FINANCIAL AND RATINGS INFORMATION

#### 1. Financial information relating to Volga Gas

The following table sets out financial information in respect of Volga Gas, as required by Rule 24.3(e) of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

<i>Document</i>	<i>Hyperlinks</i>
Volga Gas Group's unaudited interim results for the six month period ended 30 June 2020	<a href="http://content.volgagas.com/media/New/VGAS_2020_Interim_Report.pdf">http://content.volgagas.com/media/New/VGAS_2020_Interim_Report.pdf</a>
Volga Gas Group's audited financial statements for the year ended 31 December 2019	<a href="http://content.volgagas.com/media/New/VGAS_2019_Annual_Report_and_Accounts.pdf">http://content.volgagas.com/media/New/VGAS_2019_Annual_Report_and_Accounts.pdf</a> (pages 32 to 59, inclusive)
Volga Gas Group's audited financial statements for the year ended 31 December 2018	<a href="http://content.volgagas.com/media/PRODUCTION_REPORT/31187_VolgaGas_AR_web.pdf">http://content.volgagas.com/media/PRODUCTION_REPORT/31187_VolgaGas_AR_web.pdf</a> (pages 32 to 61, inclusive)

#### 2. Ratings information

There are no current ratings or outlooks publicly accorded to either Volga Gas or GEM by any ratings agencies.

#### 3. Request for hard copies

The documents referred to in paragraph 1 above are available free of charge on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital).

Subject to certain restrictions relating to persons in any Restricted Jurisdiction, any Volga Gas Shareholder, person with information rights and any person entitled to receive this document may request hard copies of the above financial information relating to Volga Gas by contacting the Receiving Agent, Link Group, on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK or by submitting a request in writing to Link Group at Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Calls are charged at your network provider's standard rate and may be included within your plan but will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes.

Hard copies of such information will not be sent unless requested in accordance with the instructions above. If requested, copies will be provided, free of charge, within two Business Days of request.

#### 4. No incorporation of website information

Save as expressly referred to herein, neither the content of Volga Gas's or GEM's websites nor the content of any website accessible from hyperlinks on Volga Gas or GEM's websites, is incorporated by reference into, or forms part of, this document.

#### 5. Effect of full acceptance of the Offer on GEM's earnings, assets and liabilities

Following the Offer becoming or being declared wholly unconditional, it is expected that the earnings, assets and liabilities of the Volga Gas Group will be fully consolidated into the GEM Group.

## APPENDIX III

### SOURCES OF INFORMATION AND BASES OF CALCULATION

In this document, unless otherwise stated or the context otherwise requires, the following sources and bases have been used:

1. As at close of business on 11 December 2020 (being the last Business Day prior to the publication of this document), Volga Gas had 80,818,452 Volga Gas Shares in issue (excluding Treasury Shares).
2. The value attributed to the entire existing issued ordinary share capital of Volga Gas is based upon the Offer Price and the 80,818,452 Volga Gas Shares in issue (excluding Treasury Shares) as referred to in paragraph 1 above.
3. The maximum cash consideration payable pursuant to the Offer is based upon the Offer Price and the 80,818,452 Volga Gas Shares in issue (excluding Treasury Shares), as at 11 December 2020 (being the last Business Day prior to the date of this document).
4. Unless otherwise stated, all prices for Volga Gas Shares are Closing Prices for the particular date(s) concerned. Closing Prices of Volga Gas Shares have been obtained from the AIM Appendix of the Daily Official List for the particular date(s) concerned.
5. All information relating to GEM has been provided by persons duly authorised by the GEM Board.
6. All information relating to Volga Gas has been extracted from published sources (including the below mentioned financial information) and has been extracted without material adjustment from such sources and/or provided by persons duly authorised by Volga Gas.
7. Unless otherwise stated, the financial information relating to the Volga Gas Group has been extracted or derived (without material adjustment) from Volga Gas's audited consolidated financial statements for the financial year ended 31 December 2019 and unaudited consolidated financial statements for the six months ended 30 June 2020 prepared in accordance with IFRS.
8. Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.



## APPENDIX IV

### UNITED KINGDOM TAXATION

1. The summary set out below is based on current United Kingdom tax law as applied in England and Wales and what is understood to be HMRC's practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. The summary is intended as a general guide to certain limited aspects of the UK tax treatment of the Offer and this Appendix IV applies only to Volga Gas Shareholders resident and, in the case of an individual, domiciled for tax purposes in (and only in) the United Kingdom, who hold their Volga Gas Shares as an investment (other than under a pension arrangement or in an individual savings account) and who are the absolute beneficial owners thereof (**UK Holders**). The summary does not address all possible tax consequences relating to the Offer. Certain categories of Volga Gas Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs and exemptions, those connected with Volga Gas, and those for whom the shares are employment-related securities, may be subject to special rules and this summary does not apply to such shareholders.

**Volga Gas Shareholders or prospective shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.**

#### **Taxation of Chargeable Gains**

2. A UK Holder's liability to UK tax on chargeable gains will depend on the individual circumstances of that UK Holder.
3. A UK Holder receiving cash consideration in respect of his or her Volga Gas Shares will be treated as disposing of his or her Volga Gas Shares for the purposes of UK tax on chargeable gains which may, depending on the UK Holder's individual circumstances (including their base cost and the availability of exemptions, reliefs and/or allowable losses) give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss.
4. A Volga Gas Shareholder who is not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of their Volga Gas Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment), in connection with which the Volga Gas Shares are used, held or acquired. Non-UK tax resident shareholders may be subject to non-UK taxation on any gain under local law.

An individual Volga Gas Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double taxation treaty for a period of five years or less and who disposes of all or part of his or her Volga Gas Shares during that period may be liable to capital gains tax on his or her return to the UK, subject to any available exemptions or reliefs.

#### **UK Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

5. No UK stamp duty or SDRT will be payable by Volga Gas Shareholders on the transfer of their Volga Gas Shares pursuant to the Offer.

## APPENDIX V

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Volga Gas Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Volga Gas Group, the Volga Gas Directors and their close relatives and related trusts and companies and other connected persons. To the best of the knowledge and belief of the Volga Gas Directors (who have taken all reasonable care to ensure that such is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The GEM Directors, whose names are set out in paragraph 2.2 below, and Anatoly Paliy (the 100 per cent. owner of GEM) accept responsibility for the information contained in this document (including any expressions of opinion), other than the information (and expressions of opinion) contained in this document for which responsibility is taken by the Volga Gas Directors pursuant to paragraph 1.1 above. To the best of the knowledge and belief of the GEM Directors and Anatoly Paliy (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors, registered offices and business addresses

- 2.1 The Volga Gas Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Mikhail Ivanov	Non-Executive Chairman
Andrey Zozulya	Chief Executive Officer
Aleksey Kalinin	Non-Executive Director
Andrei Yakovlev	Non-Executive Director
Stephen Ogden	Non-Executive Director
Stewart Dickson	Non-Executive Director

Volga Gas's registered office and the business address of each of the Volga Gas Directors is 6th Floor, 65 Gresham Street, London EC2V 7NQ.

- 2.2 The GEM Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Christina Vgenopoulou	Director
Thomas Keane	Director

GEM's registered office and the business address of each of the GEM Directors is 2 Arch. Makarios III Ave., Atlantis Building, 2nd Floor, Office 201, Mesa Geitonia, 4000, Limassol, Cyprus.

#### 3. Market quotations

Set out below are the Closing Prices of Volga Gas Shares derived from the AIM Appendix of the Daily Official List on:

- (a) the first Business Day in each of the six months immediately before the date of this document;
- (b) 6 April 2020 (the last Business Day before the commencement of the Offer Period); and
- (c) 11 December 2020 (the last Business Day prior to the publication of this document).

<i>Date</i>	<i>Price per Volga Gas Share</i>
6 April 2020	21.50p
1 July 2020	25.00p
3 August 2020	24.00p
1 September 2020	22.50p
1 October 2020	24.00p
2 November 2020	26.00p
1 December 2020	23.00p
11 December 2020	23.00p

#### **4. Interests and dealings**

4.1 For the purposes of this paragraph 4:

- **acting in concert** has the meaning given in the Code;
- **arrangement** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments to accept the Offer, details of which are set out in paragraph 5 of this Appendix V to this document);
- **close relatives** has the meaning given in the Code;
- **connected person** means, in relation to a director of GEM or Volga Gas, any person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act 2006;
- **control** means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Code) of a company irrespective of whether such interest or interests give de facto control;
- **dealing** or **dealt** has the meaning given in the Code;
- **derivative** includes any financial product the value of which, in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- **disclosure period** means the period commencing on 7 April 2019 (the date twelve months prior to the commencement of the Offer Period) and ending on 11 December 2020 (being the last Business Day prior to the date of this document);
- **interest in relevant securities** has the meaning given in the Code;
- **relevant securities** means (i) Volga Gas Shares and any other securities of Volga Gas conferring voting rights; (ii) the equity share capital of Volga Gas or, as the context requires, GEM; and (iii) securities of Volga Gas or, as the context requires, GEM, carrying conversion or subscription rights into any of the foregoing;
- **securities** has the meaning given in the Code;
- **short position** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and
- **voting rights** has the meaning given in the Code.

#### **4.2 Persons acting in concert with GEM**

In addition to the directors of GEM and Anatoly Paliy (the 100 per cent. owner of GEM) (together with their close relatives and related trusts) and members of the Wider GEM Group, the persons who, for the purposes of the Code, are acting in concert or presumed to be acting in concert with GEM in respect of the Offer and who are required to be disclosed are:

<i>Name</i>	<i>Registered office</i>	<i>Relationship with GEM</i>
Strand Hanson Limited	26 Mount Row, London W1K 3SQ	Financial adviser to GEM

#### 4.3 **Persons acting in concert with Volga Gas**

In addition to the Volga Gas Directors (together with their close relatives and related trusts) and members of the Volga Gas Group, the persons who, for the purposes of the Code, are acting in concert or presumed to be acting in concert with Volga Gas for the purposes of the Offer and which are required to be disclosed are:

<i>Name</i>	<i>Registered office</i>	<i>Relationship with Volga Gas</i>
Renaissance Capital – Financial Consultant Limited	Naberezhnaya Tower, Block C, 10 Presnenskaya Naberezhnaya, Moscow, 123112, Russia	Financial Adviser to Volga Gas
Auctus Advisors LLP	Robsacks Long Barn Road, Weald, Sevenoaks, Kent TN14 6NJ	Rule 3 Adviser to Volga Gas
SP Angel Corporate Finance LLP	Prince Frederick House 4th Floor, 35-39 Maddox Street, London W1S 2PP	Nominated Adviser and Broker to Volga Gas
Dehus Dolmen Nominees Ltd	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL	Holder of 58.81 per cent. of the existing issued share capital of the Company
Baring Vostok Investments PCC Limited	1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW	Holder of 5.94 per cent. of the existing issued share capital of the Company

#### 4.4 **Interests and dealings in Relevant Securities of Volga Gas**

- (a) As at the last day of the disclosure period, the Volga Gas Directors (and their close relatives, related trusts and connected persons) had the following interests in Volga Gas Shares:

<i>Name of Volga Gas Director</i>	<i>Number of Volga Gas Shares</i>	<i>Percentage of Volga Gas's existing issued ordinary share capital*</i>
Mikhail Ivanov	1,000,000	1.24%
Andrey Zozulya	521,652	0.65%
Stephen Ogden	205,000	0.25%
<b>TOTAL:</b>	<b>1,726,652</b>	<b>2.14%</b>

*Notes:*

\* – excluding Treasury Shares.

- (b) During the disclosure period, the following dealings in Volga Gas relevant securities by the Volga Gas Directors (and their close relatives, related trusts and connected persons) have taken place:

- On 4 July 2019, Andrey Zozulya was awarded a bonus payment of 250,652 Volga Gas Shares for nil consideration, with such shares being transferred from the Company's holding in treasury.

#### 4.5 **General**

Save as disclosed in this document, as at the last day of the disclosure period:

- (a) neither GEM, the GEM Directors, nor (in the case of the GEM Directors) any of their close relatives, related trusts or connected persons, nor any other person acting in concert with GEM, nor any person with whom GEM or any person acting in concert with GEM had an arrangement, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of Volga Gas nor had any such person dealt in any relevant securities of Volga Gas during the disclosure period;

- (b) neither Volga Gas, nor any of the Volga Gas Directors, nor (in the case of the Volga Gas Directors) any of their close relatives, related trusts or connected persons, nor any person acting in concert with Volga Gas, nor any person with whom Volga Gas or any person acting in concert with Volga Gas had an arrangement, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of Volga Gas nor had any such person dealt in any relevant securities of Volga Gas during the disclosure period;
- (c) neither Volga Gas, nor any of the Volga Gas Directors, nor (in the case of the Volga Gas Directors) any of their close relatives, related trusts or connected persons, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of GEM and nor had any such person dealt in any relevant securities of GEM during the disclosure period;
- (d) neither Volga Gas, GEM nor any person acting in concert with Volga Gas or GEM, had borrowed or lent (including for these purposes any financial collateral arrangements of a kind referred to in Note 4 on Rule 4.6 of the Code) any relevant securities in Volga Gas (save for any borrowed shares which have been either on-lent or sold); and
- (e) save for the irrevocable undertakings described in paragraph 5 of this Appendix V, there is no arrangement relating to relevant securities in Volga Gas which exists between GEM or any person acting in concert with GEM and any other person, nor between Volga Gas or any person acting in concert with Volga Gas and any other person.

## 5. Irrevocable undertakings

### 5.1 Institutional and other major Volga Gas Shareholders

The following institutional and other major Volga Gas Shareholders have given irrevocable undertakings to accept, or procure the acceptance of, the Offer (or if GEM exercises its right to structure the Offer as a Scheme of Arrangement, to vote in favour of such Scheme of Arrangement at the Scheme Meetings) as follows:

<i>Name of Volga Gas Shareholder</i>	<i>Number of Volga Gas Shares to which undertaking relates</i>	<i>Percentage of Volga Gas's existing issued ordinary share capital*</i>
Dehus Dolmen Nominees Limited**	47,526,889	58.81%
Nicolas Mathys	12,383,000	15.32%
Baring Vostok Investments PCC Limited***	4,800,460	5.94%
<b>TOTAL:</b>	<u>64,710,349</u>	<u>80.07%</u>

*Notes:*

\* – excluding Treasury Shares.

\*\* – Dehus Dolmen Nominees Limited is a nominee vehicle which holds the interests of the limited partnerships which comprise the Baring Vostok Private Equity Funds III and IV.

\*\*\* – Baring Vostok Investments PCC Limited is a closed-end investment company registered in Guernsey and advised by BVCPGL.

The irrevocable undertakings from such institutional and other Volga Gas Shareholders shall lapse and cease to be binding, *inter alia*, if:

- (i) the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects unless: (a) this is as a result of GEM exercising its right to implement the Offer by way of a Scheme of Arrangement; or (b) a new, revised or replacement Offer or Scheme of Arrangement is announced by GEM within ten (10) business days of the lapse or withdrawal of the Offer, provided that it represents no diminution in the value of the consideration, nor change to the currency of the consideration nor provides for non-cash consideration; or
- (ii) GEM announces, with the consent of the Panel, that it does not intend to proceed with the Offer.

## 6. Financing and cash confirmation

- 6.1 The cash consideration payable under the Offer is being funded by way of a loan made by Anatoly Paliy to GEM, at an interest rate of two per cent. per annum, accruing monthly, repayable in January 2022 and otherwise on the terms of the Loan Agreement. There is no requirement for any funding from third party providers to the GEM Group.
- 6.2 Strand Hanson, financial adviser to GEM, is satisfied that sufficient financial resources are available to GEM to enable it to satisfy in full the cash consideration payable to Volga Gas Shareholders under the terms of the Offer.

## 7. Material contracts

During the period beginning on the date falling two years before the commencement of the Offer Period and ending on the last Business Day prior to the date of this document, GEM, Volga Gas and each of their respective subsidiaries, as applicable, entered into the following material contracts (other than contracts entered into in the ordinary course of business):

### 7.1 GEM's material contracts

- (a) the Confidentiality Agreement;
- (b) the irrevocable undertakings detailed in paragraph 5 of this Appendix V of this document;
- (c) the Loan Agreement; and
- (d) the Break Fee Agreement.

### 7.2 Volga Gas's material contracts

None.

## 8. Volga Gas directors' service contracts

Save as disclosed below, there are no service contracts in force between any director or proposed director of Volga Gas, and Volga Gas or any of its subsidiaries and, save as set out below, no such contract has been entered into or amended during the six months preceding publication of this document.

### 8.1 Executive Volga Gas director

<i>Executive director</i>	<i>Date of agreement</i>	<i>Unexpired term</i>	<i>Notice period</i>	<i>Current annual base salary (RUB)</i>	<i>Contractual termination payments</i>
Andrey Zozulya	21 May 2015	Indefinite	Termination by employee: 2 weeks Termination by employer: notice period not specified	12,000,000	None
	First amendment 1 July 2015			827,592 rented housing allowance	
	Second amendment 1 January 2016				
	Third amendment 14 November 2016				

The key terms of the existing service agreement of Andrey Zozulya are as follows:

Mr. Zozulya (Chief Executive Officer) entered into a service agreement with Volga Gas (Cyprus) Limited, a subsidiary of Volga Gas, on 21 May 2015. The agreement was amended on the following dates: 1 July 2015, 1 January 2016 and 14 November 2016.

Mr. Zozulya is entitled to receive an annual salary of RUB12,000,000 as well as compensation for rented housing of RUB827,592 per annum. Mr. Zozulya is entitled to receive bonuses based on the results of work for the year, as well as interim bonuses and other incentive payments based on the results of completing individual tasks or projects. Other incentive payments are payable at the employer's discretion. Mr. Zozulya is entitled to health insurance with a provider of Volga Gas (Cyprus) Limited's choosing. Mr. Zozulya is also entitled to annual vacation of 28 plus three days, with any unused vacation days compensated to him upon termination of his employment, in accordance with Russian law.

Mr. Zozulya's employment is terminable by two weeks' written notice given by him. Volga Gas (Cyprus) Limited may terminate Mr Zozulya's employment in the manner and on the grounds provided for by the current legislation of the Russian Federation, such as, but not limited to, liquidation of Volga Gas (Cyprus) Limited, a plan to reduce the number of employees, the health of Mr. Zozulya or violation by Mr. Zozulya of his role. Whilst the notice period to be given by the employer is not specified in Mr. Zozulya's service agreement, the Russian Labour Code implies that two months' notice must be given in case of liquidation or reduction of staff and one month's salary redundancy payment is payable to the employee, which can be increased up to three times in case the employee is not employed within three months following termination.

Mr. Zozulya's service agreement includes post termination restrictive covenants relating to disclosure of confidential information and trade secrets which apply for a period of 10 years following the termination of his employment.

The agreement is governed by the laws of the Russian Federation.

## 8.2 **Chairman and other non-executive Volga Gas directors**

The non-executive Volga Gas directors, including the Chairman, each have individual letters of appointment. Their remuneration for holding office as non-executives is determined by the board of Volga Gas within limits set by the articles of association of Volga Gas.

### (A) *Aleksey Kalinin*

Mr. Kalinin (non-executive director) was appointed to the board of Volga Gas on 29 September 2006. Either party may terminate the agreement by giving one month's prior written notice to the other.

On termination of the appointment, Mr. Kalinin will only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date.

The annual fee payable to Mr. Kalinin is nil.

Mr. Kalinin is entitled to be reimbursed for all travel and other reasonable expenses properly incurred in connection with his duties as a non-executive director. The board of Volga Gas has reviewed the remuneration annually.

The minimum number of days Mr. Kalinin is expected to spend on Volga Gas's business is 10 days per annum.

### (B) *Andrei Yakovlev*

Mr. Yakovlev (independent non-executive director, member of the audit, nomination and remuneration committees) was appointed to the board of Volga Gas on 16 March 2020 for an initial period of three years. Either party may terminate the agreement by giving three months' prior written notice to the other.

On termination of the appointment, Mr. Yakovlev will only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date, and shall not be entitled to and shall not pursue any action or claim for compensation.

The annual fee payable to Mr. Yakovlev is US\$50,000.

Mr. Yakovlev is entitled to be reimbursed for all reasonable and properly documented expenses incurred by him in the proper performance of his duties as a director in accordance with the terms of his appointment, provided that he complies with the expense policy in place from time to time.

The minimum number of days Mr. Yakovlev is expected to spend on Volga Gas's business is 25 days per annum. In the event of Volga Gas experiencing a period of particularly high level of activity (for example, as a result of a major transaction) and Mr. Yakovlev is required to devote substantially more time in discharging his duties than the proposed time commitment, Volga Gas may, in its sole and absolute discretion, make one or more specific payments to him (subject to any limits on directors' fees contained in the articles of association).

(C) *Mikhail Ivanov*

Mr. Ivanov (independent non-executive chairman) was appointed to the board of Volga Gas on 25 July 2006.

On 14 March 2007, Mr. Ivanov entered into a service agreement, effective from 1 April 2007, to serve as the Chief Executive Officer of Volga Gas.

On 27 May 2015, Mr. Ivanov resigned as Chief Executive Officer and was appointed as non-executive chairman with effect from 5 June 2015.

In addition to the 2015 letter of appointment, Mr. Ivanov also entered into a consultancy agreement through City Group Finance Ltd and a side letter dated 8 February 2016, effective from 5 June 2015 for an initial period of 2 years, and an amendment thereto on 19 May 2017, which states that the term shall be renewed automatically each year unless terminated by either party. Either party may terminate the agreement by giving three months' prior written notice to the other.

Upon termination of his appointment, Mr. Ivanov is only entitled to accrued fees and expenses properly incurred prior to the date of termination.

Mr. Ivanov's annual remuneration is US\$120,000.

Mr. Ivanov is entitled to be reimbursed for air travel hotel lodgings, taxis and other reasonable expenses.

Mr. Ivanov is expected to spend sufficient time on Volga Gas's business to meet the expectations of his role.

(D) *Stephen Ogden*

Mr. Ogden (independent non-executive director, chairman of the audit committee and member of the nomination and remuneration committees) was appointed to the board of Volga Gas on 14 March 2007. Either party may terminate the agreement by giving one month's prior written notice to the other.

On termination of the appointment, Mr. Ogden will only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date.

Mr. Ogden's annual remuneration is US\$35,000 paid monthly in arrears. In addition, as chairman of the audit committee and a member of the nomination and remuneration committees, Mr. Ogden is also entitled to receive additional, annual remuneration of US\$15,000, also paid monthly in arrears. Mr. Ogden is entitled to be reimbursed for all travel and other reasonable expenses properly incurred in connection with his duties as a non-executive director.

The minimum number of days Mr. Ogden is expected to spend on Volga Gas's business is 10 days per annum.

(E) *Stewart Dickson*

Mr. Dickson (independent non-executive director, member of the audit, nomination and remuneration committees) was appointed to the board of Volga Gas on 16 March 2020 for an initial period of three years. Either party may terminate the agreement by giving three months' prior written notice to the other.

On termination of the appointment, Mr. Dickson will only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date, and shall not be entitled to and shall not pursue any action or claim for compensation.

The annual fee payable to Mr. Dickson is US\$50,000.



Mr. Dickson is entitled to be reimbursed for all reasonable and properly documented expenses incurred by him in the proper performance of his duties as a director in accordance with the terms of his appointment, provided that he complies with the expense policy in place from time to time.

The minimum number of days Mr. Dickson is expected to spend on Volga Gas's business is 25 days per annum. In the event of Volga Gas experiencing a period of particularly high level of activity (for example, as a result of a major transaction) and Mr. Dickson is required to devote substantially more time in discharging his duties than the proposed time commitment, Volga Gas may, in its sole and absolute discretion, make one or more specific payments to him (subject to any limits on directors' fees contained in the articles of association).

### 8.3 **Save as set out in this paragraph 8:**

- (i) no director of Volga Gas is entitled to commission or profit sharing arrangements;
- (ii) other than statutory compensation and payment in lieu of notice, no compensation is payable by Volga Gas to any director of Volga Gas upon early termination of their appointment; and
- (iii) no service agreement or letter of appointment of any director of Volga Gas was entered into or amended in the six month period prior to the date of this document.

In this paragraph 8, "**RUB**" shall mean Russian roubles, the lawful currency of the Russian Federation.

## 9. **Other information**

- 9.1 Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between GEM or any concert party of GEM and any of the directors, recent directors, shareholders or recent shareholders of Volga Gas or any person interested or recently interested in shares of Volga Gas having any connection with or dependence on the Offer.
- 9.2 Except as disclosed in this document, there is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Offer will be transferred to any other person. However, GEM reserves the right to transfer any such shares to any member of the Wider GEM Group.
- 9.3 GEM is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.
- 9.4 Strand Hanson has given and not withdrawn its consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.
- 9.5 Auctus has given and not withdrawn its consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.
- 9.6 Renaissance Capital has given and not withdrawn its consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear.
- 9.7 Except as disclosed in this document, there has been no significant change in the financial or trading position of the Volga Gas Group since 30 June 2020 (being the date up to which Volga Gas's last interim results were prepared).

## 10. **Fees and Expenses**

- 10.1 The aggregate fees and expenses which are expected to be incurred by GEM in connection with the Offer are estimated to amount to approximately £805,000 (excluding applicable VAT, other taxes and disbursements). This aggregate number consists of the following categories (in each case excluding applicable VAT, other taxes and disbursements):
  - (a) Financing arrangements: Nil;
  - (b) Financial and corporate broking advice: £275,000;
  - (c) Accounting advice: £208,500;

- (d) Legal advice: £267,500;
- (e) Public relations advice: Nil;
- (f) Other professional services: Nil; and
- (g) Other costs and expenses: £54,000 (including Panel fee).

10.2 The aggregate fees and expenses which are expected to be incurred by Volga Gas in connection with the Offer are estimated to amount to approximately £813,000 (excluding applicable VAT, other taxes and disbursements). This aggregate number consists of the following categories (in each case excluding applicable VAT, other taxes and disbursements):

- (a) Financial and corporate broking advice: £655,000;
- (b) Accounting advice: Nil;
- (c) Legal advice: £140,000;
- (d) Public relations advice: £13,000;
- (e) Other professional services: Nil; and
- (f) Other costs and expenses: £5,000.

## **11. Documents on display**

Copies of the following documents will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, free of charge, for inspection on Volga Gas's website at [www.volgagas.com](http://www.volgagas.com) and on GEM's website at [www.gem.capital](http://www.gem.capital) while the Offer remains open for acceptance:

- (a) the memorandum and articles of association of each of Volga Gas and GEM;
- (b) the written consents of Strand Hanson, Auctus and Renaissance Capital referred to in paragraph 9 above;
- (c) the irrevocable undertakings referred to in paragraph 5 above;
- (d) the Confidentiality Agreement;
- (e) the Break Fee Agreement;
- (f) the Loan Agreement;
- (g) this document;
- (h) the Announcement;
- (i) the Form of Acceptance; and
- (j) the published audited consolidated financial statements of the Volga Gas Group for the financial years ended 31 December 2019 and 31 December 2018 and unaudited interim results of the Volga Gas Group for the six months ended 30 June 2020.

Save as expressly referred to herein, neither the content of Volga Gas's or GEM's websites, nor the content of any website accessible from hyperlinks on Volga Gas's or GEM's websites, is incorporated by reference into, nor forms part of, this document.

14 December 2020

## APPENDIX VI

### DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Acceptance unless the context requires otherwise:

<b>“Acceptance Condition”</b>	the Condition as to acceptances set out in paragraph 1(a) of Part A of Appendix I to this document;
<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
<b>“Announcement”</b>	the announcement by GEM of a firm intention by GEM to make an offer pursuant to Rule 2.7 of the Code, which was published on 16 November 2020;
<b>“Appendices”</b>	the appendices to this document and <b>“Appendix”</b> shall be construed accordingly;
<b>“Auctus”</b>	Auctus Advisors LLP, the Rule 3 adviser to Volga Gas;
<b>“Authorisations”</b>	regulatory authorisations, grants, orders, recognitions, confirmations, arrangements, consents, licences, clearances, certificates, permissions, exemptions or approvals;
<b>“Baring Vostok Funds”</b>	funds advised by BVCPGL, comprising Baring Vostok Private Equity Fund III, Baring Vostok Private Equity Fund IV and Baring Vostok Investments PCC Limited;
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or UK public holiday) on which clearing banks in the City of London are open for the transaction of general commercial business;
<b>“Break Fee Agreement”</b>	the break fee agreement described in paragraph 14 of Part II of this document;
<b>“BVCPGL”</b>	Baring Vostok Capital Partners Group Limited;
<b>“certificated” or in “certificated form”</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“Closing Price”</b>	the closing middle market price of a Volga Gas Share on a particular trading day as derived from the AIM Appendix to the Daily Official List for that trading day;
<b>“CMA”</b>	the Competition and Markets Authority, a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;
<b>“CMA Phase 2 Reference”</b>	a referral to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>“Code”</b>	the City Code on Takeovers and Mergers in the UK issued by the Panel;
<b>“Companies Act 2006”</b>	the Companies Act 2006 (as amended from time to time);

<b>“Conditions”</b>	the conditions to implementing the Offer which are set out in Appendix I to this document;
<b>“Confidentiality Agreement”</b>	the non-disclosure agreement described in paragraph 14 of Part II of this document;
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>“CREST Manual”</b>	the CREST Manual referred to in agreements entered into by Euroclear and available at <a href="http://www.euroclear.com">www.euroclear.com</a> ;
<b>“CREST member”</b>	a person who is, in relation to CREST, a system member (as defined in the Regulations);
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the Regulations);
<b>“CREST payment”</b>	has the meaning given in the CREST Manual;
<b>“CREST sponsor”</b>	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations);
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor;
<b>“Daily Official List”</b>	the Daily Official List published by the London Stock Exchange;
<b>“Data Room”</b>	the electronic data room to which GEM and certain of its professional advisers were afforded access by the Company pursuant to the Formal Sale Process;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Disclosed”</b>	the information disclosed by, or on behalf of, Volga Gas (i) in Volga Gas’s audited consolidated financial statements for the financial year ended 31 December 2019; (ii) in Volga Gas’s unaudited consolidated financial statements for the six months ended 30 June 2020; (iii) in any announcement to a Regulatory Information Service by, or on behalf of, Volga Gas prior to the Announcement; (iv) in writing by or on behalf of Volga Gas to GEM or its advisers prior to the Announcement; (v) in the Data Room; or (vi) in the Announcement;
<b>“Electronic Acceptance”</b>	means the inputting and settlement of a TTE instruction which constitutes, or is deemed to constitute, an acceptance of the Offer on the terms set out in this document;
<b>“ESA Instruction”</b>	means an Escrow Account Adjustment Input (AESN), transaction type ‘ESA’ (as described in the CREST Manual);
<b>“Escrow Agent”</b>	the Receiving Agent in its capacity as escrow agent (as described in the CREST Manual);
<b>“Euroclear”</b>	Euroclear United Kingdom & Ireland Limited, a company incorporated under the laws of England and Wales;
<b>“FAS Condition”</b>	the Condition relating to approval by FAS Russia as set out in paragraph 1(b)(ii) of Part A of Appendix I to this document;
<b>“FAS Russia”</b>	Federal Antimonopoly Service of the Russian Federation;

<b>“FCA Handbook”</b>	the FCA’s Handbook of rules and guidance as amended from time to time;
<b>“Financial Conduct Authority” or “FCA”</b>	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA, including its successor(s) from time to time;
<b>“First Closing Date”</b>	the date which falls 21 days after the date of posting of this document;
<b>“Formal Sale Process”</b>	the formal sale process (as set out in the Code) commenced by Volga Gas on 7 April 2020;
<b>“Form of Acceptance”</b>	the form of acceptance and authority for use in connection with the Offer accompanying this document;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended from time to time);
<b>“GEM”</b>	GEM Capital Holdings (CY) Ltd., a company with limited liability incorporated and registered in Cyprus with registered number HE401550 whose registered office is at 2 Arch. Makarios III Ave., Atlantis Building, 2nd Floor, Office 201, Mesa Geitonia, 4000, Limassol, Cyprus;
<b>“GEM Directors” or “GEM Board”</b>	the board of directors of GEM as at the date of this document;
<b>“GEM Group”</b>	GEM and its subsidiary undertakings;
<b>“HMRC”</b>	HM Revenue and Customs;
<b>“IFRS”</b>	International Financial Reporting Standards as adopted by the European Union;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Link Group”</b>	a trading name of Link Market Services Limited;
<b>“Loan Agreement”</b>	the loan agreement entered into on 11 November 2020 between Anatoly Paliy and GEM pursuant to which Anatoly Paliy has lent to GEM the monies required to fund the Offer on the terms described in paragraph 7 of Part II of this document;
<b>“London Stock Exchange”</b>	London Stock Exchange plc, a public company incorporated in England and Wales under number 02075721, together with any successors thereto;
<b>“LNG”</b>	liquified natural gas;
<b>“LPG”</b>	liquefied petroleum gas;
<b>“Offer”</b>	the all cash offer made by GEM at the Offer Price for the entire issued and to be issued ordinary share capital of Volga Gas on the terms and conditions set out in this document and, in respect of Volga Gas Shares held in certificated form, the Form of Acceptance (or, if GEM elects (subject to the consent of the Panel), in the document relating to the Scheme of Arrangement), including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer;

<b>“Offer Period”</b>	the offer period (as defined by the Code) relating to Volga Gas, which commenced on 7 April 2020, being the date of the announcement of the Formal Sale Process, and ending on the latest of: (i) 1.00 p.m. (London time) on the First Closing Date; (ii) the time and date on which the Offer becomes or is declared unconditional as to acceptances; and (iii) the time and date on which the Offer lapses or (with the permission of the Panel) is withdrawn (or such other date as the Panel may decide);
<b>“Offer Price”</b>	23.71 pence per Volga Gas Share;
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Overseas Shareholders”</b>	has the meaning given in paragraph 8.1 of Part C of Appendix I to this document;
<b>“Panel”</b>	the Panel on Takeovers and Mergers in the UK;
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or a CREST participant;
<b>“Receiving Agent”</b>	Link Group of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended, including (i) any enactment or subordinate legislation which amends or supersedes those regulations, and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>“Regulatory Information Service”</b>	a primary information provider which has been approved by the FCA to disseminate regulated information and is included in the list maintained on the London Stock Exchange’s website;
<b>“Relevant Authority”</b>	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, agency (including any trade agency), association or institution, any environmental body employee representative body or any other applicable body whatsoever in any jurisdiction;
<b>“Renaissance Capital”</b>	Renaissance Capital – Financial Consultant Limited, financial adviser to Volga Gas;
<b>“Restricted Jurisdiction”</b>	Canada, Australia, Japan, the United States or any other jurisdiction where making the Offer or making information concerning the Offer available may (i) constitute a violation of the relevant laws or regulations of such jurisdiction, or (ii) result in the requirement to comply with any governmental or other consents or any registration, filing or other formality which GEM and Volga Gas regard as unduly onerous;
<b>“Rule”</b>	a rule of the Code;
<b>“Scheme Meetings”</b>	the court meeting and, if applicable, the general meeting convened in connection with a Scheme of Arrangement if GEM elects (subject to the consent of the Panel) to implement the Offer by means of a Scheme of Arrangement;

<b>“Scheme of Arrangement”</b>	a statutory arrangement effected in accordance with Part 26 of the Companies Act 2006;
<b>“SP Angel”</b>	SP Angel Corporate Finance LLP, the nominated adviser and broker to Volga Gas;
<b>“Strand Hanson”</b>	Strand Hanson Limited, the financial adviser to GEM;
<b>“TFE instruction”</b>	a Transfer from Escrow instruction (as described in the CREST Manual);
<b>“Treasury Shares”</b>	the 199,348 Volga Gas Shares held as treasury shares as defined in section 724(5) of the Companies Act 2006;
<b>“TTE instruction”</b>	means a transfer to escrow instruction through CREST (as defined in the CREST Manual);
<b>“uncertificated”</b> or in <b>“uncertificated form”</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“United Kingdom”</b> or <b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States”</b> or <b>“US”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all areas subject to its jurisdiction or any political sub-division thereof;
<b>“US\$”</b>	US dollars, the currency of the United States;
<b>“VAT”</b>	Value Added Tax;
<b>“Volga Gas”</b> or the <b>“Company”</b>	Volga Gas plc, a public limited company incorporated in England and Wales with registered number 05886534 whose registered office is at 6th Floor, 65 Gresham Street, London EC2V 7NQ;
<b>“Volga Gas Directors”</b> or <b>“Volga Gas Board”</b>	the board of directors of Volga Gas as at the date of this document;
<b>“Volga Gas Group”</b> or <b>“Group”</b>	Volga Gas and its subsidiary undertakings;
<b>“Volga Gas Shareholders”</b>	holders of Volga Gas Shares;
<b>“Volga Gas Shares”</b>	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of 1 penny each in the capital of Volga Gas and any further such shares which are unconditionally allotted or issued while the Offer remains open for acceptance or, subject to the provisions of the Code, by such earlier date as GEM may determine;
<b>“Wider GEM Group”</b>	the GEM Group, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which members of the GEM Group (aggregating their interests) have a direct or indirect interest of not less than 20 per cent. of the voting or equity capital or the equivalent; and
<b>“Wider Volga Gas Group”</b>	the Volga Gas Group, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which members of the Volga Gas Group (aggregating their interests) have a direct or indirect interest of not

less than 20 per cent. of the total voting rights or equity share capital or the equivalent.

For the purposes of this document, “**subsidiary**”, “**subsidiary undertaking**”, “**parent undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act 2006.

All references to “**GBP**”, “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All times referred to in this document are London times unless otherwise stated.

In this document, references to the singular include the plural and vice versa, unless the context otherwise requires and words importing the masculine gender shall include the feminine or neutral gender.

All references to legislation in this document are to English legislation unless the contrary is stated.

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.



