

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission of the entire issued and to be issued ordinary share capital of the Company to trading on AIM. This document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of FSMA or otherwise and has not been drawn up in accordance with the Prospectus Regulation Rules or filed with or approved by the FCA or any other competent authority.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application has been made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 30 November 2021. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List.

The Directors, whose names appear on page 12 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.



Gelion plc

(incorporated and registered in England and Wales with registered no. 09796512)

**Placing and Subscription of 11,063,679 new Ordinary Shares and
sale of 2,068,966 Sale Shares at 145 pence per share**

and

Admission to trading on AIM

Nominated Adviser & Broker



The Placing is conditional, amongst other things, on Admission taking place on or before 30 November 2021 (or such later date as the Company and finnCap Ltd may agree, but in any event not later than 17 December 2021). The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into the United States, New Zealand, Canada, the Republic of South Africa, Japan or in any country or territory where to do so may contravene local securities laws or regulations. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Ordinary Shares have not been, and will not

be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under any applicable securities laws of New Zealand, Canada, the Republic of South Africa or Japan. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within the United States, New Zealand, Canada, the Republic of South Africa or Japan or to, or for the account or benefit of, any US persons (as such term is defined in Regulation S under the Securities Act) or any national, resident or citizen of New Zealand, Canada, the Republic of South Africa or Japan. No public offering of securities is being made in the United States. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. finnCap Ltd is acting exclusively for the Company and for no one else in connection with the Placing and Admission. finnCap Ltd will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of finnCap Ltd or for providing advice in relation to the Placing, Admission or any transaction or arrangement referred to in this document.

The distribution of this document and the Placing in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or finnCap Ltd to permit a public offer of Ordinary Shares or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors and finnCap Ltd to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

Copies of this document will be available free of charge from the Company's website (www.gelion.com).

IMPORTANT INFORMATION

General

This document should be read in its entirety before making any decision to subscribe for or purchase any Placing Shares. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or finnCap Ltd or any of their respective affiliates, officers, directors, partners, employees or agents. No representation or warranty, express or implied, is made by finnCap Ltd, nor any of its directors, officers, agents or advisers, as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by finnCap Ltd or any of its directors, officers, agents or advisers, as to the past, present or future. No person has been authorised to give any information or make any representation other than those expressly contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this document nor any subscription or purchase made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company or finnCap Ltd or any of their respective affiliates, officers, directors, partners, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

If there is any doubt about the contents of this document or the action which should be taken, prospective investors should immediately seek independent financial, investment, legal or tax advice from their stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if the investor is based in the United Kingdom, or, if the investor is based outside the United Kingdom, from an alternative appropriately authorised independent adviser.

Save for the responsibilities and liabilities, if any, which may be imposed on finnCap Ltd by the FSMA or the regulatory regime established thereunder, finnCap Ltd does not accept any responsibility for any the contents of this document, including its accuracy, completeness, verification or for any statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. finnCap Ltd accordingly disclaims all and any liability whether arising in tort, contract or otherwise in respect of or in connection with this document or any such statement.

Neither the Company, finnCap Ltd, or any of their respective officers, directors, agents or advisers accepts any responsibility for the appropriateness, fairness, accuracy, completeness or reliability of any information reported by the press or other media, or any forecasts, views or opinions expressed by the press or other media or any other person regarding or in connection with the Placing or the Group.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation of the Placing by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

This document is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation, by the Company or finnCap Ltd or any of their respective representatives, that any recipient of this document should subscribe for or purchase any of the Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section entitled "Risk Factors" in Part II of this document. It is noted that investing in and holding the Ordinary Shares involves financial risk and prospective investors should carefully consider whether such an investment is suitable for them taking into account the information contained in this document and their independent circumstances.

Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorized or other appropriate advisers) of the Group and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor's own (or such prospective investor's FSMA authorized or other appropriate advisers') examination of the Company.

Investors who subscribe for or purchase Placing Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on finnCap Ltd or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this document for their investment decision; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors or finnCap Ltd, nor any of their respective directors, officers, agents or advisers.

None of the Company, the Directors or finnCap Ltd or any of their respective representatives makes any representation to any subscriber or purchaser of Placing Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, finnCap Ltd and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, purchased, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, purchase, acquisition, dealing or placing by finnCap Ltd or any of its affiliates acting as investors for their own accounts. finnCap Ltd does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

finnCap Ltd and any of its affiliates may have engaged, and may in the future, from time to time, engage, in transactions with, and provided various investment banking, financial advisory or other services in the ordinary course of their business with the Group, for which they would have received, and may in the future receive, customary fees. As a result of these transactions, these parties may have interests which may not be aligned, or could possibly conflict, with the interests of investors.

Notice to prospective investors in the United Kingdom or European Economic Area

This document is being distributed to, and is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (1) if in a member state of the European Economic Area ("**EEA**"), "qualified investors" as defined in Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**EU Prospectus Regulation**"); (2) if in the United Kingdom, "qualified investors" as defined in Article 2(e) of the EU Prospectus Regulation, which forms part of retained EU law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal) Act 2020 and who (a) fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") (investment professionals) or (b) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order and are "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000 ("**FSMA**") and (c) otherwise, to persons to whom it may otherwise be lawful to distribute it (all such persons together being referred to as "**Relevant Persons**"). The investment or investment activity to which this document relates is available only to such Relevant Persons. It is not intended that this document be distributed or passed on, directly or indirectly, in whole or in part, to any other person or class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the EEA (each a "**Member State**"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication

of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, or otherwise in accordance with the EU Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (1) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such Member State; or
- (3) in any other circumstances falling within Article 4(2) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall require the Company or any other person to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 2(e) of the EU Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the EU Prospectus Regulation.

Neither the Company or finnCap Ltd has authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company to publish a prospectus or a supplemental prospectus in respect of such offer.

For the purposes of this provision, the expression “**an offer to the public**” in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares.

Notice to prospective investors in Australia

This document is being distributed to certain institutional and sophisticated investors in Australia. No offer of Ordinary Shares is being extended to, and this document must not be distributed to, any person in Australia unless they are a ‘sophisticated investor’ within the meaning of section 708(8) of the Corporations Act 2001 (Cth) (**Corporations Act**) or a ‘professional investor’ within the meaning of section 708(11) or otherwise a person to whom the Ordinary Shares may be offered or this document may be distributed without disclosure under Chapter 6D of the Corporations Act or contravention of any provision of the Corporations Act. This document does not constitute an offer to sell, invitation, recommendation or the solicitation of an offer to buy or subscribe for, securities in Australia where such offer or solicitation is unlawful and, in particular, this document is not for publication or distribution except to those persons to whom it is lawful to do so under Australian law. This document is not a prospectus, product disclosure statement, pathfinder prospectus, offer information statement or any other type of disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission. It does not contain all of the information that would be required to be included in a disclosure document under Chapter 6D of the Corporations Act and should not be relied upon by the recipient in considering the merits of the Company.

By accepting this document and/or subscribing for Ordinary Shares, you warrant that, if you are in Australia, you are either a ‘sophisticated investor’ within the meaning of section 708(8) of the Corporations Act or a ‘professional investor’ within the meaning of section 708(11) of the Corporations Act, or are otherwise a person who is able to be offered the Ordinary Shares without disclosure under Chapter 6D of the Corporations Act or contravention of any provision of the Corporations Act, and will, on the request of the Company, promptly provide written evidence of same.

Other jurisdictions

The distribution of this document and the offer and sale of Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document, nor any advertisement or any other offering material may be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such

restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, New Zealand, Canada, the Republic of South Africa or Japan. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) nor under the applicable securities laws of any States of the United States, or any province or territory of New Zealand, Canada, the Republic of South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not be offered or sold directly in or into the United States, New Zealand, Canada, the Republic of South Africa, Japan or to any resident of the aforementioned jurisdictions. Furthermore, no actions have been or will be taken to allow any offering of Ordinary Shares under the applicable securities laws of any jurisdiction where action for that purpose may be required or doing so is restricted by law.

Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in Part I (“**Information on the Group**”) and Part II (“**Risk factors**”) of this document.

Any forward-looking statements in this document reflect the Group’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations and growth strategy. Investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision. Subject to the requirements of applicable law or regulation (including MAR and the AIM Rules), the Group undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company’s expectations or to reflect events or circumstances after the date of this document.

Presentation of financial information

Unless otherwise indicated, financial information set out in this document has been prepared in accordance with applicable International Financial Reporting Standards (“**IFRS**”). For full details of the basis of preparation, please refer to Note 2.1 (*Basis of preparation*) of the Group’s Historical Financial Information in Part IV (“**Historical Financial Information on the Group**”) of this document. Any unaudited financial information set out in this document has been extracted without material adjustment from the Group’s accounting records. Certain non-IFRS measures such as operating profit and losses before exceptional items have been included in the Historical Financial Information, as the Directors believe that these provide important alternative measures with which to assess the Group’s performance. Prospective investors should

not consider these as an alternative for revenue or operating profit which are IFRS measures. Additionally, the Company's calculations of non-IFRS measures may be different from the calculation used by other companies and therefore comparability may be limited.

Presentation of currencies

Unless otherwise indicated, all references in this document to "sterling", "pounds sterling", "GBP", "£", "penny", "pence" or "p" are to the lawful currency of the United Kingdom, references to "A\$" are to the lawful currency of certain of Australia and references to "US\$" are references to the lawful currency of the United States. Unless otherwise indicated, the financial information set out in this document has been expressed in pounds sterling. The basis of translation of foreign currency transactions and amounts in the Historical Financial Information set out in Part IV ("**Historical Financial Information on the Group**") of this document is described in note 2.18 of the notes to the Historical Financial Information on the Group in Part IV itself.

Roundings

The information contained in this document, including financial information presented in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

This document includes market share and industry data and forecasts that were obtained by the Group from industry publications and surveys and from the Group's knowledge of its industry. Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such third-party information has not been audited or independently verified and the Company and the Directors accept no responsibility for its accuracy or completeness.

Certain market share information and other statements in this document regarding the industry in which the Group operates and the Group's position relative to its competitors are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Directors' best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industry in which it competes, as well as information published by its competitors.

No incorporation of websites

The contents of the Company's websites (or any other website) do not form part of this document and prospective investors should not rely on such information.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

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

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended and as applied in the United Kingdom (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as applied in the United Kingdom; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

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FUNDRAISING STATISTICS

Placing Price	145 pence
Number of Existing Ordinary Shares	89,883,920
Number of EIS/VCT Placing Shares to be issued by the Company pursuant to the Placing	3,931,035
Number of Non-Eligible Placing Shares to be issued by the Company pursuant to the Placing	743,448
Number of Sale Shares sold in the Placing	2,068,966
Total Number of Placing Shares	6,743,449
Number of EIS/VCT Subscription Shares being issued by the Company pursuant to the Subscription	2,746,297
Number of Non-Eligible Subscription Shares being issued by the Company pursuant to the Subscription	3,642,899
Total Number of Subscription Shares being issued by the Company pursuant to the Subscription	6,389,196
Number of Ordinary Shares being issued following the conversion of the Loan Notes	5,516,240
Number of New Shares	16,579,919
Number of Ordinary Shares in issue immediately following Admission	106,463,839
Percentage of the Enlarged Share Capital represented by the Placing Shares	6.33 per cent
Percentage of the Enlarged Share Capital represented by the Subscription Shares	6.00 per cent
Percentage of Enlarged Share Capital represented by the Sale Shares	1.94 per cent
Percentage of Enlarged Share Capital represented by the New Shares	15.57 per cent
Estimated net proceeds of the Fundraising receivable by the Company	£14,051,869
Estimated net proceeds of the Placing receivable by the Selling Shareholders	£2,895,001
Market capitalisation of the Company at the Placing Price on Admission	£154,372,567
ISIN number	GB00BNBQZD59
SEDOL number	BNBQZD5
AIM TIDM	GELN
LEI number	2138008NC7YL3MCUDR84

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021¹

Date of publication of this document	24 November
Issue of EIS/VCT Placing Shares and the EIS/VCT Subscription Shares	29 November
CREST accounts credited in respect of the EIS/VCT Placing Shares and the EIS/VCT Subscription Shares (where applicable)	as soon as reasonably practicable on 29 November
Issue of Non-Eligible Placing Shares and Non-Eligible Subscription Shares	30 November
Admission and commencement of dealings	8.00 a.m. on 30 November
CREST accounts credited in respect of the Non-Eligible Placing Shares and Subscription Shares (where applicable)	as soon as reasonably practicable on the morning of 30 November
Despatch of definitive share certificates (where applicable)	by 14 December

Notes:

1. Each of the above dates is subject to change at the absolute discretion of the Company and finnCap Ltd.

DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>Doctor Stephen ("<u>Steve</u>") William Mahon (<i>Non-Executive Chair</i>) <u>Andrew</u> Peter Grimes (<i>Chief Executive Officer</i>) <u>Amit</u> Gupta (<i>Chief Financial Officer</i>) Professor <u>Thomas</u> Maschmeyer (<i>Non-Executive Director</i>) <u>Michael</u> Edward Davie (<i>Non-Executive Director</i>) <u>Joycelyn</u> Cheryl Morton (<i>Non-Executive Director</i>)</p> <p>All of whose business address is at the Company's registered office</p>
Company Secretary	<p>Fieldfisher Secretaries Limited Riverbank House 2 Swan Lane London EC4R 3TT</p>
Registered Office of the Company	<p>3rd Floor, 141-145 Curtain Road London, Greater London England EC2A 3BX</p>
Head Office of the Group	<p>Cicada Innovations National Innovation Centre Cornwallis Street Eveleigh NSW 2015 Australia</p>
Nominated Adviser and Broker	<p>finnCap Ltd 1 Bartholomew Close London EC1A 7BL</p>
Solicitors to the Company as to English Law	<p>Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT</p>
Solicitors to the Company as to Australian Law	<p>HWL Ebsworth Lawyers Level 14, Australia Square 264-278 George Street Sydney NSW 2000 Australia</p>
Patent attorneys to the Company	<p>Spruson & Ferguson Level 24, Tower 2, Darling Park 201 Sussex Street Sydney NSW 2001 Australia</p>
Solicitors to the Nominated Adviser and Broker	<p>K&L Gates LLP One New Change London EC4M 9AF</p>

Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Auditors	Lubbock Fine LLP Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Registrars	Link Group Central Square, 29 Wellington Street, Leeds LS1 4DL
Financial PR	Tavistock PR 1 Cornhill London EC3V 3NR
Website	www.gelion.com

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, the AIM Rules for Nominated Advisers and all guidance issued by the London Stock Exchange applicable to companies with securities admitted to trading on AIM and their nominated advisers
“AIM Rules for Companies”	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
“Armstrong”	Armstrong Capital Management Limited, a company incorporated in England and Wales with registered number 11472557
“Articles of Association” or “Articles”	the articles of association of the Company adopted on 12 November 2021, a summary of certain provisions of which is set out in paragraph 5 of Part VII of this document
“Battery Energy”	Battery Energy Power Solutions Pty Limited
“Board”	the board of directors of the Company
“CAGR”	compound annual growth rate
“certificated” or “in certificated form”	in relation to an Ordinary Share, recorded on the Company’s register as being held in certificated form (that is not in CREST)
“Companies Act”	the Companies Act 2006, as amended
“Company” or “Gelion”	Gelion plc, a company incorporated in England and Wales with registered number 09796512
“Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council, as in force from time to time
“Concert Party”	for the purposes of the Takeover Code, together, Thomas Maschmeyer, Donald Hector, Len Humphreys, Kim Sides, Michael Maschmeyer, Robin Chamberlayne, Steve Mahon, Julian Chamberlayne, Jeremy Chamberlayne, Erica Chamberlayne, Humphrey Chamberlayne, Amanda Chamberlayne, the Ashleworth Court Trust, George Chakko-George, Michael Hughes, Andrew Newman, Judi Newman, Armstrong Energy Limited, and Progressive Strategic Solutions LLP further details of which are set out in paragraph 6.2 of Part VII of this document
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations

“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
“CSIRO”	the Commonwealth Scientific and Industrial Research Organisation, an Australian Government agency responsible for scientific research
“Directors”	the directors of the Company whose names are set out on page 12 of this document
“DTRs”	the Disclosure Guidance and Transparency Rules made by the FCA under Part 6 of FSMA
“EIS”	the enterprise investment scheme, as particularised in Part V of the EIS Legislation
“EIS Legislation”	the Income Tax Act 2007
“EIS/VCT Investors”	Placees participating in the EIS/VCT Placing
“EIS/VCT Placing”	the conditional placing of the EIS/VCT Placing Shares by finnCap at the Placing Price pursuant to the Placing Agreement
“EIS/VCT Placing Shares”	the 3,931,035 new Ordinary Shares to be placed with Placees who are seeking to invest in “eligible shares” for the purposes of EIS
“EIS/VCT Subscription Shares”	the 2,746,297 new Ordinary Shares to be placed with Subscribers who are seeking to invest in “eligible shares” for the purposes of EIS
“EIS Relief”	relief from UK tax under EIS
“Enlarged Share Capital”	the entire issued ordinary share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Shares
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“EUWA”	the European Union (Withdrawal) Act 2018, as amended
“Existing Ordinary Shares”	the 89,883,920 Ordinary Shares that are in issue at the date of this document
“Existing Share Option Plan”	the Gelion UK Option Plan first adopted on 15 November 2017 and amended on 22 May 2019 and 23 November 2021, details of which are summarised in paragraph 12 of Part VII of this document
“FCA”	the UK Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“finnCap”	finnCap Ltd, nominated adviser and broker to the Company
“Fundraising”	the Placing and the Subscription
“Gelion Technologies”	Gelion Technologies Pty Limited, the Company’s wholly-owned subsidiary
“General Placing”	the conditional placing of the Non-Eligible Placing Shares and the Sale Shares by finnCap at the Placing Price pursuant to the Placing Agreement

“Group”	the Company and its subsidiary, being Gelion Technologies Pty Ltd (as defined in the Companies Act)
“GST”	goods and services tax
“HBL”	HBL Power Systems Limited
“HMRC”	Her Majesty’s Revenue & Customs
“IFRS”	the UK adopted International Accounting Standards in accordance with section 474(1) of the Companies Act
“ISIN”	International Securities Identification Number
“LEI”	legal entity identifier
“Loan Note Instrument”	the convertible loan note instrument dated 2 September 2021 executed by the Company by way of deed poll, details of which are set out in paragraph 13.7 of Part VII of this document
“Loan Notes”	the 10 per cent. convertible redeemable loan notes 2024 constituted pursuant to the Loan Note Instrument
“Lock-in Agreements”	the lock-in agreements between the Company, finnCap and the Locked-in Parties, further details of which are set out in paragraph 13.4 of Part VII of this document
“Locked-in Parties”	each of Perinato Pty Limited; Lenmar Nominees Pty Limited; Jasgo Nominees Pty Limited; Robin Chamberlayne; Cornelia Investments Pty Limited; Aquaticus Pty Limited; and Steve Mahon
“London Stock Exchange”	London Stock Exchange plc
“New Shares”	the Placing Shares, the Subscription Shares and the new Ordinary Shares to be allotted and issued by the Company on conversion of the Loan Notes
“Non-Eligible Placing Shares”	the 743,448 new Ordinary Shares proposed to be issued by the Company to Placees pursuant to the Placing
“Non-Eligible Subscription Shares”	the 3,642,899 new Ordinary Shares proposed to be issued by the Company to Subscribers who are not seeking to invest in “eligible shares” for the purposes of EIS
“Official List”	the Official List of the FCA
“Options”	options to subscribe for Ordinary Shares outstanding at the date of this document and granted pursuant to the Existing Share Option Plan
“Orderly Market Agreements”	the orderly market agreements between the Company, finnCap and each of the Orderly Market Parties, details of which are set out in paragraph 13.5 of Part VII of this document
“Orderly Market Parties”	each of Marbruck Investments Limited; John Bolitho; The University of Sydney; and Galileo Solar Nominees Pty Ltd
“Ordinary Shares”	ordinary shares with a nominal value of £0.001 each in the capital of the Company

“Patent Report”	the report prepared by Spruson & Ferguson, a copy of which is reproduced in Part III of this document
“Placee”	an investor who has irrevocably undertaken to subscribe for Placing Shares or purchase Sale Shares pursuant to the Placing
“Placing”	the EIS/VCT Placing and the General Placing
“Placing Agreement”	the conditional agreement dated 23 November 2021 made between the Company, the Directors and finnCap relating to the Placing and which is summarised in paragraph 13.1 of Part VII of this document
“Placing Price”	145 pence per Placing Share, Subscription Share and Sale Share
“Placing Shares”	together, the EIS/VCT Placing Shares and the Non-Eligible Placing Shares
“Prospectus Regulation Rules”	the prospectus rules made by the FCA under Part 6 of FSMA
“QCA Code”	the QCA Corporate Governance Code published by the Quoted Companies Alliance from time to time
“Sale Shares”	the 2,068,966 Ordinary Shares to be sold by the Selling Shareholders pursuant to the Placing
“Selling Shareholders”	those Shareholders selling Sale Shares pursuant to the Placing, as set out in paragraph 21 of Part VII of this document
“Selling Shareholders Placing Agreement”	the conditional agreement dated 23 November 2021 made between the Company, the Selling Shareholders and finnCap relating to the Placing and which is summarised in paragraph 13.2 of Part VII of this document
“Shareholders”	holders of Ordinary Shares
“Subscribers”	investors who have irrevocably undertaken to subscribe for Subscription Shares at the Placing Price pursuant to the Subscription Agreements
“Subscription”	the subscription for the Subscription Shares at the Placing Price by Subscribers pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the conditional agreements dated on or around 23 November 2021 made between the Company and the Subscribers relating to the Subscription and which are summarised in paragraph 13.3 of Part VII of this document
“Subscription Shares”	together, the EIS/VCT Subscription Shares and the Non-Eligible Subscription Shares
“Takeover Code”	the City Code on Takeovers and Mergers published by the Takeover Panel from time to time
“Takeover Panel”	the Panel on Takeovers and Mergers
“UK MAR”	the UK Market Abuse Regulation, which is the retained UK law version of the EU Market Abuse Regulation (596/2014) which has applied in the UK since the end of the Brexit transition period
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear UK in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST
“VAT”	value added tax
“VCT”	venture capital trust as defined by the VCT Legislation
“VCT Legislation”	Part 6 of the Income Tax Act 2007 and any provisions of UK or European law referred to therein
“VCT Relief”	relief from UK tax under VCT Legislation
“VWAP”	volume weighted average price of a security

GLOSSARY OF TECHNICAL TERMS

The following glossary of terms applies throughout this document, unless the context otherwise requires:

“AC”	alternating current
“battery system integrator”	an entity that specialises in combining component subsystems, including batteries, and ensuring that these subsystems function together as a whole to meet power and energy demands of a project
“DC”	direct current
“EV”	electric vehicles
“gigawatt” or “GW”	a unit of power equal to one billion watts
“GWh”	a unit of energy equal to one gigawatt hour
“kilowatt” or “kW”	a unit of power equal to one thousand watts
“kWh”	a unit of energy equal to one kilowatt hour
“LiSi”	lithium-silicon
“Li-S”	lithium-sulfur
“LCOES”	levelised cost of energy storage, which is the discounted cost per unit of discharged electrical energy from energy storage (batteries)
“megawatt” or “MW”	a unit of power equal to one million watts
“MWh”	a unit of energy equal to one megawatt hour
“PbA energy storage”	Lead-acid battery
“PV”	photovoltaic
“non-flow battery”	batteries such as lead-acid and li-ion which do not have components associated with circulating the electrolyte across different sides of a membrane, such as pumps and holding tanks
“renewable energy”	energy produced from natural sources which are continuously replenished and never run out
“round-trip efficiency”	the percentage of energy inputted into a system that can be retrieved
“stationary energy storage”	energy storage that typically remains in the same location throughout its entire life of operation and is not installed into moving vehicles
“terawatt” or “TW”	a unit of power equal to one trillion watts
“TWh”	a unit of energy equal to one terawatt hour
“V”	volt (electric potential unit)
“Watt”	a unit of power, used to quantify the rate of energy transfer per unit time, defined as joules per second

“Wh/kg”

watt-hour per kilogram, a measure of the energy density in relation to its mass, sometimes also referred to as ‘specific energy density’

“Wh/L”

watt-hour per litre, a measure of the energy density in relation to its volume

“zinc-bromide (ZnBr₂) battery”

a type of battery produced by Gelion that uses zinc and bromide as the main active chemical elements to store and release electrical energy

PART I

INFORMATION ON THE GROUP

1. Introduction

Gelion plc is a UK-Australian energy-storage innovator founded in 2015 by Professor Thomas Maschmeyer as a spin-out from the University of Sydney, Australia's first university.

The Company was established to commercialise Professor Maschmeyer's discovery of a battery cell that controls the electrochemistry of zinc-bromide reactions without the need for a flowing electrolyte. This has allowed Gelion to produce its "Endure" battery, which is ideally suited for off-grid and grid connected storage of renewable energy across a range of industries. The Endure battery is protected by patents and patent applications in all core jurisdictions in which Gelion seeks to operate.

The Endure zinc-bromide battery is designed to provide a safe, cost-effective, long-life and recyclable alternative to lithium-ion and lead-acid (PbA) battery technologies for stationary storage of renewable energy. Gelion's battery can be manufactured using brownfield lead-acid battery production facilities, keeping capital costs very low when compared to other technologies for stationary energy.

The battery technology is highly resistant to fire, even under extreme, deliberate fault scenarios, and can be completely discharged with no loss of function, or damage to the battery. Unlike lithium-ion and PbA batteries the Endure batteries are highly tolerant to temperature extremes, making them well suited for operation without need for expensive air-conditioning systems. The technology is also scalable, which makes the batteries ideal for commercial use and for electricity grid stabilisation.

Gelion has also established a division focused on improving the performance of lithium-ion and lithium-sulfur batteries. Through its partners, Gelion anticipates having global, exclusive access to patented additives to improve the performance of lithium batteries for mobile energy storage such as for electric vehicles and aviation. These additives have been proven to greatly extend both energy density and cycle life.

The Directors believe that Gelion's technology allows it to target the significant growth opportunity in both the stationary and mobile energy markets. The global stationary energy storage market is expected to attract 24 per cent. compound annual growth by the end of 2025¹ and electric vehicle battery sales are forecast to reach US\$125 billion by 2030² with compound annual growth of 18 per cent.

For the global economy to make the necessary transition from a reliance on fossil fuels towards renewable forms of energy, the Directors believe that the use of batteries will need to increase exponentially as they form the basis for the sequestration of electrical energy and allow for the firming of otherwise irregular supply.

The Directors also believe Gelion is well positioned to supply safe, affordable renewable energy storage solutions into this growing market. Furthermore, Gelion's renewable energy storage technology aligns with the following United Nations Sustainable Development Goals:

- 6 – Clean Water and Sanitation;
- 7 – Affordable and Clean Energy;
- 9 – Industry, Innovation and Infrastructure;
- 11 – Sustainable Cities and Communities;
- 12 – Responsible Consumption and Production; and
- 13 – Climate Action.

¹ Wood Mackenzie, March 2021

² Avicenne Energy 2019

2. Key strengths of the Company

A summary of Gelion's strengths in its focused markets are as follows:

- Energy storage technology company spun out of the University of Sydney.
- Patented non-flow zinc-bromide battery technology that is designed for low-cost, long-life and long-duration: stationary energy storage for the long haul that is safe, fire retardant and high-temperature tolerant.
- Management team includes industry experts, engineers, R&D professionals, field-leading research chemists.
- Zinc-bromide battery uses non-conflict materials that are low-cost and abundant.
- International partnerships in place for stationary battery manufacture and distribution.
- Memoranda of Understanding (MoUs) for 400 MWh of power provide strong visibility towards revenue generation.
- Diversified research and investment across future income streams: battery solutions for both stationary storage and mobile (lithium-based) storage.

3. History and background

In April 2015, Professor Thomas Maschmeyer established Gelion Technologies in Australia with Dr. Len Humphreys, Dr. Donald Hector and Kim Sides. The Company raised its first significant capital in April 2016 through a strategic partnership with Armstrong in the UK.

The partnership with Armstrong and the 2016 capital raising resulted in the establishment of the Company, which wholly-owns Gelion Technologies, the Group's operating company.

Since April 2016, Gelion has raised £17.6 million from private investors during five capital raise events. This has allowed for its battery technology to advance from the laboratory, where the first proof-of-concept 1 Watt-hour battery achieved 65 per cent. round-trip-efficiency, to its current commercial format, where a 120 Watt-hour battery cell is achieving greater than 87 per cent. round-trip-efficiency.

The private investment rounds have facilitated technical development enabling the move out of the laboratories of the University of Sydney's School of Chemistry into the Group's own scientific development laboratories and prototype manufacturing and systems assembly facility. Gelion currently operates in the main out of the National Innovation Centre – Cicada Innovations in the Eveleigh Technology Park, Sydney, Australia.

The University of Sydney remains a strategic partner for the Group and it retains a significant investment in the Company.

4. Gelion products and market

4.1 Stationary energy

Gelion has developed a patented non-flow zinc-bromide battery technology for the stationary energy market. It is designed to be low-cost, safe, abuse tolerant, fire retardant and scalable.

Traditional zinc-bromide batteries rely on a flowing electrolyte whereas Gelion's battery uses a patented gel, producing a non-flow battery that removes the need for ancillary equipment to pump and store aqueous electrolyte solutions. This enables a low cost manufacturing process with minimal maintenance costs.

The current iteration of the Gelion Endure zinc-bromide vertical cell format provides 1.2 kilowatt hours (kWh) of energy by combining a number of cells into a single unit. These units in turn can then be combined into larger systems to meet commercial battery product needs. The battery has a round-trip-efficiency of close to 90 per cent. – comparable to standard lithium-ion batteries – and can be daily discharged to zero volts without damaging the battery.

Because the Endure battery can be discharged completely and is highly resistant to fire, the Directors believe this makes them highly suited for safe and efficient operation in remote areas and at scale, reducing the need for continuous human oversight.

Other battery chemistries such as lead-acid and lithium-ion suffer irreversible damage when discharged below manufacturer recommended voltages, which can reduce ongoing energy capacity and increase the risk of thermal runaway. Often the batteries can no longer be used in the intended application and are replaced to mitigate any safety hazards.

The Endure battery operates in temperatures up to 50 degrees Celsius. The electrolyte used for the battery acts as a fire retardant, overcoming concerns about large-scale lithium-ion stationary storage, which can be prone to thermal runaway causing fire and explosion.

The battery is designed for longer discharge of between four and twelve hours making them ideal for energy-shifting, daily-cycling applications.

Endure uses abundant non-conflict materials in the form of zinc bromide, which makes up an important component of the overall lower levelised cost of energy storage (LCOES) compared with lithium-ion and lead-acid technology.

The battery is more than 90 per cent. recyclable and is easily dismantled with a low-impact electrolyte, making it environmentally sustainable and lowers end-of-life disposal costs.

Gelion will manufacture the Endure battery through production and distribution partners in Australia and India.

Horizon One deployment

Initial deployment of the Endure battery will be for use in off-grid industries, stand-alone power systems, agriculture, fresh water supply and the resources industry. The Directors expect this to involve 10 kWh to 1 MWh systems at 48V DC and 240V AC.

Gelion has established memoranda of understanding with three companies for 400 MWh of energy storage supply.

Horizon Two deployment

The Gelion Endure battery is scalable and the second wave deployment will engage the expected growth in demand for stationary energy storage for commercial & industrial; solar farms; wind farms; and for stabilising the electricity grid. To achieve this the Directors expect the Endure battery to scale up to high-voltage deployments, supporting energy storage system configurations from 100 kWh to more than 50 MWh.

4.2 Mobile energy

The mobile energy storage market is growing with electric vehicle battery sales forecast to reach US\$125 billion by 2030³.

Current lithium-ion batteries are expected to phase out by the end of the decade, replaced by higher energy density lithium-ion advanced such as lithium-silicon batteries⁴.

Gelion is in the advanced R&D stage for lithium-based battery mobile storage additives. The Company's partner has patented new ways to manufacture low-cost silicon nanoparticles, and Gelion is fine-tuning means by which to use them in advanced lithium-ion batteries. In addition, the Company has a global exclusive licence for patented lithium-sulfur (Li-S) technology (developed by Prof. Maschmeyer and his team at the University of Sydney), which has in laboratory testing already achieved four times the number of cycles of the Gelion current lithium-sulfur battery benchmark. The Company also has an option for a permanent

³ Avicenne Energy, 2019

⁴ Lux Research, 2015

assignment of the intellectual property for this Li-S technology. Further details of this licence agreement are set out in paragraph 13.15 of Part VII of this document.

The combination of the modified anode and cathode into an ultra-high energy density lithium-silicon-sulfur battery is currently in the research stage at Gelion and forms part of the Group's technology pipeline.

The Company does not plan to make these batteries, other than for demonstration purposes, but intends to sell the additives or license the production via intellectual property agreements.

Advanced lithium-ion batteries with silicon

Use of a silicon anode dramatically increases volumetric energy density for lithium batteries. Gelion estimates it can deliver advanced lithium-ion batteries at volumetric and gravimetric cell-pack-level energy densities of 450 Wh/kg or 750 Wh/L at a fraction of the cost of current market alternatives.

Lithium-sulfur batteries

High specific capacity sulfur cathode and lithium anode batteries increase volumetric and gravimetric energy density. Gelion estimates its lithium-sulfur additives achieving volumetric and gravimetric cell-pack-level energy densities of 670 Wh/kg or 540 Wh/L.

Lithium-silicon-sulfur batteries

Gelion is designing a high-power silicon anode in combination with a sulfur cathode to provide a dendrite free ultra-high-density power cell, ideal for electric aviation, including drones. This design combines advantages of both additive-enabled electrodes. Gelion estimates its lithium-silicon-sulfur additives to achieve volumetric and gravimetric cell-pack-level energy densities of 750 Wh/kg or 850 Wh/L.

5. Applications

Stationary energy storage

The Directors believe that the intrinsic design characteristics of the Gelion Endure non-flow zinc-bromide battery – durability, low cost, safety, longevity – mean they are ideally suited for off-grid applications as well as providing grid-level storage.

Off-grid installations for mining, agriculture, desalination plants, water purification, remote communities and networks, are all ideal applications for Gelion stationary energy storage solutions. The off-grid market represents a huge opportunity for Gelion, with the Faraday Institute estimating a market size of 250 GW for three-hour energy storage solutions⁵. Based on this estimate and Wood Mackenzie's estimate for grid connect energy storage, the Directors believe that more than half of all stationary energy storage demand to 2030 will come from off-grid applications, with a large contribution from the electrification of developing countries.

The Endure zinc-bromide battery is designed to be scalable. Gelion is developing a modular battery system to cover applications in the range of 5 kWh at 48V, through to 100 kWh and greater operating at 800 volts from 2022. These deployments will grow to be in the tens and hundreds of MWh and suitable for large-scale grid-level storage and large solar and wind farm battery applications at the end of 2024.

Mobile energy storage

Due to lower production costs, growing public awareness, improved commercial products and public policy shifts that support renewable energy, there is a revolution under way in the electric vehicles market. Major western countries are setting electric vehicle incentives and investing in supportive infrastructure.

EV battery chemistry is evolving beyond current designs. Gelion is designing lithium battery additives that will substantially improve energy density of mobile energy storage systems.

⁵ Faraday Research, October 2019

Gelion is developing two low-cost additives for the advanced lithium battery market: a lithium silicon anode and a sulfur cathode, adapted to a battery pouch cell design. These innovations are designed to meet the outlined growth in demand in electric vehicles and the emergence of the drone and electric aviation industry.

As lithium-silicon enhanced batteries continue to see a growth in the electric vehicle markets, applications that are more sensitive to weight will benefit from the high gravimetric energy density of lithium-sulfur batteries, unlocking not only longer range passenger cars, but also heavy trucks and e-buses as well as payload carrying drones and short to medium distance planes.

Gelion intends to enter into joint venture partnerships with silicon suppliers to ensure continued production of this additive that can be either on-sold to manufacturers or licensed to anode and battery manufacturers.

6. Intellectual property

6.1 Summary

The patents and patent applications established by Gelion provide substantial scope of useful protection in the field of battery technology, in particular zinc-bromide battery technology.

Gelion's growing patent portfolio is made up of six families of applications, of which one family is largely registered in key jurisdictions worldwide and the remainder being at various stages of examination or international filing. Of the patent families that are pending, early indications regarding patentability are positive.

The portfolio covers innovative technologies that enhance the performance of non-flow zinc-bromide batteries. The Directors believe that zinc-bromide batteries provide unique advantages compared to other battery technologies including 100 per cent. depth of discharge, improved safety and operation at high temperature. Although zinc-bromide batteries are themselves known, the innovations covered by Gelion's portfolio assist in enabling performance at a commercially viable level that would otherwise be difficult to achieve.

The geographic coverage of the patent portfolio is comprehensive, with larger patent families spanning numerous jurisdictions, and smaller families focused on key markets of commercial interest.

Gelion also owns the trademark 'Gelion', which is registered across key jurisdictions worldwide, protecting its brand as the profile and reputation of the company grows. A report on the intellectual property protections within the Group is set out in Part III of this document.

6.2 Summary of trademarks

Gelion has successfully registered the mark 'Gelion' in 19 countries, including the US and Europe, in relation to batteries as well as a range of associated goods.

6.3 Patent families

Family 1 – Gelated ionic liquid film-coated surfaces and uses thereof

The invention of Family 1 relates to a metal-halogen battery comprising a gel anolyte and a gel catholyte, which are in direct contact with each other (i.e. not requiring a separator or membrane). This innovative design provides several advantages, such as eliminating internal stress failure modes, improved spatial control of redox species, improved reaction kinetics and enabling the 3D printing of cells.

Family 2 – Battery with Halogen Sequestering Agent

The invention of Family 2 relates to the inclusion of polymeric halogen sequestering agents in metal-halogen batteries, either forming part of the active cathode material or incorporated in the separator. This provides a superior means of sequestering halogen species compared to existing methods, such as molecular sequestering agents, and provides advantages such as improvement of cathode performance due to uniform halide distribution, improvement of zinc-plating quality and suppression of zinc dendrites, and a reduction in the rate of halide crossover and decrease in self-discharge.

Family 3 – Inert Current Collector

The invention of Family 3 relates to the use of stainless-steel or nickel-based alloy current collectors in non-aqueous metal-halogen batteries. Alloy collectors have significant advantages compared to conventional collectors, such as those made of titanium or carbon plastic, in that they may be shaped into foils, have improved manufacturing characteristics, and decreased cost.

Family 4 – Carbon gel electrode

The invention of Family 4 relates to a battery electrolyte for a zinc-bromide battery comprising a silica gel with suspended carbon particles. Such a suspension of carbon particles enables the entire electrolyte mass to function as a 3-dimensional electrode. This provides uniform halogen distribution, suppression of zinc dendrites, and enables operation in multiple orientations.

Family 6 – Energy storage device management system

The invention of Family 6 relates to balancing the charging and discharging of energy storage devices (batteries). The balancing of such energy storage devices prevents damage to these energy storage devices or a loss in efficiency and capacity.

Family 10 – Electrochemical cell conditioning cycle

The invention of Family 10 relates to a method for equalising the charge state of individual cells within a battery and stripping dendrites. The invention addresses the same issue as Family 6, but by a chemical means. Gelion has found that applying a low reverse voltage to a cell causes halogen to ‘shuttle’ from the catholyte to the anolyte, where it reacts with any zinc dendrites and restores a zero state of charge. The halogen can then be ‘shuttled’ back to the catholyte by applying a low voltage of normal charging polarity. This method can be deployed in a very cost effective manner in a battery management system.

7. Group strategy, business model and strategic partners

7.1 Introduction

Gelion was conceived to positively impact global decarbonisation by deploying its breakthrough energy storage solutions across a range of applications from stand-alone power systems to firming supply of wind and solar power plants. Part of its mission has also evolved to impact the global water crisis positively. The Directors believe this can be achieved by pairing renewable energy with Gelion’s storage solutions to power advanced water shifting, desalination and irrigation systems, enabling Gelion to contribute to UN Sustainable Development Goals in both clean energy and clean water.

7.2 Gelion’s Mission

To provide global energy storage solutions that are robust, safe, affordable with low environmental impact, enabling the supply of clean power and fresh water for all.

7.3 Strategy

Gelion is a breakthrough technology developer that partners with global manufacturers and distributors to deliver its patented energy storage solutions to market. This partnership strategy is anticipated to provide competitive advantage by enabling a disruptive, capital-light business model. The Company intends to leverage its existing MoUs to commercialise its technology.

Gelion is focused on two global, high-growth renewable energy markets:

- **Stationary energy storage**

Gelion and its partners aim to manufacture and distribute safe, robust and recyclable zinc-bromide non-flow battery systems for this market.

- **Mobile energy storage – Performance Additives for EV and electric aviation markets**

Gelion and its partners aim to manufacture and distribute nanostructured performance additive particles to be incorporated into existing lithium-ion battery technologies to improve their safety, cycle life and energy density for these markets.

Outlined below are Gelion's business models, strategic partners and sales and distribution approaches for its two technology platforms.

- **Customer Off-take**

Gelion has entered into MoUs with three companies, in respect of in total 400 MWh of Gelion battery sales, which the Directors anticipate will be converted to off-take agreements.

Gelion anticipates providing batteries in 2022/2023 to complete test programmes and commercial negotiations, which the Directors believe could result in significant off-take contracts valued in excess of US\$100 million. Details of these are in the following section.

7.4 **Business Model – Stationary Energy Storage**

Licensing

Gelion is licensing its zinc-bromide battery technology to selected global manufacturers and distribution partners and anticipates receiving a royalty revenue stream from sales commencing from 2023 onward.

Direct sales

Gelion is also able to directly sell its battery technology to customers in countries outside of agreed partner territories, via contract manufacturing capability.

Partnering with lead-acid (PbA) battery manufacturers, low Capex

Gelion specifically designed its zinc-bromide battery cell format similarly to the PbA battery format. This form factor enables the Company to partner with and leverage existing brownfield PbA manufacturers' ecosystems, techniques and processes to produce batteries with comparatively low capital-cost requirements.

Global manufacturing strategy

Gelion's manufacturing strategy is to implement the zinc-bromide manufacturing methodology with selected PbA partners throughout the globe to supply targeted countries.

To facilitate speed to market, Gelion has signed two manufacturing and distribution partnership agreements – one in Australia and one in India – which can supply multiple countries globally.

Indian and Australian manufacturing, absent of any further macro-economic disruption, is expected to commence in 2022 and 2023. In parallel, Gelion aims to sign additional PbA partners to service the North America, UK and European markets.

Strategic Partners

As summarised below, Gelion is establishing a growing network of global strategic partners throughout its ecosystem from technology research and development, to supply of core battery materials, to manufacturing and distribution and customer offtake.

Technology Research and Development

ICL GROUP

ICL Group Ltd (ICL) is a multinational manufacturing company based in Israel that develops, produces and markets special-purpose chemical products, fertilisers, and metals. ICL works with Gelion to optimise its electrolyte formulation and coatings for electrodes.

THE UNIVERSITY OF SYDNEY

Gelion's technology originated at the University of Sydney. An agreement is in place for ongoing technology research and development projects and access to specialised equipment.

Battery Component Supply

ICL GROUP

ICL is also a key supplier to Gelion for its zinc-bromide electrolyte input for the stationary energy battery. Zinc bromide is a readily available global commodity product, widely used as a drilling fluid and well known for its fire-retardant characteristics. This makes Gelion's batteries very safe and resistant to thermal runaway.

Manufacturing and Distribution

Gelion can leverage the existing PbA battery ecosystem with relatively low capital investment to facilitate speed to market of its energy storage solutions.

HBL POWER SYSTEMS (India)

HBL Power Systems Limited (HBL) is a significant manufacturer and supplier of PbA batteries in India. It also has presence in North America and Europe providing strategic manufacturing hubs for Gelion's products. HBL has been in business for more than 40 years; is listed on India's stock market; and provides batteries for customers across many applications targeted by Gelion.

Gelion and HBL have executed a manufacturing and distribution agreement, whereby Gelion receives a royalty fee per kWh of batteries manufactured and sold by HBL in the Indian market.

The agreement also enables HBL to contract-manufacture Gelion's batteries to be sold by Gelion or other partners in countries outside of India.

BATTERY ENERGY POWER SOLUTIONS (Australia)

Battery Energy is a manufacturer and distributor/integrator of advanced PbA battery systems, headquartered in Sydney, Australia. Battery Energy also has a dual, fully scalable manufacturing presence in China and provides grid connected and off-grid batteries to Australian blue-chip companies, such as Telstra.

Gelion and Battery Energy have executed a manufacturing and distribution agreement whereby Gelion will receive a royalty fee per kWh of batteries manufactured and sold by Battery Energy in the Australian and New Zealand markets.

ARMSTRONG CAPITAL (UK)

Armstrong is a UK-based impact investor that has arranged funding for more than 350 MW of solar projects in the UK and India. Armstrong's investors were involved in earlier stage investments in Gelion. Armstrong has a 200 MWh off-take memorandum of understanding (MoU) for Gelion's batteries targeting deployment in the UK and additional countries.

Under an MoU, dated 4 April 2019, Gelion has agreed to provide a beta version of the Endure battery to Armstrong for testing. Subject to the results of the trials of the Endure battery, the parties have agreed to develop an agreement for an order by Armstrong for an initial 200MWh of the Endure product to be delivered during the period of four years following the date of the MoU.

WEGEN (Philippines)

WeGen is a Philippines-based company deploying solar PV renewable energy solutions. WeGen has a 100 MWh off-take MoU for Gelion's batteries targeting grid connect and off-grid deployments on the islands to replace energy produced by polluting diesel gen-sets.

MAYUR RESOURCES (Australia)

Mayur Resources is an Australian Stock Exchange (ASX) listed resources and energy company with projects focused in Papua New Guinea (PNG). Mayur has a 100 MWh off-take MoU for Gelion's batteries to support its projects in PNG. Mayur is also Gelion's distributor for PNG.

Global European Renewable Energy Company

In Q1 2021, Gelion was selected, after a worldwide search for breakthrough batteries, by a leading global renewable energy company headquartered in Europe. The company deploys large scale solar PV farm,

wind farm and grid-scale energy storage solutions. The company will test and trial Gelion's batteries in Europe in 2022 and, based on success, may enter a commercial arrangement to deploy Gelion's batteries in selected projects globally.

7.5 **Business Model – Lithium Performance Additives for mobile energy storage**

Gelion is commercialising two nanostructured performance additives to improve the safety, cycle life and energy density of lithium-ion batteries for mobile energy applications.

7.5.1 **Performance Additive (1) – Lithium Silicon (LiSi)**

Strategic Partner

Gelion has executed a non-binding term sheet for the formation of a 51:49 subsidiary company with a technology partner to commercialise nano-structured silicon particles to enhance the performance of lithium-ion batteries. The silicon nanoparticles are expected to replace graphite anodes in lithium-ion batteries to improve their performance.

Under this arrangement the joint venture partner would exclusively license its patented silicon nano-structured particle production technology into the subsidiary in consideration for certain royalty payments and it will provide the subsidiary with support services; and Gelion would agree to contribute A\$4.25 million in cash to the joint venture company in tranches subject to the satisfaction of performance milestones in order to upscale the manufacturing pilot plant capacity and it will provide battery technical and commercialisation expertise to the subsidiary.

The Directors anticipate having a significant cost advantage over the manufacture of LiSi compared to competing technologies.

Gelion aims to upscale the LiSi battery to pouch cell size demonstrators and market them to lithium-ion battery manufacturers and anode producers.

Licensing

Gelion anticipates licensing the LiSi technology to battery manufacturers and/or anode producers seeking an upfront licensing fee and ongoing royalty payment per tonne of silicon nano-structured particle product produced.

The LiSi technology is aimed at being a “drop in” to the existing global lithium-ion manufacturing capacity, estimated at more than 500 GWh per year and growing.

First Licensing Agreement

The Directors anticipate the Group signing its first LiSi licensing agreement in 2023, with additional licensing agreements signed in 2024 and onward.

7.5.2 **Performance Additive (2) – Lithium Sulfur (LiS)**

The Directors anticipate that the Group's exclusive global access to a patent-pending LiS additive will increase the cycle life of LiS prototype batteries, improving their commercial viability and the potential for their mass production. LiS batteries are particularly focused on the future electric aviation market due to their very high gravimetric energy density.

The Directors expect that the Group will have a significant advantage based on low-cost input additive materials, necessary to make LiS work, as compared to competing technologies.

Gelion aims to upscale the LiS battery to pouch-cell size demonstrators and market them to lithium-sulfur battery developers and manufacturers and cathode producers.

Licensing

The Directors anticipate licensing the LiS technology to battery manufacturers and/or cathode producers seeking an upfront licensing fee and ongoing royalty payment per tonne of LiS nano-structured product produced.

First Licensing Agreement

The Directors anticipate signing the first LiS licensing agreement by 2025, with additional licensing agreements signed in 2026 and onward.

8. Energy storage and renewables market

Due to rising environmental pressures and an increasing focus on renewable energy and energy storage, the global economy is moving rapidly towards a paradigm shift with regard to energy generation and consumption. More than 130 countries are now committed to achieving net zero carbon emissions by 2050. To achieve this, society will need large-scale, economy-wide adoption of renewable energy and associated storage systems for stationary and mobile energy needs.

Core markets in the European Union and the UK are now legislating for the phase out of petrol-fuelled vehicles and mandating the adoption of electric vehicles.

Gelion's patented zinc-bromide chemistry battery incorporates an electrolyte that is fire retardant, using raw materials that are widely available and non-conflict in origin. The Gelion stationary battery can discharge to zero volts with no loss of function and operates safely at temperatures up to 50 degrees Celsius.

The US Department of Energy estimates that the combined global stationary and mobile energy storage markets will grow by between 2.5 and 4 terawatt hours (TWh) annually by 2030, or up to five times the estimated 800 gigawatt hour (GWh) size of the market in 2020⁶.

Stationary energy storage market

Stationary energy storage systems are those that store electrical energy for later release when needed. In most cases, this involves arrays of batteries, electrical control systems and associated technology. Such systems do not generate their own energy but must be coupled with energy generation or collection technology such as hydropower, solar farms, wind farms or smaller scale solar collection systems.

Stationary storage differs from mobile storage as suggested – the system does not require movement but is situated alongside the energy collection or generation system.

The total overall investment in the grid-connected energy storage market is expected to reach US\$86 billion globally by 2025, growing at greater than 24 per cent. CAGR⁷.

By 2030, annual global deployments of stationary storage (excluding pumped hydro storage) is projected to exceed 300 GWh, representing a 27 per cent. compound annual growth rate (CAGR) for grid-related storage and an 8 per cent. CAGR for use in industrial applications such as warehouse logistics and data centres⁸.

Off-grid stationary energy storage is expected to reach 750 GWh by 2030, doubling the investment opportunity by the end of the decade⁹.

Mobile energy storage market

Unlike stationary storage, mobile energy storage of electricity relies on lighter systems that can travel with the devices and technology for which they provide power. The largest part of this market is in electric cars with a growing market in other vehicles, including trains, planes and drones.

Bloomberg New Energy Finance says that by 2030 the electric vehicle market will reach US\$7 trillion and US\$46 trillion by 2050¹⁰.

⁶ Energy Storage Grand Challenge Market Report 2020, US Department of Energy

⁷ Wood Mackenzie June 2021

⁸ US Department of Energy December 2020

⁹ Faraday Research, October 2019

¹⁰ BNEF, June 2021

Avicenne Energy has estimated electric vehicle battery sales to reach US\$125 billion by 2030 at a CAGR of 18 per cent¹¹.

As the standard lithium-ion battery is replaced with lithium-additive batteries for increased performance, Gelion estimates a silicon nanoparticle market of US\$18 billion by 2030¹².

Hybrid electronic aviation craft are expected to be in commercial operation by 2026 at the latest and investment bank UBS expects that most of the world's transport infrastructure could be decarbonised by 2040¹³.

Combined, these growth markets create promising market opportunities for the production of mobile energy storage solutions. The world economy is about to undergo an historic transition to renewable energy and Gelion aims to be at the centre of that transformation.

9. Environmental, Social & Corporate Governance

Introduction

Gelion is focused on creating commercial solutions for the successful transition to a sustainable economy through the storage of renewable energy. By designing and delivering innovative battery technology, the Company will help facilitate that transition, and seek to return value for our customers and investors.

The Board is committed to adopting best practice, where possible and appropriate, in its reporting of Environmental, Social and Governance (“**ESG**”) issues.

Gelion takes its responsibility as a company, employer and clean-technology manufacturer seriously. The Directors intend to establish dedicated programmes aimed at delivering key initiatives across a range of core areas as well as continuing to achieve the Company's ESG objectives. Its policies will be reviewed annually by the ESG Committee to ensure accurate reporting and measuring of relevant indicators.

In addition, the Company will adopt the QCA Code, a set of corporate governance principles, shortly after Admission and is expected to qualify for the award by the London Stock Exchange of its Green Economy Mark, which identifies London-listed companies and funds that generate at least 50 per cent. of total annual revenues from products and services that contribute to the global green economy. All of Gelion's revenues come from the production of zinc-bromide batteries and lithium-ion additives, which are recognised by FTSE Russell's Green Revenues Classification System (Sector EM 07.1).

Environmental policy

Gelion's battery technology will provide scalable storage for solar and wind farms, grid stability and large-scale commercial and industrial customers.

Gelion's non-flow zinc-bromide (ZnBr₂) battery uses materials that are abundant, inexpensive, recyclable and abuse tolerant. This gives the Group's platform environmental and commercial advantages over PbA and lithium-ion batteries for stationary energy storage.

The Company's environmental policy will be published on its website following Admission. The policy will outline Gelion's commitments to:

- Track, measure and reduce the Company's carbon emissions.
- Where possible, ensure consumables, equipment and suppliers support the Company's environmental goals.
- Minimise the emissions impact of commuting and business travel, without impacting the Company's performance.
- Continue to develop lower impact technology that is fully recyclable and environmentally sustainable throughout the lifecycle.

¹¹ Avicenne Energy, 2019

¹² Gelion estimate: 1.1 million tonnes of graphite anode, 30 per cent. replacement by silicon with 70 per cent. lithium advanced market penetration and sales price of \$US75 a kilogram

¹³ UBS Electric Transport, 2021

The Company and its operations closely align with six United Nations Sustainable Development Goals set out in Agenda 2030. These are:

- Goal 6, Clean Water & Sanitation. Gelion's zinc-bromide batteries are designed to be suitable for deployment in hot and remote areas to support solar-powered water purification and desalination plants. Gelion's core mission includes a commitment to the supply of clean power and fresh water for all.
- Goal 7, Affordable and Clean Energy; in particular, Gelion's zinc-bromide batteries are designed to contribute to target 7.2 (Increase the share of renewable energy) by replacing fossil fuel powered sources of energy in transport and stationary power applications.
- Goal 9, Industry, Innovation and Infrastructure; in particular, Gelion's Zinc-Bromide technology is designed to support target 9.1 by providing reliable power to businesses and residences.
- Goal 11, Sustainable Cities and Communities; in particular, Gelion's batteries produce no greenhouse gas emissions during operation, directly contributing to target 11.6 (reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality).
- Goal 12, Responsible Consumption and Production; Gelion's batteries use abundant, non-conflict materials that are recyclable at the end of the lifecycle. Thus, they directly contribute to target 12.1 (sustainable production) and 12.2 (efficient use of natural resources).
- Goal 13, Climate action; Gelion's technology is aimed at providing climate mitigation and adaptation technologies and thus directly contributes to target 13.1 (strengthen resilience and adaptive capacity).

The Company is committed to reducing the carbon footprint of its products over time from improved sourcing of components and power and from maximising recyclability of components at end-of-life. The Board will further analyse Gelion's supply chain while developing a Supplier Qualification document. The Company plans to disclose further details in the 2021 annual report in 2022 using the framework set out by the Sustainability Accounting Standards Board.

Gelion is expected to qualify for the London Stock Exchange Green Economy Mark and expects the award on or shortly after Admission. The Green Economy Mark identifies companies and funds that generate the majority of total annual revenues from products and services that contribute to the global green economy. The underlying methodology is the Green Revenues taxonomy developed by FTSE Russell to identify industrial sectors and sub-sectors that are contributors to a greener, more sustainable economy such as climate change mitigation and adaptation, water, resource extraction, pollution and sustainable agriculture.

Social inclusion and diversity policy

The Company's inclusion and diversity policy outlines the Company's commitment to improve:

- diversity, both in terms of gender equality and support for minorities;
- inclusion, by ensuring a fair and safe workplace; and
- the Company's investments by improving the diversity and inclusion of the investment pipeline.

Corporate governance

The Directors recognise the value and importance of high standards of corporate governance. The Directors intend to adhere to the QCA Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized quoted companies, particularly AIM companies. The Directors acknowledge the importance of the principles set out in the QCA Code. Details are set out in Part VI of this document summarising how the Group will comply with the QCA Code and, from Admission, details will be available on the Company's website at www.gelion.com.

Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. Whilst the Board may delegate specific responsibilities, matters reserved for the Board will include, amongst other things, approval of significant capital expenditure, material

business contracts and major corporate transactions. The Board will formally meet on a bi-monthly basis to review performance.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board will at Admission comprise six Directors, of whom two are executive and four are non-executive. The Board consider Michael Davie and Joycelyn Morton to be independent for the purposes of the QCA Code.

With effect from Admission, the Board has established an audit and risk committee (the “**Audit and Risk Committee**”), remuneration committee (the “**Remuneration Committee**”) and environmental, social and governance committee (the “**ESG Committee**”) with formally delegated duties and responsibilities, as described below. Given the Group's current size and stage of operations, the Board has elected not to constitute a nomination committee and the matters normally reserved to such a committee such as reviewing the structure, size and composition of the Board and identifying candidates to fill vacancies on the Board, will be dealt with by the Board as whole.

Audit and Risk Committee

The Audit and Risk Committee will be responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, monitoring the effectiveness of the internal audit function and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit, reviewing the audit findings and ensuring that the annual audit is effective, objective independent, appropriately priced and of high quality).

The Audit and Risk Committee will review and monitor the Group's risk management systems and overall risk framework and processes and at least annually review their effectiveness. It will consider the appropriate risk appetite for the Group taking into account its overall strategy and future plans, ensure the risk management function is properly resourced and ensure that risk management is properly considered in Board decisions. The Audit and Risk Committee will be responsible for oversight of all processes, controls and disclosures associated with Gelion's financial reporting and accounting requirements, as well as moving beyond this to consider the non-financial disclosures and commitments, including those related to internal controls and risk management.

The Audit and Risk committee will initially comprise Joycelyn Morton (as chair), Steve Mahon and Michael Davie. The Audit and Risk Committee will meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit and Risk Committee will also meet regularly with the Company's external auditors.

Remuneration Committee

The purpose of the Remuneration Committee is to ensure that the executive directors and other key employees of the Company (“**Executives**”) are fairly rewarded for their individual contribution to the overall performance of the Company; and demonstrate to Shareholders that the remuneration of the Executives is set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of the Shareholders.

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework for the remuneration of the Executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive directors will be a matter for the Board as a whole. No director will be involved in any decision as to his or her own remuneration.

The Remuneration Committee will initially comprise Michael Davie (as chair), Joycelyn Morton and Steve Mahon. The Remuneration Committee will meet at least twice a year and otherwise as required.

ESG Committee

The ESG Committee will be responsible for measuring and improving the Group's impact on the environment, generating social value through its work, positively impacting the lives of its employees and stakeholders and operating ethically and with goodwill.

The ESG Committee shall assess the performance of the Group with regard to the impact of decisions relating to ESG matters, ensure compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters and review the results of any reviews or independent audits of the Group's performance in regard to ESG matters.

The ESG Committee will initially comprise Steve Mahon (as chair), Andrew Grimes and Michael Davie. The ESG Committee will meet at least four times a year and otherwise as required.

10. Sales & Distribution

Gelion's sales and distribution strategy is underpinned by three channels to market for its off-grid and grid-connect stationary energy storage solutions.

10.1 *Manufacturer/distributors*

HBL and Battery Energy have been in business for more than 40 and 30 years respectively, supplying products to the growing market for stationary energy storage. The companies will target their existing and new customers with Gelion's energy storage solutions.

The Directors anticipate that Gelion will sign additional PbA partnership agreements to service the North American, UK and European markets, applying a similar sales strategy.

10.2 *Battery System Integrator/resellers*

Gelion aims to partner with additional integrator/resellers of its energy storage solutions, as per the Global Renewable Energy Company example provided above. It is expected that these partner companies will integrate Gelion's battery systems into their energy infrastructure solutions and deploy them to market.

10.3 *Gelion direct sales and contract manufacturing*

Gelion's sales team is focused on promoting the Group's energy storage solutions directly to customers. These sales opportunities will be passed on to partner companies outlined in paragraphs 10.1 and 10.2 above or Gelion can arrange contract manufacture of the energy storage solutions and sell direct if the customer is located outside of agreed territories.

11. Facilities and manufacturing

Gelion has four sites of operation within Sydney, New South Wales, Australia.

The primary development facility and head office is based at the National Innovation Centre in Eveleigh, two kilometres from the central business district of Australia's largest city. This laboratory is currently focused on zinc-bromide battery development and validation. It has the equipment and personnel to assemble and test up to 100 full-sized battery cell prototypes (about 15 kWh) a month. It also has the capability to run more than 200 test cells used for materials screening and optimisation.

Initial research is often performed within the University of Sydney Nano Institute and School of Chemistry, where Gelion founder Thomas Maschmeyer is a professor. As part of this process, contracted University staff work collaboratively on both zinc-bromide and advanced-lithium battery programmes. The University retains a financial investment in the Company.

Gelion's third operational site is an industrial unit, near the University and Eveleigh head office, that has been equipped for zinc-bromide battery systems development, fabrication and testing. This facility is aimed more at prototyping rather than manufacturing.

The fourth site is at the facilities of Gelion's Australian manufacturing partner in Fairfield, western Sydney. Battery Energy Power Solutions is working with Gelion to establish a manufacturing line for development scale-up and initial demonstrations. This is a greenfield site designed to mimic and scale the cell assembly processes used at the Eveleigh location. Battery Energy will supply and distribute the Endure battery for the Australia and near-Australia markets.

Gelion has formed a commercial partnership with HBL, a large battery manufacturer in Hyderabad, India, to manufacture and distribute the Endure battery for global markets. The Indian team has been manufacturing lead-acid, nickel-cadmium and other specialty batteries since 1977 and has been assisting with the development of Gelion's zinc-bromide manufacturing process that will allow for the simple and low-cost adaptation of lead-acid manufacturing processes to produce the Endure battery. The Indian manufacturing facilities are spread over numerous locations.

It is anticipated that the 500 kWh build for initial commercial development of the battery will be performed in India with a pilot plant capable of at least 1 MWh a year.

12. Technology pathway and future direction

Gelion's research and development pathway provides a strategic and patented protection to supply battery technologies to a range of stationary and mobile energy markets. Gelion's vision is to be primarily a battery technology developer and is pursuing multiple technologies for a range of markets. Once a technology is demonstrated, Gelion aims to leverage existing manufacturers and distribution chains in various ways to maximise earning potential and product impact.

Gelion has identified several milestones in its path towards achieving commercialisation for both its stationary energy (non-flow zinc-bromide batteries) and mobile energy (Li-ion performance additives) technologies.



12.1 Stationary energy

Gelion's zinc-bromide technology is focused on the stationary energy storage markets. The commercialisation pathway involves the development of unique battery cells that can be built at Gelion's lead-acid battery manufacturing partners and then demonstrated in systems in real-world applications. Once established in the market, the battery and system production can be more widely distributed with regional licences for manufacture and distribution.

The Directors believe that the zinc-bromide characteristics, including the ability to discharge to zero volts, ability to operate over a wide temperature range and its resistance to fire, provide significant advantages in off-grid applications that are coupled with renewable generation. Initial customers (Horizon 1) are expected to be in this market segment and Gelion aims to have first commercial demonstrations in 2022 with broader market entry in 2023.

In parallel with the initial (Horizon 1) release of the Endure battery, Gelion plans to further optimise the zinc-bromide technology at lower cost and with higher energy density. This is expected to result in a more advanced product (Horizon 2) that can better serve larger markets in the commercial, industrial & utility (C&I) sectors, such as supporting large-scale renewable generation and grid energy shifting in the MWh range. It is envisaged that this advanced product will be an integrated multi-cell 12V monoblock battery and be ready for initial demonstrations in 2023 and broader market entry in 2024.

12.4 **Competing technologies for lithium performance additives**

Around the world, corporations, national laboratories and universities are actively engaged in the development and manufacture of advanced lithium-ion batteries and additives using an array of chemistries and product formats.

13. Directors

Doctor Stephen (“Steve”) William Mahon, aged 53 – Non-Executive Chair

Dr. Steve Mahon has been a Director of the Company since April 2016. He Chairs the Board’s ESG Committee and is a member of the Audit and Risk Committee and the Remuneration Committee.

Dr. Mahon is the founder and now Chairman of Armstrong Capital Management Limited which is an asset manager specialising in the ESG sector. Armstrong has managed over £300m of investment into the UK renewable energy sector over the last ten years with a focus on the development, construction and operation of ground and rooftop solar. During this period Armstrong has successfully provided profitable exits for the investors in these assets including sales of solar investments to institutional investors such as Next Energy and Blackrock.

Dr. Mahon has had a successful career in commercialising low-carbon technologies with more than 15 years in the sector and a track record in selecting and managing high-growth, low-carbon companies, both in the private and public markets. He is the co-founder and CEO of Mura Technology Limited (“Mura”), which is an advanced recycling technology business formed to recycle mixed waste plastic that would otherwise go to incineration or landfill. Mura is deploying its solution globally with partners such as Dow Chemicals, KBR Inc and Mitsubishi Chemical Corporation.

Before establishing Armstrong, Dr. Mahon co-founded Low Carbon Investors Limited, a Guernsey-based fund management company and created the UK’s first dedicated feed-in-tariff fund with Downing LLP, the Downing Low Carbon EIS and went on to advise Downing on the investment of more than £45 million in feed-in-tariff projects in solar and wind assets.

Dr. Mahon has a first-class degree and PhD in Geophysics and Planetary Physics.

Andrew Peter Grimes, aged 54 – Chief Executive Officer

Andrew Grimes has been the Chief Executive Officer of the Group since October 2020 and a Director of the Company since November 2021. He is a member of the Board’s ESG Committee.

Mr. Grimes is a trained chemical engineer with more than 25 years’ experience in both technical and commercial roles. His early career was with large listed multinational companies including Shell, Nuplex and ICI, while more recently he was group CEO of Callington Haven, a speciality chemical company supplying products to the aviation industry. Under Mr. Grimes’ leadership, Callington grew from a small Sydney-based organisation to a multinational company with a direct presence in eight countries and a dominant global market share in its key markets.

Mr. Grimes has lived and worked for several years in Asia and in Europe and has established and led companies in Asia, EMEA, Europe and North America. He has led acquisitions in ANZ, Asia and Europe. Alongside his extensive technical and commercial experience, Mr. Grimes has completed a Masters of Sustainability at the University of Sydney and has a deep understanding of the renewables sector.

Amit Gupta, aged 45 – Chief Financial Officer

Amit Gupta has been the Chief Financial Officer of the Group since August 2021 and a Director of the Company since November 2021.

Mr. Gupta is a qualified chartered accountant with over 15 years’ experience in professional services having worked with KPMG and more recently with Deloitte in Australia. He started as a graduate with KPMG and, before joining Gelion, was a Director at Deloitte Touche Tohmatsu in their Financial Advisory team specialising in IPOs and M&A transactions. During his time at Deloitte, he has assisted numerous companies operating both in Australia and overseas to list on the Australian Stock Exchange (ASX).

Whilst at Deloitte, Mr. Gupta was selected to be seconded to Mumbai, India to lead the development of their global offshore transaction services practice.

Academically, Mr. Gupta has completed Master of Finance and Master of Accounting from Bond University, Australia and a Graduate Diploma of Chartered Accounting and was admitted as a member of the Institute of Chartered Accountants in Australia in 2008.

Professor Thomas Maschmeyer, aged 55 – Non-Executive Director

Professor Maschmeyer is Founder and Principal Technology Advisor at Gelion Technologies (2015), Co-Founder of Licella Holdings (2007) and inventor of its Cat-HTR™ technology. He has been a Director of the Company since April 2016. He is also the Principal Technology Consultant for Cat-HTR™ licensee's Mura Technology and RenewELP. In 2001 he was one of the founding professors of Avantium, a Dutch high-tech company. Most recently he was awarded the Australian Prime Minister's Prize for Innovation (2020) – the Australian Academy of Science's David Craig Medal (2021) and the *Australian Financial Review* Sustainability Prize (2021).

Professor Maschmeyer concurrently holds the position of Professor of Chemistry at the University of Sydney, where he established and leads the Laboratory of Advanced Catalysis for Sustainability and served as Founding Director of the University of Sydney Nano Institute (2015-2018). In 2011, he was elected youngest Foreign Member of the Academia Europe as well as Fellow of the Australian Academy of Sciences, the Australian Academy of Technological Sciences and Engineering, the Royal Australian Chemical Institute (RACI) and, in 2014, of the Royal Society of NSW.

In addition to the Le Fèvre Prize of the Australian Academy of Sciences (2007), the RACI Applied Research Award (2011), the RACI Weickhardt Medal for Economic Contributions (2012), the RACI R.K.Murphy Medal for Industrial Chemistry (2018) the Eureka Prize for Leadership in Innovation and Science (2018) and the Federation of Asian Chemical Societies' Contribution to Economic Development Award (2019), Professor Maschmeyer received an Honorary Doctorate from the Universities of Ca'Foscari Venice and Trieste in recognition of his scientific and societal contributions in chemistry. He has authored 330+ publications, has been cited 13,000+ times, and has 29 patents.

Michael Edward Davie, aged 59 – Non-Executive Director

Michael Davie joined the Board of Gelion as an independent Non-Executive Director in November 2021. He Chairs the Board's Remuneration Committee and is a member of the Audit and Risk Committee and the ESG Committee.

Mr. Davie has more than 25 years' experience working in financial services, most recently as Global Head of Rates at LCH Ltd, a company mostly owned by the London Stock Exchange Group. Before this, Mr. Davie was Head of Rate Services at the London Stock Exchange Group between 2015 and 2017. He has also held various executive positions at LCH Clearnet, latterly as CEO, and has previously been a Managing Director in JP Morgan's Rates division.

Mr. Davie holds a degree in Zoology from the University of Oxford.

Joycelyn Cheryl Morton, BEc, FCA, FCPA, FIPA, FAICD (née Lewis), aged 62 – Non-Executive Director

Joycelyn Morton joined the Board of Gelion as an independent, Non-Executive Director in November 2021. She Chairs the Board's Audit and Risk Committee and is a member of the Remuneration Committee.

As a highly qualified accountant with particular expertise in taxation matters, Ms. Morton enjoyed a long and successful executive career, initially in chartered accounting, followed by senior management roles with Woolworths Ltd and global leadership roles within Shell Group of companies, including Vice President, Accounting Services. She has completed a senior executive programme at INSEAD Business School and has held a variety of government and international advisory positions. She is currently Chair of the Salvation Army Red Shield Doorknock Appeal for the Greater Sydney region.

Ms. Morton is an experienced Board member of ASX-listed companies and government-owned corporations. She is currently a Non-Executive Director of Argo Investments Ltd (since 2012), Argo Global

Listed Infrastructure Ltd (since 2015), Beach Energy Ltd (since 2018), Felix Holdings Group Ltd (since July 2021) and ASC Pty Ltd (since 2017). She was previously a Non-Executive Director and Chair of Noni B Ltd (2009 to 2015) and Thorn Group Ltd (2011 to 2018), and a Non-Executive Director of Invocare Ltd (2015 to 2018) and Snowy Hydro Ltd (2012 to 2021). Prior to that she served as a Non-Executive Director of Crane Group Ltd and Count Financial Ltd until their takeovers.

14. Application of the Takeover Code and concert parties

The Company has its registered office in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to the Company.

Under Rule 9 of the City Code ("**Rule 9**"), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "**Control**" means interest, or aggregate interest, in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the interest or interests give de facto control.

Presumption (9) to the Panel's definition of acting in concert provides for there to be a presumption of concertedness between shareholders in a private company who following the re-registration of that company as a public company in connection with an initial public offering or otherwise become shareholders in a company to which the Code applies. However pursuant to guidance provided by the Code Committee in PCP (2015/3) this presumption is capable of being rebutted.

The Company has agreed with the Takeover Panel that the members of the Concert Party are acting in concert for the purposes of the City Code.

On Admission, the Concert Party will hold 40,616,910 Ordinary Shares, in aggregate, representing 38.15 per cent. of the Enlarged Share Capital.

Since, on Admission, the members of the Concert Party will between them be interested in shares carrying 30 per cent. or more of the Enlarged Share Capital, but will not hold more than 50 per cent. of the Enlarged Share Capital, they will (for so long as they continue to be treated as acting in concert) not be able to increase that aggregate interest in Ordinary Shares.

Each of Cornelius Investments Pty Ltd (as Trustee for the Ollinton-Hector Trust) and Aquaticus Pty Ltd (as Trustee for the Sides Discretionary Trust) have been granted option awards over 185,940 and 185,940 Ordinary Shares respectively. Should these option awards be exercised in full pursuant to their terms, the first possible date being the day of Admission, the interest of the Concert Party in Ordinary Shares, assuming no further changes to the Company's issued share capital, would increase to 40,988,790 Ordinary Shares representing 38.37 per cent. of the Enlarged Share Capital (as enlarged by that exercise). Under Note 1 of the notes on dispensations from Rule 9, which arises as a result of an issue of new shares if the waiver is approved by a vote of independent shareholders. In this case, the Panel has confirmed that any such

increase would not trigger an obligation to make a mandatory offer pursuant to Rule 9 on the basis that the consequence of such increases have been fully disclosed in this document.

Further details concerning the shareholdings of the Concert Party are set out in paragraph 6.2 of Part VII of this document.

15. Details of the Fundraising

The Placing comprises the issue of 4,674,483 Placing Shares by the Company and the sale of 2,068,966 Sale Shares by the Selling Shareholders, in each case at the Placing Price. The Subscription comprises the issue of 6,389,196 Subscription Shares by the Company at the Placing Price.

The Placing Shares and Subscription Shares to be issued by the Company will raise gross proceeds for the Company of £16,042,335 million (before estimated expenses of the Company of £1.99 million).

The Selling Shareholders have, pursuant to the Placing, agreed to sell the Sale Shares, raising gross proceeds for the Selling Shareholders of £3.00 million (before estimated expenses of the Selling Shareholders of £0.11).

On Admission, the Company will have a market capitalisation of approximately £154.37 million at the Placing Price.

The Company, each Director and finnCap have entered into the Placing Agreement relating to the Placing, pursuant to which, subject to certain conditions, finnCap has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. In addition, the Company, each Selling Shareholder and finnCap have entered into the Selling Shareholders Placing Agreement relating to the Placing, pursuant to which, subject to certain conditions, finnCap has conditionally agreed to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price.

The Company and each Subscriber have entered into the Subscription Agreements relating to the Subscription, pursuant to which, subject to certain conditions, the Subscribers have agreed to subscribe for the Subscription Shares at the Placing Price.

The Fundraising has not been underwritten by finnCap.

The placing of the Placing Shares and the subscription for the Subscription Shares will be conducted in separate tranches to assist investors in the Placing or the Subscription, as appropriate, to claim certain tax reliefs available to EIS investors and VCTs.

EIS/VCT Placing Shares and the EIS/VCT Subscription Shares will be offered to those investors seeking to claim EIS Relief in relation to their subscription and to VCTs. Non-Eligible Placing Shares and Non-Eligible Subscription Shares will be offered to those investors who are neither seeking EIS Relief nor are VCTs.

The issue of the EIS/VCT Placing Shares and the EIS/VCT Subscription Shares is in each case conditional, among other things, upon the Placing Agreement and the relevant Subscription Agreements respectively not having been terminated in accordance with their terms. EIS and VCT investors should note that it is intended that the Company will issue the EIS/VCT Placing Shares and the EIS/VCT Subscription Shares before 11.59 p.m. on 29 November 2021 and that Admission is expected to occur at 8.00 a.m. on 30 November 2021 and, accordingly, completion of the issue of the EIS/VCT Placing Shares and the EIS/VCT Subscription Shares is not conditional upon Admission.

The placing of the Non-Eligible Placing Shares and the Non-Eligible Subscription Shares is in each case conditional, among other things, upon the Placing Agreement and the relevant Subscription Agreements respectively becoming unconditional (including Admission taking place at 8.00 a.m. on 30 November 2021 (or such later time and/or date as finnCap and the Company may agree, not being later than 8.00 a.m. on 17 December 2021) and not having been terminated in accordance with their terms prior to Admission.

The Placing Shares and the Subscription Shares will be issued credited as fully paid and will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after Admission.

The Placing Shares and the Subscription Shares will, following their issue, represent approximately 6.33 per cent. and 6.00 per cent. respectively of the Enlarged Share Capital. The New Shares (being the Placing Shares, the Subscription Shares and Ordinary Shares issued pursuant to the conversion of the Loan Notes) will represent approximately 15.57 per cent. of the Enlarged Share Capital.

Further details of the Placing Agreement, the Selling Shareholders Placing Agreement and the Subscription Agreements are set out in paragraphs 13.1, 13.2 and 13.3 respectively of Part VII of this document.

16. Reasons for Admission and use of proceeds

The Company is seeking Admission to trading on the AIM market of the London Stock Exchange and to raise gross proceeds pursuant to the Fundraising of £16.04 million in order to commercialise its technologies.

Of the net proceeds of the Fundraising of £14.05 million, Gelion intends to deploy £4.70 million toward its stationary energy storage technology commercialisation and £3.00 million toward its performance additives commercialisation.

The Directors believe that raising money in a public market context provides a signal of quality to prospective partners and customers, raises the profile of the Group's business and provides a supportive platform on which to accelerate Gelion's proprietary technology through in-field testing while allowing the Group to scale up production capacity and grow the sales order book. In addition, the Company's admission to trading on AIM means that it can utilise share options and awards to incentivise, attract and retain key employees.

The Directors also believe that the Fundraising will provide an opportunity to align the interests of key stakeholders in the business. The net proceeds of the Fundraising receivable by the Company, after the payment of fees and expenses related to the Placing and Admission, will be used by the Company as follows:

<i>Activity</i>	<i>£m</i>
Net Operating Expenses	2.1
Capital Expenditure	4.4
LiSi NewCo Capital Investment	3.0
Working Capital	4.6
Total	<u>14.1</u>

17. Selected historical financial information

The following summary of consolidated financial information relating to the Group's activities for the three years to 30 June 2021 has been extracted, without material adjustment, from the Historical Financial Information on the Group set out in Part IV of this document.

In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.

	<i>Year ended</i> <i>30 June</i> <i>2019</i> <i>£'000</i>	<i>Year ended</i> <i>30 June</i> <i>2020</i> <i>£'000</i>	<i>Year ended</i> <i>30 June</i> <i>2021</i> <i>£'000</i>
Revenue	–	106	351
Operating loss	(2,405)	(2,298)	(1,798)
Loss before taxation	(2,404)	(2,332)	(1,797)
Loss after taxation	(2,404)	(2,332)	(1,797)

18. Current trading, operational trends and prospects

There has been no significant change in the financial position or financial performance of the Group since 30 June 2021. Trading for the period from 1 July 2021 to the date of this document has been consistent with the Directors' expectations.

19. Dividend policy

The Directors currently propose to re-invest earnings of the Company to finance the development and expansion of the business and, accordingly, it is not envisaged that the Company will pay any dividends in the short to medium term.

The Board will, however, consider commencing the payment of dividends as and when the development and profitability of the Company allow and the Board considers it commercially prudent to do so. The declaration and payment of dividends and the quantum of such dividends will, in any event, be dependent upon the Company's financial condition, cash requirements and future prospects, the level of profits available for distribution and other factors regarded by the Board as relevant at the time.

20. Share options

The Directors recognise the role of the Group's staff in contributing to its overall success and the importance of the Group's ability to incentivise and motivate its employees. Therefore, the Directors believe that certain employees should be given the opportunity to participate and take a financial interest in the success of the Company.

The Company currently operates the Existing Share Option Plan, under which certain of the Directors and the Group's employees currently hold options over a total of 8,340,360 Ordinary Shares. The interests of the Directors in options granted under the Existing Share Option Plan are set out in paragraph 7.2 of Part VII of this document. Further details of the Existing Share Option Plan are set out in paragraph 12 of Part VII of this document. Save in respect of the grant of options over an aggregate of 390,000 Ordinary Shares to Andrew Grimes and Stuart Rayner pursuant to existing obligations pursuant to their service agreements, it is intended that the Existing Share Option Plan will not be operated to make any further awards following Admission.

In order to incentivise and motivate the Group's executives and employees, the Board intends to adopt a new long term incentive plan following Admission. The Company is currently taking professional advice on benchmarking and plan design including the nature of awards to be made to participants in the new long term incentive plan. However, the Board confirms that no awards, when aggregated with outstanding options under the Existing Share Option Plan, will be made under any new long term incentive plan to the extent that such awards would result in outstanding rights in respect of unissued Ordinary Shares exceeding 12.5 per cent. of the then issued ordinary share capital of the Company.

21. Share dealing code

The Company has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules) and UK MAR. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

All persons discharging management responsibilities and their persons closely associated (as such terms are defined in UK MAR) are required to comply with the provisions of the share dealing code at all times. The share dealing code imposes restrictions beyond those that are imposed by law (including by FSMA, UK MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons closely associated with them do not abuse, and do not place themselves under suspicion of abusing, unpublished price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of financial results. The share dealing code sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of UK MAR and the AIM Rules (including Rule 21).

22. Lock-in and orderly market arrangements

Each of the Locked-in Parties have agreed with finnCap and the Company to certain restrictions on the disposal of interests in the Ordinary Shares held by them on Admission for the period of 12 months following Admission. Certain Locked-in Parties have undertaken not to dispose of interests in respect of all of the Ordinary Shares held by them on Admission, while other Locked-in Parties have agreed not to dispose of an interest in respect of a percentage of the Ordinary Shares held by them on Admission. In each case, disposals of Ordinary Shares may be made in certain limited circumstances which are considered customary for arrangements of this nature. In addition, in order to seek to maintain an orderly market in the Ordinary Shares, all but one of the Locked-in Parties have also undertaken to finnCap and the Company that they will not, except in certain specified circumstances, without the prior consent of finnCap, during a further period of 12 months dispose of certain Ordinary Shares in which they are interested as at Admission otherwise than through finnCap. An aggregate of 38,660,490 Ordinary Shares (representing approximately 36.31 per cent. of the Enlarged Share Capital) are subject to the terms of the Lock-in Agreements.

In addition to the above mentioned lock-in and orderly market arrangements, the Orderly Market Parties, who hold in aggregate 10,780,257 Ordinary Shares (representing approximately 10.13 per cent. of the Enlarged Share Capital), have entered into orderly market deeds with the Company and finnCap whereby they have agreed that they will not, except in certain specified circumstances, without the prior consent of finnCap, during the period of 24 months following Admission dispose of certain Ordinary Shares in which they are interested as at Admission otherwise than through finnCap, so as to ensure an orderly market in the Ordinary Shares.

Further details of the lock-in and orderly market arrangements described above are set out in paragraphs 13.4 and 13.5 of Part VII of this document.

23. Admission, settlement and dealings

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 30 November 2021. The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST). Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles of Association contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

In the case of Placees and Subscribers who have requested to receive EIS/VCT Placing Shares or EIS/VCT Subscription Shares in uncertificated form, it is expected that CREST accounts will be credited as soon as reasonably practicable on 30 November 2021. In the case of Placees and Subscribers who have requested to receive EIS/VCT Placing Shares or EIS/VCT Subscription Shares in certificated form, it is expected that share certificates will be despatched by post within 10 business days of the date of issue.

In the case of Placees and Subscribers who have requested to receive Non-Eligible Placing Shares, Non-Eligible Subscription Shares or Sale Shares in uncertificated form, it is expected that CREST accounts will be credited as soon as reasonably practicable on 30 November 2021. In the case of Placees and Subscribers who have requested to receive Non-Eligible Placing Shares, Non-Eligible Subscription Shares or Sale Shares in certificated form, it is expected that share certificates will be despatched by post within 10 business days of the date of Admission.

No temporary documents of title will be issued. All documents sent by or to a Placee or Subscriber who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Placee's or Subscriber's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

24. Taxation

The attention of investors is drawn to the information regarding taxation set out in paragraphs 19 and 20 of Part VII of this document. This information is intended only as a general guide to the current tax position under UK and Australian taxation law for certain types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or Australia are strongly advised to consult their professional advisers.

25. EIS and VCT status

The Company has applied for and received advance assurance from HMRC to the effect that the EIS/VCT Placing Shares will be 'eligible shares' for EIS purposes, and that subject to receipt of a satisfactory compliance statement from the Company, the EIS/VCT Placing Shares are capable of satisfying the requirements for EIS Relief. This advance assurance is expected to apply only in relation to the EIS/VCT Placing Shares and it does not cover VCT investment. Further information on EIS and VCT status is set out in Part II of this document ("**Risk Factors**"). For the avoidance of doubt, any investor who is an existing Shareholder will not be entitled to claim EIS Relief on a new investment in the Company unless EIS Relief was claimed on all shares in the Company held by that investor.

26. Any further information

The attention of prospective investors is drawn to the financial and other information set out in Parts IV to VII inclusive of this document, which provide additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Ordinary Shares set out in Part II of this document.

PART II

RISK FACTORS

Investing in and holding Ordinary Shares involves financial risk. Prior to making an investment decision, prospective investors in the Ordinary Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Ordinary Shares, the Company's business and the industry in which it participates.

The risk factors set out below apply to the Company as at the date of this document. The risk factors are not set out in any order of priority.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Company and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Company and should be used as guidance only. Additional risks and uncertainties relating to the Company and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Company's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group may not expand or operate as envisaged

The Group's success depends on its ability to expand, operate and manage successfully its operations. Its ability to expand successfully will depend upon a number of factors, including the following: licensing relevant successful technologies, signing with strategic partners, dominant in their field; the continued development of its business and products, including the successful commercialisation and performance of its products; the development of the supply chain; the production of its products in commercial quantities at an economic price; the hiring, training and retention of additional personnel; the ability to enhance its operational, financial, and management systems; the availability of adequate financing, competitive factors, general economic and business conditions; and the ability to implement methods for revenue generation.

Risks relating to the application of the Group's technology and product development

The Group has successfully completed the initial development and testing of its Endure zinc-bromide batteries, which the Directors believe will be well positioned to serve the Group's target markets. However, with all new technologies, applications and products, by definition Gelion cannot have an established track record or knowledge base of how the Group's products will perform in real world environments over a medium and long term. The Company has undertaken detailed internal testing of its Endure/zinc-bromide batteries. Within the time constraints on testing, the Company's initial performance expectations have been met, but full testing would take a considerable amount of time and therefore real world performance over the medium to longer terms cannot be guaranteed. There is no guarantee that the Group's batteries will perform as expected during external testing and the performance could be impacted by a large variety of factors, including but not limited to, real-world use, damage, environmental factors, poor maintenance or quality control by contract manufacturers. In addition, the Group is working on other technologies in the lithium performance additives space which will require testing and commercialisation in the future.

The Group may encounter delays and incur additional development and production costs and expenses, over and above those expected by the Directors, in order to develop products of sufficient quality, quantity

and at low enough cost. Furthermore, there can be no assurance that any of the Group's developed products will successfully complete any applicable regulatory certification or testing process or that they will meet the regulatory and production requirements necessary for commercial distribution. If the Group's development programme is curtailed due to any of the above issues, this may have an adverse material effect on the Group's business and financial conditions.

The Group also expects to initially produce its batteries through its strategic partners on a low volume and low automation production basis and seek to move to higher volume and onto mass production, with higher levels of automation in time. However, given the Group's limited track record of commercialising its technology, there is no certainty that the Group's batteries will perform at the same performance levels once in mass production.

The Company's success and ability to compete are dependent on underlying technologies which the Group has accessed, developed or may develop in the future. There is a risk that the technology that the Group has accessed, developed or may develop in the future may not work as well as planned or that the marketing of the technology may not be as successful as the Company hopes. Further, the markets in which the Group competes, or plans to compete, are characterised by constantly and rapidly changing technologies and technological obsolescence. There can be no assurance that the Group's products will not be rendered obsolete before they gain market traction in their target markets. In addition, there is no guarantee that the Group will be able to adapt existing technology for future use cases.

Gelion's ability to compete successfully depends on the technological and creative skill of the Group's personnel, consultants and contractors and their ability to design, develop, manufacture, assemble, test, market and support new products and enhancements on a timely and cost-effective basis to satisfy the demands and expectations of customers. There is no assurance that the Group will be able to do this. Any failure to anticipate technological changes, to develop, use or procure new technologies, or to react to changes in existing technologies could materially delay its development of new products or enhancements, which could result in product obsolescence, loss of revenue opportunities, and customer migration, negatively affecting the Company's financial results.

Risks relating to the provision of warranties for customers

There is a risk that certain customers would be restricted from engaging with Gelion on account of the Group not being able to provide adequate warranty cover due to the level of liquid assets on the balance sheet. As in the event of a severe product defect on a large scale the Group would not have the resources to remediate warranty claims of a certain level. Consequently this would generate a risk profile that certain customers could not tolerate. Therefore, there is a risk that commercialisation of the Groups products may happen at a slower rate than anticipated due to these restrictions. In the case of products manufactured by third parties, Gelion would not be expected to provide warranty cover and therefore the Group would also be restricted to using third party manufacturers that would provide the adequate level of warranty cover.

The Group's performance may be impacted by the risks associated with supply chain development and manufacturing capability

The Group's success depends on its ability and future ability to secure raw materials. However, this ability may be impacted by numerous factors, including global demand or other factors limiting the availability, cost or quality of supply, which would impact upon the Group's performance.

Furthermore, there can be no certainty that the Group's existing partners will be able to achieve mass-market production, or the production processes may be subject to delays, linked for example to the typical challenges associated with implementing a new technology into commercial ramp up, or other challenges. The Directors have sought to minimise this risk by working with established partners or will seek to have additional partners that also have a strong track record in producing batteries on a mass-market scale. However, to the extent that the Group or its partners are unable to adequately scale production, its business, growth and financial condition may be adversely affected through an impaired ability to meet the demands of new and existing clients.

The Group will need to scale up production volumes through its partnership network to meet anticipated commercial opportunities

Once any of the Group's products enters the market, the Group will need to achieve substantially greater production volumes (through existing agreements and/or new agreements) in order to fully capitalise on the commercial opportunity relating to that product. As a result, the success of the Group's growth is dependent, in part, on its ability to scale production of its products with a view to full production volumes. To the extent that the Group is unable to adequately scale manufacturing production, due to factors such as an increase in demand that cannot be met, its business, growth and financial condition may be adversely affected through an impaired ability to meet the demands of new and existing clients.

The Group intends to further expand and automate certain of its partners' manufacturing processes in order to increase capacity, scale the business and meet anticipated future demand. There is a risk that this takes longer than expected. Delays could arise in the installation of the equipment; its commissioning could take longer than expected and equipment may not work as expected. Any delays in automated capacity coming on stream could negatively impact the Group's sales and it cannot be guaranteed that all the anticipated scale-up in manufacturing capacity and associated benefit so automation will be achieved. If the volume requirements are not met, it could materially and adversely affect the Group's business, results of operations and financial condition.

The Group has a limited period of operating history

The Group's operating company, Gelion Technologies, was incorporated in 2015 and therefore has a comparatively short operating history, which makes an evaluation of the Group's business and prospects difficult. In particular, the Group has so far only sold about A\$1m worth of demonstration systems and the Group has incurred net losses to date, although these are consistent with its stage of development in its business plan. The Company's development programme and growth plans, in relation to its commercial activities, including the proposed expansion of staffing levels, together with anticipated general administrative expenses, could result in the Company sustaining significant losses for the foreseeable future. In addition, there are risks associated with such expansion, not least because of the need to control the operating expenses in the period when significant income is starting to be generated.

The Group may not be able to enforce its intellectual property rights, and others may claim that the Group is infringing their intellectual property rights

The Group is the owner of intellectual property rights, including patents, trademarks, designs, copyright, trade secrets and confidential information details of which are set out in Part III of this document.

The Group's success depends in part on its ability to protect its rights in its intellectual property. The Group relies upon various intellectual property protections, including trade secrets, licence agreements, patents, trademarks and contractual provisions, including with current and former employees and contractors, to preserve its intellectual property rights.

The steps which the Group has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Group's intellectual property could have a negative impact on the Group's business and its operating results. Furthermore, the Group may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others. Litigation relating to the Group's intellectual property, whether instigated by the Group to protect its rights or arising out of alleged infringement of third-party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Group's rights.

Factors that could affect the Group's ability to protect its intellectual property rights include the following:

- laws and contractual restrictions may not be sufficient to prevent misappropriation of the Group's technology or to deter others from developing similar technologies;
- effective patent, trademark, copyright and trade secret protection may be unavailable or limited in certain countries; and
- policing the unauthorised use of the Group's products and trademarks is difficult, expensive and time-consuming and the Group may be unable to determine the extent of any unauthorised use.

The Group has a number of pending patent applications. While the Directors are confident that these applications will lead to granted patents, there can be no guarantee that this will be the case. The following risks should be noted as to why the above patent applications may not result in granted patents:

- Separate patentability searches are performed nationally after applications are filed in the various desired countries. If relevant new prior art is found, a national patent office may raise new objections to the national application, which could impact the other national applications.
- Most patent offices provide a mechanism for third parties to file objections against pending patent applications. The patent office will usually require the applicant to address the issues raised in order to grant or maintain a patent.
- Once a patent is granted it can still be challenged by third parties.

Although the Directors believe the Group's products and technology do not infringe on any proprietary rights of others and that the Group has full freedom to operate, any infringement claim against the Group, with or without merit could result in costly litigation or might require the Group to enter into royalty or licensing agreements, which may not be available on terms acceptable to the Group, if at all. Further details of the Group's intellectual property rights are provided in the Patent Report, a copy of which is reproduced in Part III of this document.

Reliance on licences

The Group currently has an exclusive licence with the University of Sydney for the use of a provisional patent to be used in connection with Li additives division which forms a material part of the Group's business. The Group's business in this division is partly dependent on the commercialisation of this technology and as a result the success of this division depends to an extent on its ability to retain this licence. The licence agreement includes certain financial obligations that the Company must fulfill in order to retain licence rights. If the Company defaults in the payment of these fees, the licensor has the right to terminate the licence agreement. Although the Directors believe that the Group has a good working relationship with the licensor, the Company may not be able to fulfill these obligations, and the licensor may terminate a licence agreement. The licence agreement includes an option in favour of the Group to have the intellectual property assigned to it on the satisfaction of certain conditions and payment of a fee and it is the intention of the Directors to exercise this option following Admission and obtain full ownership of the relevant intellectual property.

The Group's future expansion and profitability are dependent on external factors including licensing its technology, products and intellectual property with relevant potential partners

The ability for Gelion to generate sales for existing or new products will depend upon many factors, some of which are beyond the control of the Group, including market acceptance of its technology and products, the ability to manufacture and price products at levels competitive with alternative products, downturns affecting industries into which the products are sold and the availability and price of raw materials.

Among other factors, no assurances can be given that:

- the products will achieve or sustain revenue growth or profitability;
- enhancements to products and further applications can be successfully developed;
- demand for and market acceptance of products and enhancements will grow or continue; or
- the products of the Group will successfully compete with the products of others.

To the extent that demand for the Group's products does not develop or continue due to competition, negative assessment by customers of the financial resources and expertise of the Group, technological change or other factors, the results of operations will be materially and adversely affected.

The Group will be heavily reliant on selecting the right distribution, and other operating or joint venture partners in order to increase sales and profitability through both licensing and joint venture arrangements. There can also be no guarantee that the Group's distribution, and other operating or joint venture partners will generate or contribute the expected sales or profit to the Group and, therefore, the selection of the right partner will need to factor in the available resources of the partner, alignment between the partner and the Group, as well as the commitments in volumes, levels of representation and agreement term.

In particular, the Group will initially be reliant on its Manufacturing and Distribution Agreements with HBL and Battery Energy and the expected income streams flowing into the Company in the future. The Directors believe HBL and Battery Energy are strong and compelling partners for the Group. However, the relationships and the Manufacturing and Distribution Agreements remain in the early phase. If HBL or Battery Energy do not generate the expected sales or income stream due to the Group, the Group's business and its financial condition will be materially impacted unless alternative supply relationships have been established.

Where appropriate partners are not sourced or do not fully align to the Group's expectations, this will result in a materially and adversely affected impact on the Group. In this instance, the Directors may seek to mitigate this impact by working with a number of partners as well as manufacturing its own low volume production, however this may not fully mitigate for any lost income or profitability.

Other technology factors

Many other factors outside of the Group's control may also affect the demand for the Group's battery and the viability of widespread adoption of advanced battery technologies including:

- performance and reliability of battery power products compared to conventional and other non-battery energy sources and alternative battery chemistries;
- success of alternative battery chemistries such as nickel-based batteries, lithium-sulfur batteries, lead-acid batteries, solid-state batteries and conventional lithium-ion batteries and the success of other alternative battery chemistries;
- continued investment by governments, investors, the Group's customers and the availability of government subsidies and incentives to support the development of the battery power industry and specific battery chemistries;
- fluctuations in economic and market conditions that affect the cost of energy stored by batteries such as increases or decreases in the prices of electricity; and
- heightened awareness of environmental issues and concern about global warming and climate change.

Limited negotiating power with large scale OEMs

Given the current scale of the Group, Gelion may have limited negotiating power with tier one or large-scale global original equipment manufacturers (OEMs), which may affect the potential revenues or profitability of future agreements, and as a result impact the Group's expected growth and expansion plans.

The Group's entry into new markets and growth strategies pose operational and financial risks

A key element of the Group's proposed growth strategy will be to enter into new geographic and product markets, using its lithium additives technology as a significant point of differentiation. Because of this, the Group's operating results could be materially adversely affected by a variety of uncontrollable and changing factors linked to expansion challenges, including:

- challenges caused by distance, language and cultural differences;
- legal or regulatory restrictions;
- potential adverse tax consequences; and
- higher costs associated with doing business internationally.

In the future, the Group's business and financial results will depend on maintaining a consistent and cost-effective supply of parts and materials from key suppliers

The Group may only be able to source certain parts or materials from a limited number of suppliers throughout the world. If for any reason, such suppliers ceased or became unable to supply the parts or materials required for the Group's products, the Group may not be able to find alternative resource or supply or may not be able to negotiate such supply on terms that are substantially similar to those on which the parts or materials were previously supplied. Furthermore, any shortage in supply or other failure to obtain parts or materials in sufficient quantities could have a material adverse effect on the Group's business and financial condition. The Group will seek to mitigate this risk by seeking to dual source materials where possible, but this may still not reduce any impact of global demand shortages, quality, cost or availability of supply, which would impact the Group's performance and financial position.

Additionally, the raw materials used in the construction of the Group's products are primarily comprised of metallurgical and bulk chemical commodities which may be subject to price fluctuation and or geographical or geopolitical supply constraints

Unfavourable contract terms and contract extensions

The Group has a small number of contractual and licensing arrangements which include warranties, indemnities and rights to terminate the relevant contract without cause. While the warranties and indemnities are limited in scope and application, they are not, in all cases, limited to the contracting party – they are, in certain cases, extended to third parties.

Such warranties and indemnities create an inherent risk that any liability on the Group's part for any breach could be material. A successful claim under such warranties or indemnities or the exercise of the termination rights may have a significant impact on the Group's performance.

In addition, the Group has entered into certain research and collaboration agreements with the University of Sydney and Deakin University, namely the Research Project Agreement and ARC Industrial Transformation Research Hub Project Agreement, details of which are set out in paragraphs 13.12 and 13.14 respectively of Part VII of this document. These agreements contain provisions allowing a party to terminate the relevant agreement without cause by providing written notice to the other party. These agreements underpin a substantial part of the research done by the Group and their termination would have adverse consequences on the development of the Group's products.

In addition, these agreements are currently due to expire on 31 December 2021 and the terms will need to be extended and the Company cannot guarantee the such extensions will be forthcoming. However, the Directors believe that any risks around the termination or non-extension of these agreements is largely mitigated by the fact that the University of Sydney is a key long term partner of the Group and significant shareholder in the Company.

The Group is exposed to potential product liability

Some of the Group's activities may expose it to potential product liability and professional indemnity risks, as well as litigation and reputational risks, which are inherent in the development and manufacture of its products and future products. Any product liability claim brought against the Group, with or without merit, could result in the increase of the Group's product liability insurance rates or the inability to secure coverage in the future. There can be no assurance that the necessary insurance cover will be available to the Group at a commercially acceptable cost or that, in the event of any claim, the level or extent of insurance carried by the Group now or in the future will be adequate, or that a product liability or other claim would not materially and/or adversely affect the business of the Group.

COVID-19

A high degree of uncertainty exists around the impact of the COVID-19 pandemic on the economy and the Group. Given a significant number of Government schemes designed to support the economy through the pandemic are still in place, the full economic impact of COVID-19 is unknown. It has been suggested that the economic fall-out from COVID-19 could trigger a deep, long-lasting recession which could significantly impact the Group. Finally, there may also be changes as a consequence of COVID-19 that impact the Group and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have the potential to significantly affect the viability of the Group's business model and its ability to be able to trade.

Dependence on key executives and personnel

The Group's development and prospects are dependent upon training and retaining qualified professional, scientific and technical operating staff. In particular, the Group's success depends to a significant degree upon the vision, technical and specialist skills, experience, performance, and continued service of its Directors, senior management and other key personnel. While the Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed and the loss of the services of any of the Directors, senior management or key personnel may have a material adverse effect on the Group and its commercial and financial performance.

Ability to recruit and retain skilled personnel

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Identifying and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Group will have sufficient financial resources. Effective product development and innovation, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining talented technical, engineering and marketing personnel, who represent a significant asset and serve as the source of the Group's technological and product innovations. In addition, to expand the Group's customer base and increase sales, the Group will need to hire additional qualified sales personnel. If the Group is unable to hire, train and retain such personnel in a timely manner, the development and introduction of the Group's products could be delayed and its ability to sell its products and otherwise to grow its business will be impaired and such delay and inability may have a detrimental effect upon the performance of the Group.

The battery market may not mature in the way the Directors expect

The market for batteries is developing. The Directors expect the market to mature to a stage where there is significant demand for its products in agriculture, industrial, solar and wind farms, automotive, oil and gas and grid-utility markets. To meet growth projections batteries need to become widely accepted and utilised in these and other sectors. There is a risk that the market may not mature in this way, or at the pace expected.

Leasehold properties

The Group, in addition to its current leasing arrangements, may enter into additional lease agreements and may therefore incur additional liabilities, including in relation to dilapidations at the conclusion of the leases in excess of provisions the Group has established, which would impact upon the Group's performance.

Development spend may affect profitability

The Group's range of various products are either in final commercial prototyping, manufacturing development, design optimisation or early research stage and, as such, development spend will continue. There is a risk that the Group is unable to meet its projected product release dates, and that development spend may adversely affect financial performance.

The Group faces competition in a rapidly evolving market

Although the Directors believe that significant barriers to entry exist in the markets in which the Group operates, including for example the technical skill and expertise required to develop its battery cells, the Group may face an increasing amount of competition. Competitors may seek to develop products which more successfully compete with the Group's products and they may also adopt more aggressive pricing models or undertake more extensive marketing campaigns. This may have a negative impact on sales volumes or profit margins achieved by the Group in the future.

Government energy market policy may change

The energy markets in many countries rely, to a large degree, on national and international regulatory policy. While the EU, the UK, Australia and the USA have, in recent years, adopted policies and mechanisms actively supporting renewable energy and battery technologies, it is possible that this approach could be modified or changed in the future, including as a result of a change in government or a change in government policy, relating to renewable energy directly or to energy policy more generally. These changes could, in some circumstances, materially affect the Company's business and growth plans.

Environmental and safety regulation could have an adverse impact on the Group

The Group's operations, including its development facilities and manufacturing partners facilities are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial. Although the Directors believe that the Group's and its partners' procedures comply with applicable regulations, the very low risk of accidental contamination or injury from such materials can never be fully eliminated. In the event of an incident, the resulting liabilities could have an adverse impact on the Group. Similarly, many of the Group's

suppliers, collaborators and customers are subject to similar laws and regulations. Contravention of these laws and regulations by such parties could have an adverse impact on the Group.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

General

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Company or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company. Furthermore, as the Company operates in the UK, there is a risk that possible legislative and regulatory changes resulting from changes to UK law and regulation following the UK's exit from the European Union could adversely affect the Company.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and stock market prices. The Company's operations, business and profitability may be affected by these factors, which are beyond the control of the Company.

Economic, political, judicial, administrative, taxation, environmental or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Company may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. The Company inadvertently may not have been and may not be at all times in complete compliance with environmental laws, regulations and permits, and the nature of the Company's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Company violates or fails to comply with environmental laws, regulations and permits, it could be subject to penalties, fines, restrictions on operations or other sanctions, and the Company's operations could be interrupted or suspended.

No prior market for the Ordinary Shares

Before Admission, there has been no prior public market for the Ordinary Shares. The Placing Price has been determined by the Group and may not relate to the Group's net asset value, net worth, or any established criteria or value. Although application has been made for the Ordinary shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected.

Conditionality of the Placing

The Placing is conditional, *inter alia*, upon the Placing Shares having being allotted, Admission becoming effective (in the case of the issue of the Non-Eligible Placing Shares) and the Placing Agreement becoming unconditional in all respects. In the event that the conditions contained in the Placing Agreement are not satisfied or, if capable of waiver, waived, then the Placing will not occur.

Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress the Group may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include the performance of the Group, purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in the Company's shares. The share price for publicly traded companies, particularly those at an early stage of development, such as the Company, can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

Substantial sales of Ordinary Shares

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraphs 13.4 and 13.5 of Part VII of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Investment in AIM traded securities

The Ordinary Shares will be traded on AIM rather than admitted to the Official List. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than the rules for companies admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity (as stated above), therefore making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and they could lose their entire investment in the Company.

Issue of additional Ordinary Shares

Although the Company's business plan does not involve the issue of Ordinary Shares, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

Dividends

Dividend growth in the Ordinary Shares will rely on underlying growth in the Company's business and, in particular, the dividend policy mentioned in Part I of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends by the Company may reduce the level of yield received by Shareholders.

Risks relating to EIS and VCT relief

The Company has applied for and received advance assurance from HMRC that the EIS/VCT Placing Shares will be "eligible shares" for EIS purposes and that, subject to the receipt of a satisfactory compliance statement from the Company, HMRC would be able to authorise the Company to issue "compliance certificates" under the EIS Legislation for the purposes of enabling qualifying individual investors to apply for EIS Relief in respect of their subscription for Ordinary Shares. This advance assurance applies only in relation to the EIS/VCT Placing Shares.

The HMRC advance assurance in connection with EIS was sought on the basis of the legislation as enacted at the date that the advance assurances and confirmation were given, and on the basis of the facts set out in the application made to HMRC. In the event of any change to the legislation, any alteration to the Company's position or the rights attaching to the EIS/VCT Placing Shares, or if HMRC were to consider that all material facts were not set out in the application, the advance assurances and knowledge-intensive company confirmation given by HMRC may not apply.

The advance assurance in respect of EIS relates only to the requirements in the EIS Legislation that relate to the Company and the EIS/VCT Placing Shares, and will not guarantee that any particular investor will be able to obtain EIS Relief in respect of a subscription for EIS/VCT Placing Shares in the Placing. The availability of EIS Relief and the status of the relevant EIS/VCT Placing Shares as a qualifying holding for VCT purposes will be conditional on (amongst other things) the Company and the investor both continuing to satisfy the relevant requirements, under the EIS Legislation, throughout, broadly, the period of three years from the date of issue of the relevant EIS/VCT Placing Shares. Neither the Company, the Board nor the Company's advisers represent, warrant or undertake that the Company or the EIS/VCT Placing Shares will comply with the requirements of the EIS Legislation at or following the EIS/VCT Placing, that investors will be able to obtain EIS Relief in respect of their subscription for EIS/VCT Placing Shares, or that in due course such EIS Relief will not be withdrawn.

Circumstances may arise (which may include the sale of the Company) where the Board believes that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status, or ensures that the Company and/or the EIS/VCT Placing Shares will continue to meet the conditions for EIS Relief. In such circumstances, the Company and the Board cannot undertake to conduct the activities of the Company in a manner designed to preserve any such relief or status. Should the relevant legislation regarding the EIS or VCTs change then eligibility for EIS Relief or qualifying status for VCT purposes previously obtained may be lost.

Any person seeking to obtain EIS Relief or a VCT seeking to invest should consult their own professional tax adviser in order that they may fully understand how the EIS Legislation and VCT Legislation applies in their individual circumstances. In particular, any such person should seek professional tax advice as to whether or not they are considered to be "independent", for the purposes of seeking EIS Relief. There is a risk that such person may consider themselves to be "independent" but HMRC does not agree with such classification.

Any investor who is an existing Shareholder at the time of the Placing will not be eligible to claim EIS Relief on their new investment in the Ordinary Shares.

Taxation

The attention of prospective investors is drawn to paragraphs 19 and 20 of Part VII of this document headed "UK Taxation" and "Australian Taxation" respectively. The tax rules and their interpretation relating to an investment in the Company may change during its life.

Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter

the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change.

Current and prospective investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Costs of being a public company

As a public company, the Company will be required to comply with certain additional laws, regulations and requirements, including the requirements of AIM. Complying with these laws, regulations and requirements will occupy a significant amount of the time of the Board and management and will increase the Company's costs and expenses. The Company expects that compliance with these laws, regulations and requirements will increase its legal and financial compliance costs and is likely to require it to hire additional personnel or consultants. The Company cannot predict or estimate the amount of additional costs which it may incur or the timing of such costs.

In order to comply with these laws, regulations and requirements, the Company will:

- expand the roles and duties of its Board, its Board committees and management;
- institute more comprehensive compliance functions;
- evaluate and maintain its system of internal control over financial reporting, and report on management's assessment of it;
- prepare and distribute periodic public reports in compliance with the Company's obligations under applicable laws and regulations;
- implement more comprehensive internal policies, such as those relating to disclosure controls and procedures and insider trading; and
- involve, to a greater degree, outside counsel and accountants in the above activities.

If the Company fails to take all or any of these actions its ability to report its financial results accurately and in a timely manner could be impaired.

PART III
PATENT REPORT

24 November 2021

Gelion plc
3rd Floor, 141-145 Curtain Road
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finnCap Limited
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Dear Sirs

Report on Intellectual Property Rights

Our Ref: G0035120AUM:SXP:AXG

We have prepared this report for Gelion plc ('Gelion UK'), for the attention of the Directors of Gelion UK, and for finnCap Limited ('finnCap'), Gelion UK's Nominated Adviser, for inclusion in the admission document to be issued by Gelion UK ('Admission Document') in connection with its application for admission of its ordinary shares to trading on the AIM market of the London Stock Exchange.

This Report summarises the details and status of the pending patent applications, patents, trade marks, and other intellectual property (IP) of Gelion UK's subsidiary, Gelion Technologies Pty Limited ('Gelion'). To the best of our knowledge the report is accurate as of the date of this report, subject to the limitations and qualifications set out in Section 11. For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this Report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this Report is, the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two to the AIM Rules for Companies.

1. Executive Summary

In our opinion the patent protection established by Gelion may provide a substantial scope of useful protection in their field of battery technology, in particular zinc bromine battery technology.

Gelion's growing patent portfolio is currently made up of six families of applications, of which one family is largely registered in key jurisdictions worldwide and the remainder being at various stages of examination or international filing.

The portfolio covers a variety of innovative technologies which enhance the performance of zinc bromine batteries. Zinc bromine batteries provide unique advantages compared to other battery technologies including 100 per cent. depth of discharge, improved safety, and operation at high temperature. Although zinc bromine batteries are themselves known, the innovations covered by Gelion's portfolio assist in enabling performance at a commercially viable level which would otherwise be difficult to achieve.

The geographic coverage of the patent portfolio is comprehensive, with larger patent families spanning numerous jurisdictions, and smaller families focussed on key markets of commercial interest (e.g. Australia, India, Taiwan).



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Of the patent families which are currently pending, early indications regarding patentability are generally positive. In our view there is a good probability that the patent portfolio will culminate in significant levels of patent protection over Gelion's key technologies going forward.

Gelion also owns the trade mark 'GELION' which is registered in a number of key jurisdictions worldwide, protecting its brand as the profile and reputation of the company grows. We recommend that Gelion also considers registered trade mark protection for its logo, slogan, and product names.

2. Gelion's patent filing and maintenance policy

At this stage Gelion's patent strategy has been primarily offensive insofar as it has been designed to obtain broad protection in relevant jurisdictions for innovative enabling technologies. Gelion's patent policy has and will continue to involve regular monitoring and assessment of new IP emanating from R&D projects that may serve as a basis for new patent filings, and existing patents (both registered and at the application stage). Additionally, there is the ongoing prosecution, maintenance and development of Gelion's existing IP portfolio.

As a rule, Gelion's first filing for a new invention is made via an Australian provisional application, followed by an international Patent Cooperation Treaty (PCT) application. Convention filing in Taiwan is also considered on a family-by-family basis, and Taiwanese applications have been filed for several patent families.

Prior art searches are conducted internally by Gelion and S&F prior to drafting of a new provisional application. The Australian Patent Office also provides the option of conducting an 'International-type Search' on a provisional application prior to the PCT stage, and this has been utilised by Gelion on occasion.

When responding to examination reports issued by patent offices, Gelion's methodology is to seek the broadest valid claim scope. This is in order to not only ensure that currently envisaged products are protected as comprehensively as possible, but also to protect potential future developments and to develop Gelion's defensive IP position.

In terms of maintenance and IP strategy, quarterly review and assessment of existing patents is performed in view of the current research and development focus to ensure that they either retain value as core IP fundamental to Gelion's main product lines, or alternatively as defensive IP aimed at excluding competitors from a particular market or technology field. In relation to management of maintenance fees specifically, these are in the care of S&F's dedicated renewals administration group.

Only Family 1 of Gelion's patent families had full prior ownership by another entity (the Family 1 provisional applications were filed by the University of Sydney, and transferred to Gelion's ownership at the PCT stage). We are not able to comment in detail on the University's patent filing and maintenance policy, however given their ownership was only for a short duration we do not consider that any elements of their policy have significantly impacted IP now owned by Gelion.

3. Review of Gelion's registered IP

Gelion has developed a substantial portfolio of patents and patent applications covering key innovations enabling zinc-bromine battery technologies. While zinc-bromine batteries are themselves well-known, Gelion has developed a number of innovations which improve battery efficiency and function. Gelion also owns the trade mark 'GELION' which is registered in a number of key jurisdictions worldwide, protecting its brand as the profile and reputation of the company grows. Gelion's registered IP is summarised below.

3.1 Summary of patent families

Family 1 – Gelled ionic liquid film-coated surfaces and uses thereof

Family 1 consists of national phase applications of PCT/AU2015/000062 filed 6 February 2015, and claiming priority to AU 2014905263 filed 24 December 2014 and AU 2014900359 filed 6 February 2014. Full details of these applications may be found in Appendix 10.1.

Geographically, Family 1 covers 27 countries across the Americas, Europe, and Asia, including granted patents in the US, Europe, China, and India.

Twenty-six of the twenty-seven applications in this family are granted. The one pending application is detailed in Appendix 10.2, and is expected to proceed to grant without issue.

The claimed invention of Family 1 relates to a metal halogen battery comprising a gel anolyte and a gel catholyte which are in direct contact with each other (i.e. not requiring a separator or membrane). Metal halogen batteries typically contain a separator or membrane which is a semipermeable physical barrier between the anolyte and the catholyte. This, amongst other roles, reduces the diffusion of halogen from the catholyte to the anolyte which would short circuit the cell. Gelion have found that the halogen can be successfully confined to a gel catholyte which contains an ionic liquid that acts as a halogen sequestering agent, such that this gel catholyte can be in direct contact with a gel anolyte without need for a separator or membrane. This innovative design provides a number of advantages such as eliminating internal stress failure modes, improved spatial control of redox species, improved reaction kinetics, and enabling the 3D printing of cells.

Gelion have advised us that Family 1 relates to a thin-film battery design which is not currently being actively developed by Gelion but is under consideration as a possible future direction. Family 1 also has utility as defensive IP.

Family 2 – Battery with Halogen Sequestering Agent

Family 2 consists of national phase applications of PCT/AU2019/050980 filed 12 September 2019, and claiming priority to AU 2018903432 filed 12 September 2018, and a Convention filing in Taiwan. Full details of these applications may be found in Appendix 10.1.

Geographically, Family 2 covers 21 countries across the Americas, Europe, and Asia.

Family 2 has recently entered the national phase, and substantive examination has only commenced for the European application, for which prosecution was expedited under the EPO's PACE program. A granted European patent is strategically advantageous as it may be used to expedite grant in numerous other countries. The International Preliminary Report on Patentability (Chapter II) (IPRP II) for the Family 2 PCT application indicates that all claims have been found to be novel, and some of the dependent claims have been found novel and inventive. More detailed information regarding the progress of the Family 2 applications is found in Appendix 10.2.

The invention of Family 2 relates to the inclusion of polymeric halogen sequestering agents (HSA's) in metal halogen batteries, either forming part of the active cathode material or incorporated in the separator. Metal halogen batteries typically contain a small molecule HAS's such as *N*-ethyl-*N*-methylpyrrolidinium (MEP) or *N*-ethyl-*N*-propylpyrrolidinium (EPP). However, being small molecules these HSA's are highly mobile which is particularly detrimental in a static vertical prismatic cell, such as that being developed by Gelion, as it leads to uneven distribution of bromine across the cathode. The use of a polymeric HSA addresses this issue as polymeric HSA's are less mobile. This provides a superior means of sequestering halogen species compared to existing methods such as molecular sequestering agents, and provides advantages such as improvement of cathode performance due to uniform halide distribution, improvement of zinc plating quality and suppression of zinc dendrites, and a reduction in the rate of halide crossover and decrease in self-discharge.

Gelion have advised us that they are currently working on replacing the molecular HSA used in their prototype products (tetrabutylammonium bromide, TBAB) with a polymeric HSA due to anticipated issues with the scalability of TBAB that can be resolved by using a polymeric HSA.

Family 3 – Inert Current Collector

Family 3 consists of national phase applications of PCT/AU2020/050154 filed 21 February 2020, and claiming priority to AU 2019900572 filed 22 February 2019, and a Convention filing in Taiwan. Full details of these applications may be found in Appendix 10.1.

Geographically, Family 3 covers the key commercially important jurisdictions of Australia, India, and Taiwan.

Family 3 has only recently entered the national phase and substantive examination has not yet commenced. Should Gelion want to expedite grant of patents in this family, patent prosecution

strategies are available in this regard. The IPRPII for the Family 3 PCT application indicates that some claims have been found to be novel. More detailed information regarding the progress of the Family 3 applications is found in Appendix 10.2.

The invention of Family 3 relates to the use of stainless steel or nickel-based alloy current collectors in non-aqueous metal halogen batteries. Metal halogen batteries typically utilise mixed metal oxide-coated titanium or carbon plastic current collectors, however these have disadvantages such as high cost (for titanium), poor conductivity (for carbon plastic), and manufacturing challenges. The reason these materials are used is that they are resistant to halogens, which are highly corrosive. Gelion have found that stainless steel and nickel based alloy current collectors are surprisingly resistant to halogens in a non-aqueous metal halogen battery, and provide benefits such as lower cost and improved manufacturing characteristics.

Gelion have advised us that Family 3 (similarly to Family 1) relates to a thin-film battery design which is not currently being actively developed but is under consideration as a possible future direction. Family 3 also has utility as defensive IP.

Family 4 – Carbon gel electrode

Family 4 consists of national phase applications of PCT/AU2020/050263 filed 19 March 2020, and claiming priority to AU 2019900911 filed 19 March 2019, and a Convention filing in Taiwan. Full details of these applications may be found in Appendix 10.1.

Geographically, Family 4 covers the key commercially important jurisdictions of Australia, India, and Taiwan.

Family 4 has only recently entered the national phase and national substantive examination has not yet commenced. Should Gelion want to expedite grant of patents in this family, patent prosecution strategies are available in this regard. The IPRPII for the Family 4 PCT application indicates that some claims have been found to be novel. More detailed information regarding the progress of the Family 4 applications is found in Appendix 10.2.

The invention of Family 4 relates to a battery electrolyte for a zinc bromine battery comprising a silica gel with suspended carbon particles. Such a suspension of carbon particles enables the entire electrolyte mass to function as a 3-dimensional electrode. This provides uniform halogen distribution, suppression of zinc dendrites, and enables operation in multiple orientations.

Gelion have advised us that this technology is not currently used in products being actively developed, but may be utilised in future in response to manufacturing requirements.

Family 6 – Energy storage device management system

Family 6 consists of national phase applications of PCT/AU2020/050441 filed 4 May 2020, and claiming priority to AU 2019901539 filed 6 May 2019. Full details of these applications may be found in Appendix 10.1. As the Family 6 PCT application will remain pending until at least 6 November 2021, the option to pursue additional geographic coverage is still available.

Family 6 has only recently entered the national phase and national substantive examination has not yet commenced. Regarding examination at the PCT stage, the Written Opinion of the International Searching Authority for the Family 6 PCT application indicates that no claims are novel or inventive. However, amendments have been filed in response. Should Gelion want to expedite grant of patents in this family, patent prosecution strategies are available in this regard. More detailed information regarding the progress of the Family 6 applications is found in Appendix 10.2.

The invention of Family 6 relates to balancing the charging and discharging of energy storage devices (e.g., batteries). In a battery, multiple cells may be connected in parallel. Differing internal and external characteristics of the individual cells can cause them to have different impedances and thus deliver/receive different electrical current to/from an electrical load/source. This results in disparate states of charge within each cell, which in turn can cause damage to the battery or a loss of capacity or efficiency. Battery management systems (BMS) therefore need to provide a means of balancing the charge of individual cells in a battery. Family 6 provides a means of balancing the charge of individual

cells in a battery by electronic means\.

Gelion have advised us that this technology is not currently used in products being actively developed by Gelion.

Family 10 – Electrochemical cell conditioning cycle

Family 10 consists of an Australian provisional application. Full details of this application may be found in Appendix 10.1.

The invention of Family 10 relates to a method for equalising the charge state of individual cells within a battery and stripping dendrites. The invention of Family 10 addresses the same issue as Family 6, but by a chemical means. Gelion have found that applying a low reverse voltage to a cell causes halogen to 'shuttle' from the catholyte to the anolyte, where it reacts with any zinc dendrites and restores a zero state of charge. The halogen can then be 'shuttled' back to the catholyte by applying a low voltage of normal charging polarity. This method can be deployed in a very cost effective manner in a BMS.

Gelion have advised us that the BMS in Gelion's products currently under development utilises this method.

3.2 *Details of any third parties who may have rights to the patents and patent applications including any third parties, inventors, employees of Gelion, collaborators or bodies who have made grants to Gelion*

Under the terms of the Research Project Agreement under which the IP of Family 10 has been developed (see further discussion under point 7), it could be argued that the University of Sydney currently has rights to Family 10 jointly with Gelion. However, a confirmatory assignment has been executed by the University of Sydney and Gelion stating that to the extent, if any, that Gelion was not the sole owner of the entire right, title and interest in the Family 10 IP at its filing date, the University confirms the assignment of its right, title and interest in the Family 10 IP to Gelion.

As explained below under point 7, it could be argued that under the terms of the Research Project Agreement under which the IP of Family 2, 4, and 10 has been developed, the University of Sydney may be entitled to damages for infringements of Families 2, 4, and 10 (however to the best of our knowledge there have been no such infringements). However, confirmatory assignments have been executed by the University of Sydney and Gelion stating that to the extent, if any, that Gelion was not the sole owner of the entire right, title and interest in the Family 2, 4, and 10 IP at its filing date, the University confirms the assignment of its right, title and interest (including the right to sue for infringement) in the Family 2, 4, and 10 IP to Gelion.

We are advised by Gelion that all inventors who are employees of Gelion warrant in their employment contracts that Gelion is the owner of any IP created by them in the course of their employment.

3.3 *Summary of trade marks*

Gelion has successfully registered the mark GELION in 19 countries worldwide, including the US and Europe, in relation to batteries as well as a range of associated goods. Full details of the trade mark portfolio are set out in Appendix 10.3.

4. *Details of any challenges or disputes relating to any of the patents or patent applications including any challenges to the validity, subsistence or ownership of such rights*

To the best of our knowledge, there have been no third party challenges or disputes relating to any intellectual property rights owned or used by Gelion.

5. *Details of any prospective or alleged infringement by third parties on any of the patent or patent applications of Gelion*

To the best of our knowledge, we are not aware of any prospective or alleged infringement by third parties of any patents or patent applications of Gelion.

6. Details of any circumstances which might affect the patent or patent applications of Gelion, the capacity for Gelion to exploit its patents or patent applications, or the validity, enforceability, subsistence or registration of such rights

In 2017 S&F prepared a freedom to operate opinion for Gelion in respect of products falling within the scope of the PCT claims of Family 1. We did not identify any granted patents or applications that we considered would clearly prevent the exploitation of the subject matter of Family 1. Further, Family 1 relates to different technology than is currently being utilised in Gelion products.

The rights of certain inventors in patent families 2, 4 and 10 who were employees of the University of Sydney at the relevant time have been transferred to Gelion under Research Project Agreements and a consultancy agreement (the Agreements).¹⁴

In the Agreements, 'Project IPRs' created by University personnel are assigned to Gelion "subject to payment of all Fees". While we have been advised that all payments under concluded agreements have been made, we have not conducted further investigations to determine what the relevant time periods were and when relevant payments were made, so as to enable us to ascertain whether all payments had been made at the time the provisional, PCT and Taiwanese filings for patent families 2 and 4 were made.

The agreement which encompasses family 10 still remains on foot, therefore we understand that all fees have not yet been paid to the University of Sydney by Gelion.

Therefore, on review of the face of the Agreements under Australian law, it appears that ownership of Project IPR's (i.e. the rights to the inventions of Families 2, 4, and 10) were (or in the case of Family 10, will be) transferred to Gelion as of the date the final fee payment was (or will be) made. Thus it could be argued that Gelion was not the sole owner of the entire interest in patent families 2 and 4 at the time of the provisional, PCT and Taiwanese filings for these patent families, or the provisional filing for patent family 10, and only became (or will become in the case of Family 10) the sole owner at a later point in time when the payment of the final instalment of fees under relevant Agreement(s) was/is made.

If Gelion was not the sole owner of Family 2, 4 or 10 application at the time of filing there may potentially be adverse consequences for validity in some jurisdictions due to the inaccurate recordal of ownership (as Gelion was recorded as the sole owner). There may also be limitations to Gelion's ability to recover damages for any infringement prior to the date on which it acquired sole ownership.

However, confirmatory assignments executed in October 2021 by the University of Sydney and Gelion state that to the extent, if any, that Gelion was not the sole owner of the entire right, title and interest in the Family 2, 4, and 10 IP at its filing date, the University now confirms the assignment of its right, title and interest (including the right to sue for infringement) in the Family 2, 4, and 10 IP to Gelion. This seeks to confirm that Gelion was the sole owner of Families 2, 4, and 10 from their filing dates, rather than from the date the final instalment of fees under the Research project Agreements was, or will be, made.

The confirmatory assignments seek to mitigate any potential adverse implications for the validity of resulting patent rights in certain jurisdictions, or limitations to Gelion's ability to recover damages for any infringement prior to the date on which it acquired sole ownership (however we are not aware of any such infringement).

Other than the above, based on information provided to us by Gelion, to the best of our knowledge we are not aware of any circumstances which might affect the patents or patent applications owned or used by Gelion, the capacity for Gelion to exploit its patents or patent applications, or the validity, enforceability, subsistence or registration of such patents or patent applications.

¹⁴ CT17279 University of Sydney – Gelion – Research Project Agreement – effective 21 July 2016 (**2016 Research Project Agreement**)
CT23341 University of Sydney – Gelion – Research Project Agreement – effective 7 June 2018 (**2018 Research Project Agreement**)
CT26948 University of Sydney – Gelion – Research Project Agreement – effective 7 December 2019 (**2019 Research Project Agreement**)
CT30343 University of Sydney – Gelion – Research Project Agreement – effective 7 Dec 2020 (research period from 19 December 2020) (**2020 Research Project Agreement**)
CT17290 University of Sydney – Gelion – Consultancy Agreement – effective 1 June 2016 (**Maschmeyer/University Consultancy Agreement**)
CT21010 University of Sydney – Gelion – Variation Agreement #1 – signed 11 May 2018
CT230073 University of Sydney – Gelion – Letter of Variation – signed 1 Apr 2019.

7. Details of any suspected or alleged infringement of third party intellectual property rights by the patents and patent applications of Gelion

We are not aware, based on information provided to us by Gelion, of any suspected or alleged infringement of third party intellectual property rights by the exploitation of the subject matter of the patents and patent applications of Gelion.

8. Conclusion as to the patent protection established by Gelion

Gelion's substantial patent portfolio is currently made up of six families of applications, of which one family is largely registered in key jurisdictions worldwide and the remainder being at various stages of examination or international filing.

The patent portfolio covers a variety of innovative technologies which enhance the performance of zinc bromine batteries. Zinc bromine batteries provide unique advantages compared to other battery technologies including 100 per cent. depth of discharge, improved safety, and operation at high temperature. Although zinc bromine batteries are themselves known, the innovations covered by Gelion's portfolio assist in enabling performance at a commercially viable level which would otherwise be difficult to achieve.

The geographic coverage of the portfolio is well considered with key markets (from the perspective of both sale and manufacture), including larger patent families spanning numerous jurisdictions, and smaller families focussed on locations of key commercial interest (Australia, India, Taiwan).

Early indications regarding the patentability of the various innovations in the portfolio are generally positive. In our view there is a good probability that the patent portfolio will culminate in significant levels of patent protection over Gelion's key technologies going forward.

Gelion also owns the trade mark 'GELION', which is registered in relation to batteries and associated goods in a significant number of key jurisdictions worldwide, such as the US and Europe. Gelion is thus prepared to protect its brand as the profile and reputation of the company grows. We recommend that Gelion also considers registered trade mark protection for its logo and slogan.

Gelion is the recorded owner of all IP described in this Report, and to the best of our knowledge Gelion has not been and is not involved in any third party disputes as to the validity or infringement of any IP.

We therefore conclude that the patent protection established by Gelion to date leaves it very well placed to secure a substantial scope of IP protection in their field of battery technology, in particular zinc bromine battery technology.

Yours faithfully

SPRUSON & FERGUSON

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9. Appendix

9.1 Summary of patent and trade mark families

The below tables are based on information retrieved from S&F's internal database. Publicly available details of all the listed patents and trade marks may be viewed in databases such as Espacenet for patents (<https://worldwide.espacenet.com/>), WIPO's global brand database for trade marks (<https://www3.wipo.int/branddb/en/>), or the registers of national patent and trade mark offices. Patent families which have been abandoned are not discussed in this Report.

Family 1 – Gelated ionic liquid film-coated surfaces and uses thereof (SF ref. P091506)

Applicant/Patentee	Country	Official No.	Case Status	Date of application*	Date of registration	Expiry
Gelion Technologies Pty Ltd	Australia	2015213471	Registered	29 July 2016	17 May 2018	6 February 2035
Gelion Technologies Pty Ltd	Brazil	1120160181050	Registered	3 August 2016	27 July 2021	6 February 2035
Gelion Technologies Pty Ltd	Canada	2938623	Registered	3 August 2016	14 January 2020	6 February 2035
Gelion Technologies Pty Ltd	China	201580013342.X	Registered	12 September 2016	27 September 2019	6 February 2035
Gelion Technologies Pty Ltd	Europe	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Belgium	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Germany	602015031839.0	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Spain	15746255.7	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	France	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	United Kingdom	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Republic of Ireland	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Italy	502019000055377	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	The Netherlands	3103156	Registered	4 August 2016	12 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Hong Kong	1226195	Registered	12 June 2019	7 February 2020	6 February 2035
Gelion Technologies Pty Ltd	Indonesia	IPD000060070	Registered	30 August 2016	24 June 2019	6 February 2035
Gelion Technologies Pty Ltd	Israel	247112	Registered	4 August 2016	1 May 2020	6 February 2035
Gelion Technologies Pty Ltd	India	354620	Registered	25 August 2016	29 December 2020	6 February 2035
Gelion Technologies Pty Ltd	Japan	6431094	Registered	5 August 2016	9 November 2018	6 February 2035
Gelion Technologies Pty Ltd	Japan	6616479	Registered	1 November 2018	15 November 2019	6 February 2035
Gelion Technologies Pty Ltd	Republic of Korea	10-2027825	Registered	2 September 2016	26 September 2019	6 February 2035
Gelion Technologies Pty Ltd	Mexico	370775	Registered	4 August 2016	3 January 2020	6 February 2035
Gelion Technologies Pty Ltd	Malaysia	MY-175468-A	Registered	5 August 2016	29 June 2020	6 February 2035
Gelion Technologies Pty Ltd	New Zealand	722728	Registered	29 July 2016	30 July 2019	6 February 2035
Gelion Technologies Pty Ltd	Russian Federation	2672059	Registered	5 September 2016	9 November 2018	6 February 2035
Gelion Technologies Pty Ltd	Singapore	11201606504Q	Registered	5 August 2016	18 July 2018	6 February 2035
Gelion Technologies Pty Ltd	USA	10122049	Registered	4 August 2016	6 November 2018	6 February 2035
Gelion Technologies Pty Ltd	Vietnam	1-2016-03310	Pending	6 September 2016	–	–
Gelion Technologies Pty Ltd	Republic of South Africa	2016/05364	Registered	4 August 2016	27 September 2017	6 February 2035

* National/regional phase entry date provided for national/regional applications. The effective filing date (i.e. date of filing of the Family 1 PCT application) is 6 February 2015 for this family.

Family 2 – Battery with Halogen Sequestering Agent (SF ref. P309905)

Applicant/Patentee	Country	Official No.	Case Status	Date of application*
Gelion Technologies Pty Ltd	Australia	2019338937	Pending	26 February 2021
Gelion Technologies Pty Ltd	Brazil	11 2021 004708.5	Pending	12 March 2021
Gelion Technologies Pty Ltd	Canada	3111585	Pending	4 March 2021
Gelion Technologies Pty Ltd	China	201980062688.7	Pending	24 March 2021
Gelion Technologies Pty Ltd	Europe	19860938.0	Pending	22 October 2020
Gelion Technologies Pty Ltd	Indonesia	P00202101809	Pending	10 March 2021
Gelion Technologies Pty Ltd	Israel	281437	Pending	11 March 2021
Gelion Technologies Pty Ltd	India	202117010124	Pending	10 March 2021
Gelion Technologies Pty Ltd	Japan	2021-513770	Pending	11 March 2021
Gelion Technologies Pty Ltd	Republic of Korea	10-2021-7008976	Pending	25 March 2021
Gelion Technologies Pty Ltd	Mexico	MX/a/2021/002667	Pending	5 March 2021
Gelion Technologies Pty Ltd	Malaysia	PI2021001240	Pending	9 March 2021
Gelion Technologies Pty Ltd	New Zealand	773382	Pending	26 February 2021
Gelion Technologies Pty Ltd	The Philippines	1-2021-550495	Pending	9 March 2021
Gelion Technologies Pty Ltd	Russian Federation	2021107677	Pending	23 March 2021
Gelion Technologies Pty Ltd	Singapore	11202102468P	Pending	11 March 2021
Gelion Technologies Pty Ltd	Thailand	2101001298	Pending	8 March 2021
Gelion Technologies Pty Ltd	Taiwan	108133060	Pending	12 September 2019
Gelion Technologies Pty Ltd	United States of America	17/274892	Pending	10 March 2021
Gelion Technologies Pty Ltd	Vietnam	1-2021-01826	Pending	5 April 2021
Gelion Technologies Pty Ltd	Republic of South Africa	2021/01565	Pending	8 March 2021

* National/regional phase entry date provided for national/regional applications. The effective filing date (i.e. date of filing of the Family 2 PCT application) is 12 September 2019 for this family.

Family 3 – Inert Current Collector (SF ref. P0000281)

Applicant/Patentee	Country	Official No.	Case Status	Date of application*
Gelion Technologies Pty Ltd	Australia	2020224696	Pending	23 June 2021
Gelion Technologies Pty Ltd	India	202117029513	Pending	30 June 2021
Gelion Technologies Pty Ltd	Taiwan	109105766	Pending	21 February 2020

* National/regional phase entry date provided for national/regional applications. The effective filing date (i.e. date of filing of the Family 3 PCT application) is 21 February 2020 for this family.

Family 4 – Carbon gel electrode (SF ref. P0004599)

Applicant/Patentee	Country	Official No.	Case Status	Date of application*
Gelion Technologies Pty Ltd	Australia	2020243832	Pending	22 June 2021
Gelion Technologies Pty Ltd	India	202117034502	Pending	30 July 2021
Gelion Technologies Pty Ltd	Taiwan	109109231	Pending	19 March 2020

* National/regional phase entry date provided for national/regional applications. The effective filing date (i.e. date of filing of the Family 4 PCT application) is 19 March 2020 for this family.

Family 6 – Energy storage device management system (SF ref. P0007037)

Applicant/Patentee	Country	Official No.	Case Status	Date of application*
Gelion Technologies Pty Ltd	PCT	PCT/AU2020/050441	Pending	4 May 2020
Gelion Technologies Pty Ltd	Australia	2020269077	Pending	14 September 2021
Gelion Technologies Pty Ltd	India	202117041718	Pending	15 September 2021

* National/regional phase entry date provided for national/regional applications. The effective filing date (i.e. date of filing of the Family 6 PCT application) is 4 May 2021 for this family.

Family 10 – Electrochemical cell conditioning cycle (SF ref. P0028070AU)

Applicant/Patentee	Country	Official No.	Case Status	Date of application
Gelion Technologies Pty Ltd	Australia	2021902719	Pending	25 August 2021

9.2 Progress of patent applications

Family 1 – Gelated ionic liquid film-coated surfaces and uses thereof (SF ref. P091506)

Applicant/Patentee	Country	Official No.	Progress of application	Estimated grant date
Gelion Technologies Pty Ltd	Vietnam	1-2016-03310	Grant fees paid September 2021, awaiting grant	2022

Family 2 – Battery with Halogen Sequestering Agent (SF ref. P309905)

Applicant/Patentee	Country	Official No.	Progress of application	Estimated grant date*
Gelion Technologies Pty Ltd	Australia	2019338937	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	Brazil	11 2021 004708.5	Awaiting first Examiner's Report	2029
Gelion Technologies Pty Ltd	Canada	3111585	Awaiting first Examiner's Report	2027
Gelion Technologies Pty Ltd	China	201980062688.7	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	Europe	19860938.0	Extended European Search Report and Opinion received – all claims found novel, inventive step objection raised	2023
Gelion Technologies Pty Ltd	Indonesia	P00202101809	Awaiting first Examiner's Report	2023
Gelion Technologies Pty Ltd	Israel	281437	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	India	202117010124	Awaiting first Examiner's Report	2026
Gelion Technologies Pty Ltd	Japan	2021-513770	Awaiting first Examiner's Report	2026
Gelion Technologies Pty Ltd	Republic of Korea	10-2021-7008976	Awaiting first Examiner's Report	2024
Gelion Technologies Pty Ltd	Mexico	MX/a/2021/002667	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	Malaysia	PI2021001240	Awaiting first Examiner's Report	2024
Gelion Technologies Pty Ltd	New Zealand	773382	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	The Philippines	1-2021-550495	Awaiting first Examiner's Report	2024
Gelion Technologies Pty Ltd	Russian Federation	2021107677	Awaiting first Examiner's Report	2024
Gelion Technologies Pty Ltd	Singapore	11202102468P	Awaiting first Examiner's Report	2025
Gelion Technologies Pty Ltd	Thailand	2101001298	Awaiting first Examiner's Report	2028
Gelion Technologies Pty Ltd	Taiwan	108133060	Awaiting first Examiner's Report	2023
Gelion Technologies Pty Ltd	United States of America	17/274892	Awaiting first Examiner's Report	2023
Gelion Technologies Pty Ltd	Vietnam	1-2021-01826	Awaiting first Examiner's Report	2024
Gelion Technologies Pty Ltd	Republic of South Africa	2021/01565	Awaiting first Examiner's Report	2023

* Based on average time to grant in each jurisdiction.

Family 3 – Inert Current Collector (SF ref. P0000281)

Applicant/Patentee	Country	Official No.	Progress of application	Estimated grant date*
Gelion Technologies Pty Ltd	Australia	2020224696	Awaiting first Examiner's Report	2026
Gelion Technologies Pty Ltd	India	202117029513	Awaiting first Examiner's Report	2027
Gelion Technologies Pty Ltd	Taiwan	109105766	Awaiting first Examiner's Report	2024

* Based on average time to grant in each jurisdiction.

Family 4 – Carbon gel electrode (SF ref. P0004599)

Applicant/Patentee	Country	Official No.	Progress of application	Estimated grant date*
Gelion Technologies Pty Ltd	Australia	2020243832	Awaiting first Examiner's Report	2026
Gelion Technologies Pty Ltd	India	202117034502	Awaiting first Examiner's Report	2027
Gelion Technologies Pty Ltd	Taiwan	109109231	Awaiting first Examiner's Report	2024

* Based on average time to grant in each jurisdiction.

Family 6 – Energy storage device management system (SF ref. P0007037)

Applicant/Patentee	Country	Official No.	Progress of application	Estimated grant date*
Gelion Technologies Pty Ltd	Australia	2020269077	Awaiting first Examiner's Report	2026
Gelion Technologies Pty Ltd	India	202117041718	Awaiting first Examiner's Report	2027

9.3 Summary of trade marks

Mark: *GELION*

Registered proprietor/ Applicant	Country	TM Number	Status	Filing Date	Registration Date	Next Renewal Date	Classes
Gelion Technologies Pty	Australia	1822759	Registered	30 Jan 2017	30 Jan 2017	30 Jan 2027	09
Gelion Technologies Pty	Brazil	912479418	Registered	24 Mar 2017	6 Nov 2018	6 Nov 2028	09
Gelion Technologies Pty	Canada	TMA1055716	Registered	31 Jan 2017	23 Sep 2019	23 Sep 2029	09
Gelion Technologies Pty	Hong Kong	304035366	Registered	1 Feb 2017	31 Jan 2017	31 Jan 2027	09
Gelion Technologies Pty	Indonesia	IDM000614295	Registered	7 Feb 2017	7 Feb 2017	7 Feb 2027	09
Gelion Technologies Pty	Malaysia	2017001080	Registered	2 Feb 2017	30 Jan 2017	30 Jan 2027	09
Gelion Technologies Pty	South Africa	2017/02612	Registered	31 Jan 2017	31 Jan 2017	31 Jan 2027	09
Gelion Technologies Pty	United Kingdom	UK00801366180	Registered	19 Mar 2017	19 Mar 2017	19 Mar 2027	09
Gelion Technologies Pty	International Registration (Madrid Protocol)	1366180	Registered	19 Mar 2017	19 Mar 2017	19 Mar 2027	09
Designated Countries:							
Gelion Technologies Pty	China	1366180	Pending	19 Mar 2017	N/A	N/A	09
Gelion Technologies Pty	European Union	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Israel	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	India	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Japan	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Mexico	1902072	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	New Zealand	1077096	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Republic of Korea	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Russia	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Singapore	40201718882S	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	United States of America	5461477	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09
Gelion Technologies Pty	Vietnam	1366180	Protected	19 Mar 2017	19 Mar 2017	Renewal of IR	09

10. Limitations and disclaimers

10.1 Search limitations

10.1.1 General

The prior art (or “novelty”) searches conducted by the various patent offices to determine whether a patent should be granted are limited in terms of the time periods and the geographical areas covered. Thus, the databases used in searching may not include older published documents and may not cover certain jurisdictions. Further, all searches are subject to the accuracy and scope of the material searched as well as the classification criteria adopted. Accordingly, whilst the searches conducted by various patent offices provide a reasonable indication of patentability, these and other factors make it impossible to guarantee that every relevant prior art record has been identified and considered. Hence, any conclusions regarding the validity of claims in a patent based on patent office searches should be regarded as indicative rather than conclusive.

10.1.2 Unpublished Documents

Searches cannot locate documents which have not been published at the time of conducting the search. In most countries, publication of a patent application does not occur until 18 months from the earliest priority date. Delays between official publication and the implementation of information onto the relevant databases can also occur.

10.1.3 Non-patent prior art documents and disclosure

No search can ever be considered entirely conclusive or exhaustive because some forms of prior art such as prior public use, oral disclosures, prior commercial exploitation and prior publication in certain non-patent literature, cannot be searched systematically.

10.1.4 Commercialisation/Secret Use

The commercialisation or secret use of an invention that is the subject of a patent application can affect the patentability of the invention and the validity of any patent granted on the

invention. Such commercialisation or secret use is unlikely to be identified by documentary searches of publicly accessible databases.

10.1.5 *Reliance on cited prior art classification*

The views expressed in relation to relevance of the prior art cited in various searching and examination reports are based on the relevant classification attributed in such reports.

10.1.6 *Searching and other matters relevant to validity*

Searching may not disclose other matters relevant to validity including, for example, matters relevant to obviousness (i.e. inventive step).

10.2 **Examination Reports in one Country Not Binding in Other Countries**

Patent applications lodged in each country in many cases are subject to an independent search and examination by the local patent office, the results of which are not binding in other jurisdictions. Equally, international PCT search and examination reports are not binding on national patent applications during examination in the national phase. Such search and/or examination reports should therefore be regarded as relevant to patentability in the particular jurisdiction and not determinative of patentability elsewhere. Furthermore, grant of a patent in one country does not guarantee that patent/s for the same or related inventions will be granted in other countries.

Furthermore, each jurisdiction has its own laws and particular requirements that must be met for the grant and maintenance of a patent. Accordingly, the assessment of patentability varies from one jurisdiction to another. Furthermore, examination of patent applications often occurs at different times in different jurisdictions. Consequently, there is a risk that a patent may be granted in one jurisdiction before a relevant prior art document has been cited in another jurisdiction.

10.3 **Grant of Patent Provides no Guarantee of Validity**

Grant of a patent by a national patent office provides an indication rather than a guarantee of its validity. In most jurisdictions, a patent application is subject to substantive examination prior to grant. Although this process confers an initial presumption of validity, a patent may be challenged at any time after grant by way of revocation proceedings undertaken in a court of competent jurisdiction. In certain countries a granted patent may be subjected to re-examination by the patent office, particularly if relevant prior art is identified that was not considered during initial examination of the application.

10.4 **Grant of Patent Provides no Guarantee of Non-infringement**

Grant of a patent provides no guarantee that the patentee is entitled to commercially exploit the patented invention. For example, the working of an invention, even if validly patented, may nevertheless infringe an earlier patent or other intellectual property rights.

10.5 **Scope of Claims May Vary During Examination**

It may be possible, and is often necessary, during the examination of a patent application to define the invention more specifically by amendment of the claims to distinguish the invention over relevant prior art. Accordingly, there may be variations in the claims between countries, reflecting in part the different national examination procedures and threshold patentability requirements. Such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

10.6 **Enforcement of Patent Rights**

Upon grant of a patent, a patentee may initiate proceedings against an alleged infringer of the patent. In many jurisdictions, damages for infringement may be awarded for infringements occurring from the date of publication of the patent specification, provided certain criteria are met.

10.7 **Infringement of the rights of others**

As noted above, searches conducted during patent prosecution do not provide any guarantee that the subject inventions may be commercially exploited without risk of infringement of third parties. More

particularly, searches focused on novelty and inventive step have different strategies from infringement searches (which seek to establish whether a specific activity is likely to infringe other parties' patent rights).

10.8 **Entitlement to Priority**

In order for a claim of a patent or patent application to be entitled to the priority date of a corresponding provisional application, the provisional application must disclose (for Australia under the current patent law) "the invention in the claim in a manner that is clear enough and complete enough for the invention to be performed by a person skilled in the relevant art". Similar provisions apply in other jurisdictions. Subject matter not so disclosed may not be entitled to the claim to priority, which may affect patentability of the subject invention or the validity of any patent that may be granted.

10.9 **Changes to Patent and Trade Mark Law**

From time to time the statutory basis governing patents in a particular jurisdiction may be amended by the relevant authority, typically the government of that jurisdiction. In addition, the practical effect of the statute may evolve by the development of case law, that is, by the interpretation of the statute by the relevant Courts.

10.10 **Duty of disclosure**

In some jurisdictions there is a duty to disclose certain information to the relevant Patent Office. This information can include search results issued in respect of corresponding foreign applications, and/or any prior art information known to the applicant or its agents, which can be considered material to the patentability of the relevant invention. Failure to disclose such information in accordance with jurisdictional requirements can adversely affect the validity and/or enforceability of the relevant patent.

10.11 **Reliance on information provided**

This Report is based on information derived from the records of Spruson & Ferguson, except where otherwise noted. The preparation of this Report has included access to and reliance on information contained in publicly available databases relevant to the patent applications and trade marks. Spruson & Ferguson is not responsible for the accuracy of information available in public databases.

In addition, in preparing this report, we have assumed that:

- all copies of documents reviewed are accurate and complete and all factual statements and representations made in each document are accurate and complete;
- except where expressly stated otherwise, each agreement reviewed has been duly authorised and validly executed by all parties, binds the parties in accordance with its terms, is not liable to be terminated, varied, revoked or repudiated by any party, and the parties have complied with their obligations under the agreement; and
- Gelion is not aware of any information that could affect the correctness of the opinions expressed in this report which was not communicated to us.

11. Spruson & Ferguson's interest

S&F are engaged by Gelion for professional patent and trademark services. S&F has been and continues to be involved in the preparation, filing and prosecution of patent and trade mark applications, including those set out in this Report. No attorneys involved in preparing this Report or working on Gelion matters have any financial interest in Gelion over and above the fees charged for the professional work done. The fees charged for that professional work, including the preparation of this Report, are based upon S&F's standard rates of charging.

PART IV
HISTORICAL FINANCIAL INFORMATION ON THE GROUP
SECTION A – Accountant’s Report



BDO LLP
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The Directors
Gelion plc
3rd Floor, 141-145 Curtain Road
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EC2A 3BX

24 November 2021

finnCap Limited
One Bartholomew
Barts Square
London
EC1A 7BL

Dear Sir or Madam

Gelion plc (the “Company”) and its subsidiary (together the “Group”)

Introduction

We report on the financial information set out in Part IV of the admission document dated 24 November 2021 of Gelion plc (the “Company”) (the “Admission Document”).

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 June 2019, 2020 and 2021 and of its losses, cash flows, changes in equity for the three years ended 30 June 2019, 2020 and 2021 in accordance with International Accounting Standards as adopted by the United Kingdom.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Accounting Standards as adopted by the United Kingdom.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Group in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

DRAFT

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B – Historical Financial Information on the Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended

	Notes	30 June 2019 £	30 June 2020 £	30 June 2021 £
Revenue from contracts with customers	4	–	106,431	351,485
Gross profit		–	106,431	351,485
Other income	5	1,009,243	1,323,855	1,279,717
Administrative expenses		(2,176,750)	(2,321,226)	(2,565,977)
Research and development expenditure		(1,237,043)	(1,407,456)	(862,732)
Operating Loss	6	(2,404,550)	(2,298,396)	(1,797,507)
Finance costs		–	(50,760)	(7,852)
Finance income		112	16,663	8,277
Loss on ordinary activities before taxation		(2,404,438)	(2,332,493)	(1,797,082)
Tax on loss on ordinary activities	8	–	–	–
Loss on ordinary activities after taxation		(2,404,438)	(2,332,493)	(1,797,082)
Total loss for the year attributable to equity holders of the parent				
Other comprehensive income:				
Items that may be reclassified to profit or loss				
– Exchange gains/(losses) arising on translation of foreign operations	7	(535)	(22,590)	(106,120)
Total comprehensive loss for the year attributable to equity holders of the parent		<u>(2,404,973)</u>	<u>(2,355,083)</u>	<u>(1,903,202)</u>
Loss per share (basic and diluted) attributable to the equity holders (£)	9	(1.53)	(0.71)	(0.54)

The above results relate entirely to continuing activities.

There were no acquisitions or disposals of businesses in the period.

The accompanying notes form part of this financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	1 July 2018 £	30 June 2019 £	30 June 2020 £	30 June 2021 £
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	12	154,686	232,499	317,321	312,713
Property, Plant and Equipment	13	75,796	147,995	448,757	553,213
CURRENT ASSETS					
Cash and cash equivalents	15	2,050,800	4,374,585	3,777,580	1,913,153
Trade and other receivables	14	403,020	1,156,697	1,360,446	1,250,338
TOTAL ASSETS		<u>2,684,302</u>	<u>5,911,776</u>	<u>5,904,104</u>	<u>4,029,417</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	183,633	622,455	397,667	434,704
NON-CURRENT LIABILITIES					
Trade and other payables	16	–	–	91,468	7,478
TOTAL LIABILITIES		<u>183,633</u>	<u>622,455</u>	<u>489,135</u>	<u>442,182</u>
NET ASSETS		<u>2,500,669</u>	<u>5,289,321</u>	<u>5,414,969</u>	<u>3,587,235</u>
EQUITY					
Issued capital	18	22,362	29,786	33,362	33,362
Share premium account	18	4,112,979	8,943,655	11,251,317	11,251,317
Foreign currency translation reserve	18	(71,320)	(71,855)	(94,445)	(200,565)
Share-based payments reserve	19	291,382	646,907	816,400	891,868
Accumulated losses		<u>(1,854,734)</u>	<u>(4,259,172)</u>	<u>(6,591,665)</u>	<u>(8,388,747)</u>
TOTAL EQUITY		<u>2,500,669</u>	<u>5,289,321</u>	<u>5,414,969</u>	<u>3,587,235</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2019 £	30 June 2020 £	30 June 2021 £
Cash flow from operating activities			
Loss for the year	(2,404,438)	(2,332,493)	(1,797,082)
Adjustments for:			
– depreciation	24,293	143,776	220,299
– amortisation	81	65	40,702
– finance costs	–	50,760	7,852
– finance income	(112)	(16,663)	(8,277)
– impairment of intangible fixed assets	5,826	5,669	–
– loss on disposal of intangible fixed assets	–	–	54,880
– loss on disposal of Property, Plant and Equipment	13,295	–	–
– share based payments expense	355,525	169,493	75,468
– lease interest paid	–	(9,274)	(7,852)
Changes in operating assets/liabilities			
– Decrease/(increase) in receivables	(668,445)	(229,397)	74,925
– Decrease/(increase) in prepayments	(85,232)	25,648	35,183
– Increase/(decrease) in payables	438,822	(332,995)	30,704
Net cash used in operating activities	<u>(2,320,385)</u>	<u>(2,525,411)</u>	<u>(1,273,198)</u>
Cashflows from investing activities			
Purchase of intangible fixed assets	(85,723)	(84,466)	(99,941)
Purchase of tangible fixed assets	(110,743)	(144,771)	(287,669)
Interest received	112	16,663	8,277
Net cash used in investing activities	<u>(196,354)</u>	<u>(212,574)</u>	<u>(379,333)</u>
Cashflows from financing activities			
Proceeds from issue of shares	4,838,100	2,311,238	–
Repayment of leasing liabilities	–	(94,004)	(125,877)
Net cash used in financing activities	<u>4,838,100</u>	<u>2,217,234</u>	<u>(125,877)</u>
Net (decrease)/increase in cash held	2,321,361	(520,751)	(1,778,408)
Cash and cash equivalents at beginning of financial year	2,050,800	4,374,585	3,777,580
Effect of exchange rate changes	2,424	(76,254)	(86,019)
Cash and cash equivalents at end of financial year	<u><u>4,374,585</u></u>	<u><u>3,777,580</u></u>	<u><u>1,913,153</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital</i> £	<i>Share premium</i> £	<i>Accumulated Losses</i> £	<i>Share-based payment reserve</i> £	<i>Foreign currency translation reserve</i> £	<i>Total</i> £
Balance at 1 July 2018	22,362	4,112,979	(1,854,734)	291,382	(71,320)	2,500,669
Total comprehensive loss for the year	–	–	(2,404,438)	(–)	(535)	(2,404,973)
Share-based payments charge	–	–	–	355,525	–	355,525
Shares issued during the period	7,424	4,830,676	–	–	–	4,838,100
Balance at 30 June 2019	29,786	8,943,655	(4,259,172)	646,907	(71,855)	5,289,321
Balance at 1 July 2019	29,786	8,943,655	(4,259,172)	646,907	(71,855)	5,289,321
Total comprehensive loss for the year	–	–	(2,332,493)	–	(22,590)	(2,355,083)
Share-based payments charge	–	–	–	169,493	–	169,493
Shares issued during the period	3,576	2,307,662	–	–	–	2,311,238
Balance at 30 June 2020	33,362	11,251,317	(6,591,665)	816,400	(94,445)	5,414,969
Balance at 1 July 2020	33,362	11,251,317	(6,591,665)	816,400	(94,445)	5,414,969
Total comprehensive loss for the year	–	–	(1,797,082)	–	(106,120)	(1,903,202)
Share-based payment charge	–	–	–	75,468	–	75,468
Balance at 30 June 2021	33,362	11,251,317	(8,388,747)	891,868	(200,565)	3,587,235

The accompanying notes form part of this financial information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Gelion plc (“Gelion”) is a 100 per cent. owner of an Australian subsidiary that conducts research and development in respect of an innovative battery system and associated industrial design and manufacturing.

The company is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 141-145 Curtain Road, London, EC2A 3BX.

The Board, Directors and Management referred to in this document refers to the Board, Directors and Management of Gelion.

2. ACCOUNTING POLICIES

2.1 *Basis of preparation*

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The Historical Financial Information has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Historical Financial Information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historical Financial Information is presented in Great British Pounds (GBP) unless otherwise stated, which is the Company’s presentational currency and the parent company’s functional currency. The functional currency of the subsidiary is Australian Dollars (AUD). The provision of services by the Group is entirely in AUD, therefore it is considered that the functional currency of the Group is AUD. The policies adopted for translation of the subsidiary’s assets, liabilities, income and expenses are set out in note 2.18.

2.2 *Basis of consolidation*

The Historical Financial Information consolidates the financial information of Gelion plc and of its subsidiary undertaking drawn up to each reporting date.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of the elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following was a subsidiary undertaking of the Group:

<i>Name</i>	<i>Registered office</i>	<i>Class of shares</i>	<i>Holding</i>
Gelion Technologies Pty Limited	Australia	Ordinary A	100%

The shareholding is held directly.

The registered office of Gelion Technologies Pty Limited is Level 16, 101 Miller Street, North Sydney, NSW 2060.

2.3 **First-time adoption of IFRS**

Historically the Company has prepared statutory accounts under Section 1A of FRS 102. The financial information for the year ended 30 June 2019 represent the first time that the Group has prepared consolidated financial information under IFRS. A Consolidated Statement of Financial Position as at 1 July 2018, the date of transition to IFRS, has been disclosed in this Historical Financial Information. The directors consider that the Consolidated Statement of Financial Position at this date would be the same if prepared under previous GAAP as prepared under IFRS and that transition to IFRS does not require adjustment to any of the figures stated in the Consolidated Statement of Comprehensive Income. On this basis a full reconciliation of Group equity at the transition date has not been prepared. The subsidiary undertaking prepares statutory accounts under Australian Accounting Standards which have no differences from IFRS, therefore no adjustments are required in the consolidation of this entity. IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

2.4 **Going concern**

The Historical Financial Information has been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

After reviewing the Group's forecasts and projections and considering the proceeds of the Placing, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group has therefore adopted the going concern basis in preparing the Historical Financial Information. In addition to the proposed placing, the Group on 15 September 2021 raised £6 million by issuing convertible loan notes accruing interest at 10 per cent. per annum. No interest is payable until 31 March 2022 and quarterly interest payments will start accruing from the date of issue. These loan notes will automatically convert to equity on IPO at the conversion price of 75 per cent. of the share issue price on IPO or can be redeemed three years from the date of issue (if there is no IPO).

The Group also entered into a R&D tax factoring agreement on 5 August 2021 consisting of two tranches. Tranche A loan facility of AUD 1,565,000 (£832,000) was drawn down in full on 6 August 2021. The Tranche A loan was repaid in full on 1 October 2021 and the loan facility in relation to Tranche A has now been cancelled. The Tranche B loan facility of AUD 1,435,000 (£763,000) is yet to be drawn down and the Group does not envisage using this tranche. The Tranche B loan facility has an availability period to 31 July 2022 and a final repayment date of 31 December 2022, if drawn. It will be charged interest of 11 per cent. p.a.

2.5 **Revenue recognition**

The Group recognises revenue as follows:

Revenue from contracts with customers (IFRS 15)

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Group's revenue from non-recurring engineering ("NRE") services comprises revenue from supply and installation of mobile lights and solar photovoltaic building battery systems pursuant to a contract and is recognised under IFRS 15. Under the terms of the contract, the Group is contractually restricted from redirecting the work to another customer and has an enforceable right to payment for work done. Revenue is recognised over time under IFRS 15.

The Group becomes entitled to invoice customers for work done based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. The project milestones were related to design and installation of the light towers at the University of Sydney. These milestones include concept design, detailed design review, delivery and acceptance of goods, interim completion including site acceptance testing and operation manuals. The milestones and related performance obligations are satisfied on acceptance from the customer. There is

not considered to be a significant financing component as the period between the recognition of revenue and the milestone payment is always less than one year.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Finance income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.6 Other income

Grants and other benefits received from the government are recognised in the statement of comprehensive income at the fair value of the cash received. Government grants are primarily research and development incentives. This represents a refundable tax offset that is available on eligible research and development expenditure incurred by the Group.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.7 Taxation

The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the national income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and adjustments recognised for prior periods where applicable.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to owners of Gelion plc, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.10 Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
Office equipment	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

2.11 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

2.12 Intangible assets

Research and development

Research and development expenditure is recognised as an expense as incurred.

Patents and trademarks

Separately acquired trademarks and patents are recognised at historical cost. Patents have a finite life and are subsequently carried at cost less accumulated amortisation. Separately acquired trademarks are shown at historical cost. They are considered to have infinite lives and are assessed for impairment at each year end. The Group amortises intangible assets with a limited useful life using the straight-line method over their expected useful lives as follows:

Patents	15 – 20 years
---------	---------------

2.13 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

To date all impairments that have been recognised have been due to patent costs capitalised in respect of patent applications that have subsequently lapsed or been rejected. When this occurs, the Group fully impairs the carrying amount of the patent at that date.

2.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2.15 Financial Instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other

gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) *Impairment*

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.16 **Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term obligations

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations

Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. Contributions are paid into the fund nominated by the employee.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

2.17 **Share-based payments**

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions) in the parent entity.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model. This calculation is completed by the parent entity.

The cost of these equity-settled transactions is recognised as an expense, with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to profit and loss is the product of:

- the grant date fair value of the award;
- the current best estimate of the number of awards that will vest; and
- the expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to the share based payment reserve in equity.

2.18 Foreign currency translation

The functional currency of each company in the Group is that of the primary economic environment in which the entity operates. Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rates of exchange ruling at the period end. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the statement of comprehensive income. On consolidation, the assets and liabilities of the Group entities that have a functional currency different to the presentational currency are translated into GBP as the closing rate at the date of the statement of financial position. Income and expenses for each statement of profit or loss are translated at average exchange rates for the period. Exchange differences are recognised in other comprehensive income.

2.19 Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Retained losses includes all current and prior period results as disclosed in the statement of comprehensive income.

2.20 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2.21 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, or areas of assumptions and estimates are:

Critical accounting judgements

- R&D Tax Incentives
From 1 July 2011 the Australian Government has provided a tax incentive, in the form of a refundable tax offset of 43.5 per cent., for eligible research and development expenditure. Management has assessed its research and development activities and expenditure and applied judgement in determining which expenses are likely to be eligible under the scheme. For the period ended 30 June 2021 the Group has recorded other income of £1,209,677 based on expected tax refunds to be received from the government. For 2020 and 2019, the refundable tax has been received in full.
- Recognition of a deferred tax asset
The Group has incurred tax losses in both Australia and the UK in each of the periods reported in this Historical Financial Information. No deferred tax asset has been recognised in respect of these losses, as the directors believe that there is not sufficient certainty over future profits that would utilise them.

Key sources of estimation uncertainty

- Estimation of useful lives of Property, Plant & Equipment and Intangible assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Patents are recognised at cost. Management believes this is the best estimate at the current time, during the research and development phase. The key assumption for amortisation is the useful life which is determined by the life of the patent (grant to expiration date – usually 15-20 years). The directors do not believe that a future change in the useful life of patents is probable in the foreseeable future.

Trademarks are recognised at cost. Management believes this is the best estimate at the current time. The key assumption for Trademarks is they have an infinite life as they do not have an expiration date.

- Impairment of patents and trademarks

The Group assesses impairment of patents and trademarks at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. To date the only impairments recognised have been due to patent costs capitalised in respect of patent applications that have subsequently lapsed or been rejected. In these instances the Group fully impairs the carrying amount of patent at that date.

- Derecognition of intangible assets (patents and trademarks)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

- Recognition of equity-settled share-based payments

The cost of equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model. The Group applies a graded vesting approach, whereby the instruments are split into tranches according to the vesting conditions applied. Please refer to note 19 for the key assumptions and inputs used in the model to determine the fair values at each measurement date.

2.22 Standards, amendments and interpretations to existing standards that are effective for the first time in the financial year

During the year ended 30 June 2021, Gelion has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
Amendments to IFRS 3 – Definition of a Business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of Material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform	1 January 2020
Amendments to IFRS 16 – COVID-19 Related Rent Concessions	1 June 2020

Their adoption has not had any material impact on the disclosures or amounts reported in the Historical Financial Information.

Standards issued but not yet effective:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarified the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarified that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that ‘settlement’ includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The directors are evaluating the impact that these standards will have on the Historical Financial Information of the Group.

3. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

In the opinion of the Directors, during each of the three years ended 30 June 2021 Gelion operated in the single business segment of battery production and development.

4. REVENUE

	<i>2019</i>	<i>2020</i>	<i>2021</i>
	£	£	£
Provision of NRE services	–	106,431	351,485

The provision of NRE services in 2020 and 2021 was exclusively to one customer, the University of Sydney.

5. OTHER INCOME

	<i>2019</i>	<i>2020</i>	<i>2021</i>
	£	£	£
R&D tax concessions	1,003,937	1,217,115	1,209,677
Government grants	5,306	106,740	70,040
	<u>1,009,243</u>	<u>1,323,855</u>	<u>1,279,717</u>

The subsidiary incurs R&D expenditure which qualifies for relief under a tax incentive scheme provided by the Australian government. Management estimates the expenditure each year relevant to approved R&D activities in respect of which a claim can be made at each reporting date. The accounting policy in respect of recognition of this income is detailed in note 2.6 and the key accounting judgements applied are detailed in note 2.21.

6. OPERATING LOSS

Operating loss is stated after the following specific income and expenses:

	2019	2020	2021
	£	£	£
R&D tax concessions	1,003,937	1,217,115	1,209,677
Depreciation and amortisation	(24,373)	(143,841)	(261,001)
Employee benefits	(1,425,064)	(1,584,009)	(1,621,155)
Other expenses	(727,313)	(602,650)	(691,676)

7. EXCHANGE GAINS AND LOSSES ARISING ON TRANSLATION OF FOREIGN OPERATIONS

Gelion Technologies Pty Limited, a battery manufacturing business incorporated in Australia, was merged into Gelion plc in 2016 so as to maximise operational synergies and generate further cost savings.

A gain or loss through other comprehensive income arises on translation of the subsidiary's assets and liabilities from Australian dollars to Pound sterling at each year end.

8. TAXATION

	2019	2020	2021
	£	£	£
The charge/credit for the year is made up as follows:			
Corporation taxation on the results for the year	—	—	—
Taxation (charge)/credit for the year	—	—	—
Numerical reconciliation of income tax expense to accounting loss:			
Profit/(loss) for the year before income tax	(2,404,438)	(2,332,493)	(1,797,082)
Prima facie tax benefit on loss from ordinary activities before income tax at 26% (2020: 27.5%/2019: 27.5%)	(661,220)	(641,436)	(467,241)
Add/(less) tax effect of:			
Non-deductible expenditure	1,007,055	1,123,052	1,045,915
Non-assessable income	(276,083)	(327,337)	(321,728)
R&D tax offsets	(276,028)	(334,654)	(314,516)
Tax losses incurred but not recognised	197,006	161,729	53,046
Difference in tax rates applied	9,270	18,646	4,524
Income tax expense	—	—	—

Estimated tax losses of £1,459,139 (2020: £1,386,134/2019: £1,091,333) are available for relief against future profits. No deferred tax asset has not been provided for in the accounts based on the estimated tax losses.

The standard rate of corporation tax in Australia, where the subsidiary is based, is 26 per cent. (2020: 27.5 per cent./2019: 27.5 per cent.).

9. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the loss for the financial period after taxation of £1,797,082 (2020: £2,332,493/2019: £2,404,438) and on the weighted average of 3,336,196 (2020: 3,291,158/2019: 1,571,607) ordinary shares in issue during the year.

On 2 September 2021, the parent company carried out a reverse share split in which the B shares were consolidated from 1,159,000 to 1,000 shares of equivalent aggregate nominal value. This decrease in the number of ordinary shares has been applied retrospectively to each of the years presented in this Historical Financial Information by reducing the weighted average number of shares in each year by 1,158,000.

There were share options of 76,043 (2020: 73,979/2019: 88,186) outstanding at 30 June 2021. The impact of these options would be to reduce the diluted loss per share and therefore they are antidilutive. Hence, the diluted loss per share reported for the periods under review is the same as the earnings per share.

10. EMPLOYEES

	2019 £	2020 £	2021 £
Salaries and wages	984,040	1,305,688	1,428,277
Pension Contributions	85,499	108,827	117,410
Share-based payments	355,525	169,494	75,468
	<u>1,425,064</u>	<u>1,584,009</u>	<u>1,621,155</u>

11. KEY MANAGEMENT PERSONNEL

Directors and key management personnel compensation

The total remuneration paid to the directors and key management personnel of the Group during the year are as follows:

	2019 £	2020 £	2021 £
Salaries and wages	349,349	572,599	433,621
Pension Contributions	140,202	42,377	33,458
Share-based payments	252,339	47,164	2,213
	<u>741,890</u>	<u>662,140</u>	<u>469,292</u>

12. INTANGIBLE ASSETS

	<i>Patents and trademarks</i> £
Cost and impairment	
At 30 June 2018	154,946
Additions	85,723
Impairment	(5,826)
Difference on foreign exchange	(2,007)
	<hr/>
At 30 June 2019	232,836
Additions	84,466
Impairment	(5,669)
Difference on foreign exchange	6,097
	<hr/>
At 30 June 2020	317,730
Additions	99,941
Disposals	(54,880)
Difference on foreign exchange	(9,858)
	<hr/>
At 30 June 2021	<u>352,933</u>
Amortisation	
At 30 June 2018	260
Amortisation	81
Difference on foreign exchange	(3)
	<hr/>
At 30 June 2019	338
Amortisation	65
Difference on foreign exchange	6
	<hr/>
At 30 June 2020	409
Amortisation	40,702
Difference on foreign exchange	(891)
	<hr/>
At 30 June 2021	<u>40,220</u>
Carrying amount	
At 30 June 2018	<u>154,686</u>
At 30 June 2019	<u>232,499</u>
At 30 June 2020	<u>317,321</u>
At 30 June 2021	<u>312,713</u>

Impairment charges in 2019 and 2020 relate to patent applications which had lapsed and were fully impaired. The amount of impairment was the fair value being the historical cost of the patent. The criteria for impairment and derecognition of intangible assets are detailed in note 2.21.

13. PROPERTY, PLANT AND EQUIPMENT

	<i>Office Furniture and Equipment</i> £	<i>Plant and Equipment</i> £	<i>Leasehold property</i> £	<i>Leasehold improvements</i> £	<i>Total</i> £
Cost					
At 30 June 2018	19,140	65,009	–	–	84,149
Additions	8,995	101,748	–	–	110,743
Disposals	–	(14,260)	–	–	(14,260)
Difference on foreign exchange	(249)	(802)	–	–	(1,051)
At 30 June 2019	27,886	151,695	–	–	179,581
Additions	1,596	143,175	284,299	–	429,070
Difference on foreign exchange	345	8,497	14,013	–	22,855
At 30 June 2020	29,827	303,367	298,312	–	631,506
Additions	10,034	226,650	52,213	50,987	339,884
Difference on foreign exchange	(1,051)	(13,377)	(9,468)	(1,101)	(24,997)
At 30 June 2021	38,810	516,640	341,057	49,886	946,393
Depreciation					
At 30 June 2018	3,471	4,882	–	–	8,353
Charge for the year	8,839	15,454	–	–	24,293
Eliminated on disposals	–	(965)	–	–	(965)
Difference on foreign exchange	(40)	(55)	–	–	(95)
At 30 June 2019	12,270	19,316	–	–	31,586
Charge for the year	8,375	37,927	97,474	–	143,776
Difference on foreign exchange	530	2,053	4,804	–	7,387
At 30 June 2020	21,175	59,296	102,278	–	182,749
Charge for the year	7,764	66,620	120,421	25,494	220,299
Difference on foreign exchange	(759)	(3,098)	(5,460)	(551)	(9,868)
At 30 June 2021	28,180	122,818	217,239	24,943	393,180
Carrying amount					
At 30 June 2018	15,669	60,127	–	–	75,796
At 30 June 2019	15,616	132,379	–	–	147,995
At 30 June 2020	8,652	244,071	196,034	–	448,757
At 30 June 2021	10,630	393,822	123,818	24,943	553,213

14. OTHER RECEIVABLES

	1 July 2018 £	2019 £	2020 £	2021 £
Government grants receivable	364,977	1,004,472	1,276,905	1,183,550
Prepayments	284	85,516	59,868	24,685
Other debtors	37,759	66,709	23,673	42,103
	<u>403,020</u>	<u>1,156,697</u>	<u>1,360,446</u>	<u>1,250,338</u>

Government grants receivable are made up of R&D tax concessions granted by the Australian government in the form of tax offsets. Also, the Group received “cash boosts” for Covid-19 from the Australian government and payroll tax rebate income. The key judgements applied in the recognition of this receivable are detailed in note 2.21.

The Directors consider that the carrying value amount of other receivables approximates to their fair value.

15. CASH AND CASH EQUIVALENTS

	1 July 2018 £	2019 £	2020 £	2021 £
Cash at bank	2,050,800	4,374,585	3,777,580	1,913,153
	<u>2,050,800</u>	<u>4,374,585</u>	<u>3,777,580</u>	<u>1,913,153</u>

Cash at bank comprises balances held by Gelion plc and Gelion Technologies Pty Limited current bank accounts. The carrying value of these approximates to their fair value.

16. TRADE AND OTHER PAYABLES

Due within one year

	1 July 2018 £	2019 £	2020 £	2021 £
Trade payables	177,355	594,424	236,407	244,753
Employee liabilities including employment taxes	6,278	28,031	53,053	75,410
Lease liabilities	–	–	108,207	114,541
	<u>183,633</u>	<u>622,455</u>	<u>397,667</u>	<u>434,704</u>

Due in more than one year

	1 July 2018 £	2019 £	2020 £	2021 £
Lease liabilities	–	–	91,468	7,478
	<u>–</u>	<u>–</u>	<u>91,468</u>	<u>7,478</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Please refer to Note 21 for further details.

17. LEASES

The Group has lease contracts in respect of leasehold property used in its operations. These leases have lease terms of between 2 and 3 years.

There is no leasehold property recognised by the Group in the three years ended 30 June 2021 presented in this Historical Financial Information other than those recognised as right-of-use assets. Therefore, for the carrying amount of right-of-use assets at each reporting date and movements in each year ended refer to note 13.

Set out below are the carrying amounts of lease liabilities (included under trade and other payables) and the movements during each year ended 30 June:

	2019 £	2020 £	2021 £
Balance as at 1 July	–	–	199,675
Additions	–	284,299	52,213
Interest	–	9,274	7,852
Payments	–	(103,278)	(133,729)
Difference on foreign exchange	–	9,380	(3,993)
Balance as at 30 June	<u>–</u>	<u>199,675</u>	<u>122,018</u>

The maturity analysis of lease liabilities are disclosed in note 20.

The following are the amounts recognised in profit or loss:

	2019 £	2020 £	2021 £
Depreciation expense of right-of-use assets	–	97,474	120,421
Interest expense on lease liabilities	–	9,274	7,852
Total amount recognised in profit or loss	<u>–</u>	<u>106,748</u>	<u>128,273</u>

18. ISSUED CAPITAL AND RESERVES

Share capital and premium

	<i>Number of shares on issue</i>	<i>Share capital £</i>	<i>Share premium £</i>
Balance as at 1 July 2018	2,236,197	22,362	4,112,979
Shares issued during the year	1,900,370	7,424	4,830,676
Balance as at 30 June 2019	4,136,567	29,786	8,943,655
Balance as at 1 July 2019	4,136,567	29,786	8,943,655
Share issued during the year	357,629	3,576	2,307,662
Balance as at 30 June 2020	4,494,196	33,362	11,251,317
Balance as at 1 July 2020	4,494,196	33,362	11,251,317
Share issued during the year	–	–	–
Balance as at 30 June 2021	<u>4,494,196</u>	<u>33,362</u>	<u>11,251,317</u>

Gelion has two classes of share – A ordinary and B ordinary which rank *pari passu*.

At 30 June 2021 there were 3,335,196 A Ordinary shares of £0.01 each (2020: 3,335,196, 2019: 2,977,467).

At 30 June 2021 there were 1,159,000 B Ordinary shares of £0.000009 each (2020 and 2019: 1,159,000).

Transaction costs incurred in the issuing of shares in the year ended 30 June 2021 of £nil (2020: £60,296, 2019: £83,358) have been offset against share premium.

Nature and purpose of reserves

Other capital reserves

– *Share-based payments reserve*

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 19 for further details of these plans.

– *Foreign currency translation reserve*

The subsidiary's functional currency is AUD and therefore on consolidation a foreign exchange gain or loss on translation of net assets is recognised through other comprehensive income at each reporting date. These gains or losses are accumulated in a foreign currency translation reserve. Refer to note 7 for further information regarding this calculation.

19. SHARE-BASED PAYMENTS

The employees of the Group have been granted options over shares in Gelion plc. The options are granted with the exercise price equalling the market value of the shares at the time of grant.

152,139 options have been granted prior to 2019, for 95,757 of these options 32.5 per cent. vested immediately to take into consideration historical contributions, with the remainder vesting in equal tranches over three years from the date of grant. In addition, 18,594 options granted in 2017 to board members vested with immediate effect to take into consideration historical contributions of the board. All options granted in the financial year vest over three years from the date of grant. Option will only vest on the occurrence or satisfaction of the condition or other vesting events specified in respect of that option. Once vested, options are exercisable at discretion of option holder unless a forcible exercise event occurs (e.g. IPO). Upon exercise of the vested options by an option holder on an exit event, the Group will issue the number of Ordinary Shares which corresponds with the number of options exercised. No exit event has taken place in the year (2020: none, 2019: none).

	2019 Number	2019 Weighted Average Price	2020 Number	2020 Weighted Average Price	2021 Number	2021 Weighted Average Price
	'000s	£	'000s	£	'000s	£
Outstanding at 1 July	144	4.40	285	5.01	254	5.09
Granted	149	5.55	–	–	14	6.63
Forfeited	(8)	4.34	(31)	4.34	(13)	5.45
Exercised	–	–	–	–	–	–
Expired	–	–	–	–	–	–
Outstanding at 30 June	<u>285</u>	<u>5.01</u>	<u>254</u>	<u>5.09</u>	<u>255</u>	<u>5.15</u>
Exercisable at 30 June	<u>191</u>	<u>4.70</u>	<u>227</u>	<u>4.95</u>	<u>239</u>	<u>5.06</u>

Note: Since the historical financial information reporting date, i.e. 30 June 2021, the Company has restructured its share option plan and granted new options. The above table and the information presented in this note summarises the option positions in the respective historical reporting periods, and therefore do not reflect the Company's position as at the date of the admission document.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 was 1.97 years (2020: 2.84 years, 2019: 3.84 years).

The weighted average fair value of the options granted in the year was £4.98 (2020: no options granted, 2019: £4.17). The Black-Scholes option pricing model was used to value the share based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The range of exercise prices for options outstanding at the end of the year was £4.34 to £6.63 (2020: £4.34 to £6.63, 2019: £4.34 to £6.63).

The following table lists the inputs to the models used for share option plans for the year ended 30 June 2021 and 2019 (no share options were granted during the year ended 30 June 2020):

	<i>2019</i>	<i>2021</i>
Weighted average fair values at the measurement date	£4.17	£4.98
Dividend yield (%)	–	–
Expected volatility (%)	100	100
Risk-free interest rate (%)	2.2	2.2
Expected life of share options (years)	5	5
Weighted average share price	£4.43	£6.63

In the year ended 30 June 2021 13,750 options (2020: nil options, 2019: 149,000 options) were granted at an exercise price of £6.63 (2020: £nil, 2019: priced between £6.63 and £4.34). The total share-based payment expense for the year was £75,468 (2020: £169,493, 2019: £355,525).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are credit, currency, liquidity and interest rate risks. The management of these risks is vested to the Board of Directors.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Group are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	2019 Carrying Value £	2019 Maximum Exposure £	2020 Carrying Value £	2020 Maximum Exposure £	2021 Carrying Value £	2021 Maximum Exposure £
Cash and cash equivalents	4,374,585	4,374,585	3,777,580	3,777,580	1,913,153	1,913,153
Other receivables	<u>1,071,181</u>	<u>1,071,181</u>	<u>1,300,578</u>	<u>1,300,578</u>	<u>1,225,653</u>	<u>1,225,613</u>
	<u>5,445,766</u>	<u>5,445,766</u>	<u>5,078,157</u>	<u>5,078,157</u>	<u>3,138,806</u>	<u>3,138,806</u>

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Australian Dollar. Accordingly, movements in the Pound Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 30 June 2021.

Currency risk is managed by maintaining some cash deposits in currencies other than Pound Sterling. The table below shows the currency profiles of cash and cash equivalents:

	2019 £	2020 £	2021 £
Cash and cash equivalents			
Pound Sterling	3,216,012	280,656	122,770
Australian Dollars	<u>1,158,573</u>	<u>3,496,924</u>	<u>1,790,382</u>
	<u>4,374,585</u>	<u>3,777,580</u>	<u>1,913,153</u>

The table below shows an analysis of the currency of the net monetary asset and liabilities in the Australian Dollar functional currency of the Group:

	2019 £	2020 £	2021 £
Balance denominated in			
Australian Dollars	<u>1,727,179</u>	<u>4,309,607</u>	<u>2,479,672</u>
	<u>1,727,179</u>	<u>4,309,607</u>	<u>2,479,672</u>

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

	2019 £	2020 £	2021 £
Cash and cash equivalents	4,374,585	3,777,580	1,913,153
	<u>4,374,585</u>	<u>3,777,580</u>	<u>1,193,153</u>

The table below sets out the maturity profile of the Group's financial liabilities at each year end:

At the year ended 30 June 2019 all financial liabilities (£622,455) were due in less than one month.

Year ended 30 June 2020

	<i>Due in less than one month £</i>	<i>Due between one and three months £</i>	<i>Due between three months and one year £</i>	<i>Due between one year and five years £</i>	<i>Total £</i>
Trade and other payables	289,084	–	–	–	289,084
Lease liabilities	1,213	30,415	83,237	90,924	205,789
	<u>290,297</u>	<u>30,415</u>	<u>83,237</u>	<u>90,924</u>	<u>494,873</u>

Year ended 30 June 2021

	<i>Due in less than one month £</i>	<i>Due between one and three months £</i>	<i>Due between three months and one year £</i>	<i>Due between one year and five years £</i>	<i>Total £</i>
Trade and other payables	320,163	–	–	–	320,163
Lease liabilities	10,482	20,964	86,074	7,408	124,928
	<u>330,645</u>	<u>20,964</u>	<u>86,074</u>	<u>7,408</u>	<u>445,091</u>

All movements in liabilities in the three years ended relate to cashflows with the exception of lease liabilities. The Group had total cash outflows for leases in the year ended 30 June 2021 of £133,729 (2020: £103,278, 2019: £nil). The Group also had non-cash additions to right-of-use assets and lease liabilities in the year ended 30 June 2021 of £52,213 (2020: £284,299, 2019: £nil)

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2019 £	2020 £	2021 £
Bank balances	4,374,585	3,777,580	1,193,153
	<u>4,374,585</u>	<u>3,777,580</u>	<u>1,193,153</u>

Given the extremely low interest rate environment on bank balances, any probable movement in interest rates would have an immaterial effect.

21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

2019	<i>Financial assets at amortised cost £</i>	<i>Financial liabilities at amortised cost £</i>	<i>Total £</i>
Financial assets/liabilities			
Other receivables	1,071,181	–	1,071,181
Cash and cash equivalents	4,374,585	–	4,374,585
Trade and other payables	–	(622,455)	(622,455)
	<u>5,445,766</u>	<u>(622,455)</u>	<u>4,823,311</u>
2020			
	<i>Financial assets at amortised cost £</i>	<i>Financial liabilities at amortised cost £</i>	<i>Total £</i>
Financial assets/liabilities			
Other receivables	1,300,578	–	1,300,578
Cash and cash equivalents	3,777,580	–	3,777,580
Trade and other payables	–	(489,135)	(489,135)
	<u>5,078,158</u>	<u>(489,135)</u>	<u>4,589,023</u>
2021			
	<i>Financial assets at amortised cost £</i>	<i>Financial liabilities at amortised cost £</i>	<i>Total £</i>
Financial assets/liabilities			
Other receivables	1,225,653	–	1,225,653
Cash and cash equivalents	1,913,153	–	1,913,153
Trade and other payables	–	(442,182)	(442,182)
	<u>3,138,806</u>	<u>(442,182)</u>	<u>2,696,624</u>

22. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2021, 30 June 2020 and 30 June 2019.

23. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2021, 30 June 2020 and 30 June 2019.

24. RELATED PARTY TRANSACTIONS

Other than the remuneration to Key Management Personnel outlined in Note 11 of this Historical Financial Information, there are no other related party transactions.

25. EVENTS SUBSEQUENT TO YEAR END

On 15 September 2021, the Group issued £6 million of convertible loan notes accruing interest at 10 per cent. These loan notes are redeemable or convertible three years from the date of issue. However, all outstanding notes shall automatically convert into shares upon listing at the conversion price of 75 per cent. of the price at which shares are issued by the issuer with a listing or qualifying fundraising.

The Group also entered into a R&D tax factoring agreement on 5 August 2021 consisting of two tranches. Tranche A loan facility of AUD 1,565,000 (£832,000) was drawn down in full on 6 August 2021. The Tranche A loan was repaid in full on 1 October 2021 and the loan facility in relation to Tranche A has now been cancelled. The Tranche B loan facility of AUD 1,435,000 (£763,000) is yet to be drawn down and the Group does not envisage using this tranche. The Tranche B loan facility has an availability period to 31 July 2022 and a final repayment date of 31 December 2022, if drawn. It will be charged interest of 11 per cent. p.a.

In addition to the above, the Group has undertaken a share reorganization in September 2021 and November 2021 resulting in bonus shares and a share subdivision. These did not result in any change in shareholding.

26. CONTROL

In the opinion of the Directors there is no single ultimate controlling party.

PART V

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group (the “pro forma statement of net assets”) has been prepared to illustrate the effect on the consolidated net assets of the Group as if the pre-IPO fundraising and the Fundraising had taken place on 30 June 2021.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and illustrates the impact of the two separate fundraises as if they had been undertaken at an earlier date. As a result, the hypothetical financial position or results included in the pro forma statement of net assets may differ from the Group’s actual financial position or results.

The unaudited pro forma statement of net assets is based on the consolidated net assets of the Group, set out in the Historical Financial Information on the Group for the year ended 30 June 2021 set out in Part IV of this document.

The unaudited pro forma statement of net assets has been prepared in a manner consistent with the accounting policies adopted by the Group in preparing such information and on the basis set out in the notes below.

		<i>Adjustments</i>		<i>Pro forma net assets of the Group</i>
<i>The Group (note 1)</i>	<i>Pre-IPO fundraise (note 2)</i>	<i>Net Fundraising proceeds (note 3)</i>	<i>Net Fundraising proceeds (note 3)</i>	<i>Pro forma net assets of the Group</i>
£	£	£	£	£
Assets				
Non-current assets				
Intangible assets	312,713	–	–	312,713
Property, plant and equipment	553,213	–	–	553,213
	<u>865,926</u>	<u>–</u>	<u>–</u>	<u>865,926</u>
Current assets				
Cash and cash equivalents	1,913,153	5,850,000	14,051,869	21,815,022
Trade and other receivables	1,250,338	–	–	1,250,338
	<u>3,163,491</u>	<u>5,850,000</u>	<u>14,051,869</u>	<u>23,065,360</u>
Total assets	<u>4,029,417</u>	<u>5,850,000</u>	<u>14,051,869</u>	<u>23,931,286</u>
Liabilities				
Non-current liabilities				
Trade and other payables	7,478	–	–	7,478
	<u>7,478</u>	<u>–</u>	<u>–</u>	<u>7,478</u>
Current liabilities				
Trade and other payables	434,704	–	–	434,704
	<u>434,704</u>	<u>–</u>	<u>–</u>	<u>434,704</u>
Total liabilities	<u>442,182</u>	<u>–</u>	<u>–</u>	<u>442,182</u>
Net assets	<u>3,587,235</u>	<u>5,850,000</u>	<u>14,051,869</u>	<u>23,489,104</u>

Notes:

1. The net assets of the Group at 30 June 2021 have been extracted without adjustment from the Historical Financial Information on the Group for the period ended 30 June 2021 set out in Part IV of this document.

Adjustments:

2. A pre-IPO fundraise was concluded on 15 September 2021, funds were raised by issuing convertible notes to investors which automatically convert to equity on IPO. The pre-IPO fundraise resulted in a net cash inflow of £5.85 million (£6.0 million gross proceeds less estimated expenses of £150,000).
3. The Fundraising is estimated to raise net proceeds of £14.05 million (£16.04 million gross proceeds less estimated expenses of £1.99 million).
4. No account has been taken of the financial performance of the Group since 30 June 2021, nor of any other event save as disclosed above.

PART VI

CORPORATE GOVERNANCE

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the ten principles of the QCA Code, with effect from Admission as detailed below.

Principle 1: Establish a business strategy and business model which promote long-term value for Shareholders

The Group's business model and strategy is set out in Part I of this document. The Directors believe that the Group's model and growth strategy will help to promote long-term value for Shareholders. An update on strategy will be given from time to time in the strategic report that is included in the annual report and accounts of the Group.

The principal risks facing the Group are set out in Part II of this document. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including implementing a risk management framework.

Principle 2: Seek to understand and meet Shareholder needs and expectations

Prior to Admission, the Directors undertook a roadshow which has informed the Company as to its Shareholders' expectations following Admission.

In due course following Admission, the Company's annual report and notice of annual general meeting ("**AGM**") will be sent to all Shareholders and will be available for download from the Company's website.

There will be an active dialogue maintained with Shareholders. Shareholders will be kept up to date via announcements made through a Regulatory Information Service on matters of a material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations to market expectations will be announced through a Regulatory Information Service. The Company's AGM will be an opportunity for Shareholders to meet with the Non-Executive Chairman and other members of the Board. The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders who do not vote in favour of resolutions at AGMs.

All contact details for investor relations are included on the Group's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, staff and customers part of its business strategy. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business.

The Company intends to implement a formal Environmental, Social, Regulatory and Governance Responsibility (ESG) policy, strategy and has established an ESG Committee. The ESG Committee will monitor the implementation of ESG practises to ensure the Group conducts its business with a view of long-term sustainability for its customers, employees, communities, the environment as well as its shareholders.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out in Part II of this document. The Directors has established an Audit and Risk Committee which will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission. A review of these risks will be carried out by the Audit and Risk Committee at least on an annual basis, the results of which will be included in the Annual Report and Accounts going forward.

While it has established the Audit and Risk Committee, the Board has overall responsibility for the determination of the Group's risk management objectives and policies.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman

On Admission the Board will comprise the following persons:

- four Non-Executive Directors including the Non-Executive Chairman; and
- two Executive Directors.

The biographies of the Directors are set out in paragraph 13 of Part I of this document. The Non-Executive Directors Michael Davie and Joycelyn Morton are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The Board is also supported by the Audit and Risk Committee, the Remuneration Committee and the ESG Committee, further details of which are set out in paragraph 9 of Part I of this document.

The Board will meet regularly and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 13 of Part I of this Document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to drive the Group forward.

The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules and the Company's solicitors in respect of continued compliance with, *inter alia*, UK MAR.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider the effectiveness of the Board, Audit and Risk Committee, Remuneration Committee and ESG Committee, and the individual performance of each Director. The Board as a whole will conduct a regular assessment of the individual contributions of each member of the Board to ensure

that their contribution is relevant and effective. The outcomes of performance will be described in the Annual Report and Accounts of the Group.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its staff and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Non-Executive Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit and Risk Committee, Remuneration Committee and ESG Committee, further details of which are set out in paragraph 9 of Part I of this document. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advice, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Company's Annual Report and Accounts provide details to all stakeholders on how the Company is governed. The Board is of the view that the Annual Report and Accounts as well as its half year report are key communication channels through which progress in meetings the Group's objectives and updating its strategic targets can be given the Shareholders following Admission.

Additionally, the Board will use the Company's AGMs as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

All contact details for investor relations are included on the Group's website.

PART VII

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names and functions are set out paragraph 13 of Part I of this document, and the Company accept responsibility, both individually and collectively, for all the information contained in this document, and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company is domiciled in the United Kingdom and was incorporated and registered as a private company limited by shares on 26 September 2015 in England and Wales under the Act with the name Gelion UK Ltd and with registration number 09796512.

2.2 On 12 November 2021, the Company was re-registered as a public limited company under the Act and its name was changed to Gelion plc.

2.3 The Company is a public limited company and accordingly the liability of its members is limited to the amount paid up or to be paid on their shares. The principal legislation under which the Company operates and which the Placing Shares will be issued is the Act and regulations made thereunder.

2.4 The Company's principal activity is carrying out research on battery technology that is scalable, affordable and safe. It is the ultimate parent company of the Group comprising the Company and the subsidiary undertaking set out in paragraph 2.5 of this Part VII. Further details of the history and background of the Company and the subsidiary undertakings are set out in paragraph 3 of Part I of this document.

2.5 As at the date of this document, the Company has, and will on Admission have, the following subsidiary undertaking:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Percentage held</i>
Gelion Technologies Pty Limited	Australia	100%

2.6 The registered office of the Company is 3rd Floor, 141-145 Curtain Road, London, Greater London, England, EC2A 3BX, and its telephone number is +44 (0) 20 7749 2400.

2.7 The principal place of business of the Group is at Cicada Innovations, National Innovation Centre, Cornwallis Street, Eveleigh NSW 2015 Australia.

2.8 The Company's website address is <https://www.gelion.com/>.

3. Share Capital of the Company

3.1 As at the date of this document and, assuming that the Placing is fully subscribed, immediately following Admission, the issued and fully paid up share capital of the Company is, and will be, as follows:

	<i>Number of Ordinary Shares issued and credited as fully paid</i>	<i>Aggregate nominal value (£)</i>
As at the date of this document	89,883,920	89,883.92
Immediately prior to Admission	89,883,920	89,883.92
Immediately following Admission	106,463,839	106,463.84

- 3.2 On incorporation the issued share capital of the Company was £1.00, comprised of one ordinary share of £1.00 each. The subscriber shareholder was John Edwards, who held 1 ordinary share of £1.00.
- 3.3 The following changes to the share capital of the Company have taken place since 26 September 2015 to the date of this document:
- 3.3.1 on 29 March 2016, one ordinary share of £1.00 was subdivided into 100 ordinary shares of £0.01 each;
 - 3.3.2 on 4 April 2016, the Company allotted 999,900 ordinary shares of £0.01 each in the capital of the Company. Further to this, the Company re-designated the 100 ordinary shares of £0.01 each as 100 A ordinary shares of £0.01 each in the capital of the Company. Following the re-designation, the Company then allotted 136,285 A ordinary shares of £0.01 each and 1,000 B ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.3 on 5 April 2016, the Company allotted a further 132,036 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.4 on 27 June 2016, the Company allotted 299,537 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.5 on 4 April 2017, the Company allotted 78,338 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.6 on 5 April 2017, the Company allotted 124,188 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.7 between 17 November 2017 and 27 November 2017, the Company allotted 443,758 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.8 on 23 February 2018, the Company allotted 21,055 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.9 on 25 February 2019, the Company subdivided 1,000 B ordinary shares of £0.01 each into 1,159,000 B ordinary shares of £0.0000086 each in the capital of the Company;
 - 3.3.10 on 29 March 2019, the Company allotted 12,216 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.11 on 1 April 2019, the Company allotted 105,673 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.12 on 2 April 2019, the Company allotted 33,481 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.13 on 3 April 2019, the Company allotted 72,411 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.14 on 4 April 2019, the Company allotted 19,695 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.15 on 5 April 2019, the Company allotted 30,234 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.16 on 10 April 2019, the Company allotted 45,887 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.17 on 11 April 2019, the Company allotted 14,000 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.18 on 12 April 2019, the Company allotted 8,699 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.19 on 23 April 2019, the Company allotted 932 A ordinary shares of £0.01 each in the capital of the Company;
 - 3.3.20 on 9 May 2019, the Company allotted 2,798 A ordinary shares of £0.01 each in the capital of the Company;

- 3.3.21 on 28 May 2019, the Company allotted 79,937 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.22 between 18-19 June 2019, the Company allotted 161,781 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.23 between 20-24 June 2019, the Company allotted 118,542 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.24 on 25 June 2019, the Company allotted 32,968 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.25 on 28 June 2019, the Company allotted 3,016 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.26 on 1 July 2019, the Company allotted 1,866 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.27 on 2 July 2019, the Company allotted 3,770 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.28 on 3 July 2019, the Company allotted 3,016 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.29 on 4 July 2019, the Company allotted 6,750 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.30 on 8 July 2019, the Company allotted 58,658 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.31 on 9 July 2019, the Company allotted 6,032 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.32 on 12 July 2019, the Company allotted 20,511 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.33 on 17 July 2019, the Company allotted 7,540 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.34 on 23 July 2019, the Company allotted 1,508 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.35 on 25 July 2019, the Company allotted 94,019 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.36 on 26 July 2019, the Company allotted 1,640 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.37 between 6-7 August 2019, the Company allotted 6,668 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.38 on 13 August 2019, the Company allotted 1,025 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.39 on 22 August 2019, the Company allotted 15,392 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.40 on 6 September 2019, the Company allotted 3,016 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.41 on 11 September 2019, the Company allotted 1,508 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.42 between 18 September 2019 and 23 September 2019, the Company allotted 24,732 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.43 between 24 September 2019 and 26 September 2019, the Company allotted 43,901 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.44 between 30 September 2019 and 3 October 2019, the Company allotted 35,064 A ordinary shares of £0.01 each in the capital of the Company;

- 3.3.45 on 9 October 2019, the Company allotted 5,278 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.46 between 11 October 2019 and 31 October 2019, the Company allotted 15,835 A ordinary shares of £0.01 each in the capital of the Company;
- 3.3.47 on 2 September 2021, the Company consolidated the 1,159,000 B ordinary shares of £0.0000086 each then in issue into 1,000 B ordinary shares of £0.01 each, on the basis of one B ordinary share of £0.01 for every 1,159 B ordinary shares of £0.0000086 held on the record date (the “**B Share Consolidation**”);
- 3.3.48 on 2 September 2021, following the B Share Consolidation the Company issued 1,158,000 new B ordinary shares of £0.01 each by way of a bonus issue to the holders of such shares on the basis of 1,158 B ordinary shares for each one B ordinary shares held on the record date (the “**First Bonus Issue**”);
- 3.3.49 on 3 September 2021, following completion of the First Bonus Issue, the Company issued 3,335,196 A ordinary shares of £0.01 each and 1,159,000 B ordinary shares of £0.01 each pursuant to a bonus issue of such shareholders on the basis of one A ordinary share for each A ordinary share held and one B ordinary share for each B ordinary share held, in each case on the record date;
- 3.3.50 on 12 November 2021, the A Ordinary Shares of £0.01 each in the capital of the Company and the B Ordinary Shares of £0.01 each in the capital of the Company then in issue were redesignated as ordinary shares of £0.01 each in the capital of the Company carrying the rights and subject to the restrictions attaching to the ordinary shares of the Company as set out in the Articles (the “**Re-designation**”); and
- 3.3.51 on 13 November 2021, the Company sub-divided each ordinary share of £0.01 each arising from the Re-designation into ten new ordinary shares of £0.001 each.
- 3.4 By virtue of the resolutions passed by the requisite number of Shareholders on 1 November 2021 and the re-registration of the Company as a public limited company under the name Gelion plc becoming effective on 12 November 2021:
- (a) the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all the powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the capital of Company up to an aggregate nominal amount of £76,863, comprising:
- (i) up to an aggregate nominal amount of £30,000 in connection with the Fundraising;
 - (ii) up to an aggregate nominal amount of £4,500 in connection with the adjustment to outstanding options to subscribe for Ordinary Shares in the Company; and
 - (iii) otherwise than in connection with the matters set out in sub-paragraphs 3.4(a)(i) and 3.4(a)(ii) above, up to an aggregate nominal value equal to the lesser of £42,363 and one third of the nominal amount of the Enlarged Issued Share Capital,
- and this authorisation shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the Company’s next annual general meeting, save that the Company may, at any time before such expiry, revocation or variation make offers or enter into agreements which would or might require shares to be allotted (or rights to be granted) after such expiry, revocation or variation and the Directors may allot shares (or grant rights) in pursuance of any such offer or agreement as if this authorisation had not expired, been revoked or varied and this authorisation is in addition to all subsisting authorisations for the purposes of section 551 of the Act;
- (b) the Directors are generally and unconditionally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorisation conferred by paragraph 3.4(a) above as if section 561 of the Act did not apply to the allotment, up to an aggregate nominal amount of £47,208, comprising:
- (i) up to an aggregate nominal amount of £30,000, in connection with the Placing;
 - (ii) up to an aggregate nominal amount of £4,500 in connection with the adjustment to outstanding options to subscribe for Ordinary Shares in the Company; and

- (iii) otherwise than in connection with the matters set out in sub-paragraphs 3.4(b)(i) and 3.4(b)(ii) above, up to an aggregate nominal value equal to the lesser of £12,708 and one tenth of the aggregate nominal amount of the Enlarged Issued Share Capital,

and this authorisation shall, subject to the continuance of the authority conferred by paragraph 3.4(a) above and unless previously renewed, revoked or varied by special resolution, expire at the conclusion of the Company's next annual general meeting, save that the Company may, at any time before such expiry, revocation or variation make offers or enter into agreements which would or might require equity securities to be allotted (or rights to be granted) after such expiry, revocation or variation and the Directors may allot equity securities (or grant rights) in pursuance of any such offer or agreement as if this authorisation had not expired or been revoked or varied and this authorisation is in addition to all subsisting authorisations for the purposes of section 570 of the Act.

- 3.5 Save as disclosed in this Part VII and other than pursuant to the Fundraising or the conversion of the Loan Notes, since 30 June 2021 (being the date of the most recent balance sheet included in Part IV of this document):
 - 3.5.1 no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
 - 3.5.2 no share or loan capital of the Company has been issued, or is now proposed to be issued, fully or partly paid, either for cash or other consideration to any person;
 - 3.5.3 no person has any preferential subscription rights for any share capital of the Company;
 - 3.5.4 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;
 - 3.5.5 neither the Company nor any other member of the Group holds any of the Ordinary Shares;
 - 3.5.6 the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
 - 3.5.7 there are no acquisition rights or obligations over the authorised but unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.
- 3.6 The Ordinary Shares have been created under the Act.
- 3.7 The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Group to issue shares in uncertificated form.
- 3.8 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.9 The Group does not have in issue any securities not representing share capital.
- 3.10 There are no issued but not fully paid Ordinary Shares.
- 3.11 Other than pursuant to the Fundraising, the Ordinary Shares are not being marketed or being made available to the public in whole or in part in conjunction with the application for Admission.
- 3.12 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.
- 3.13 The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

4. Reorganisation

4.1 In connection with Admission, the Company has implemented the following reorganisation steps (together, the “**Reorganisation**”):

4.1.1 on 2 September 2021:

- (a) the Company consolidated and divided the 1,159,000 B ordinary shares of £0.0000086 each into 1,000 B ordinary shares of £0.01 each (“**B Ordinary Shares**”);
- (b) the Directors capitalised the sum of £11,580 standing to the credit of the Company’s share premium account and appropriated that sum to the holders of B Ordinary Shares as appearing on the Company’s register of members as at 5.00 p.m. on 2 September 2021 (the “**First Record Date**”) and applied such sum in paying up in full 1,158,000 new B Ordinary Shares, credited as fully paid, to those existing holders at a rate of 1,158 new B Ordinary Shares for every 1 B Ordinary Share held by them on the First Record Date;

4.1.2 on 3 September 2021:

- (a) the Directors capitalised the sum of £44,941.96 standing to the credit of the Company’s share premium account and appropriated that sum to the holders of A ordinary shares of £0.01 each (“**A Ordinary Shares**”) and B Ordinary Shares as appearing on the register as at 5.00 p.m. on 3 September 2021 (the “**Second Record Date**”) and apply such sum in paying up in full 3,335,196 new A Ordinary Shares and 1,159,000 new B Ordinary Shares, credited as fully paid, to those holders on the basis of one new A Ordinary Share for every one A Ordinary Share held by them on the Second Record Date and one new B Ordinary Share for every one B Ordinary Share held by them on the Second Record Date (the “**Second Bonus Issue**”); and
- (b) immediately following the Second Bonus Issue, the balance standing to the credit of the share premium account was cancelled and the amount so cancelled was credited to a reserve;

4.1.3 on 1 November 2021 Shareholders passed resolutions to approve:

- (a) conditional upon and with effect from the re-registration of the Company as a public limited company, the redesignation of the A ordinary shares of £0.01 each and the B ordinary shares of £0.01 each into ordinary shares of £0.01 each (the “**Redesignation**”);
- (b) conditional up and with effect from 8.00 a.m. on the day following the Redesignation, the sub-division of the ordinary shares resulting from the Redesignation on the basis of 10 new Ordinary Shares for every one ordinary share of £0.01 held;
- (c) the re-registration of the Company as a public limited company by the name of Gelion plc; and
- (d) the adoption of new articles of association appropriate for a public limited company listed on AIM in substitution for and to the exclusion of all other articles of association (with effect from the re-registration of the Company as a public limited company).

4.2 The re-registration of the Company as a public limited company by the name of Gelion plc and the adoption of the new articles of association took effect on 12 November 2021.

4.3 The Reorganisation did not affect the Company’s operations.

5. Articles of Association

5.1 General

5.1.1 The Articles, which were adopted by the Company on 12 November 2021, available to download at the Company’s website, <https://www.gelion.com/>, contain certain provisions, the material provisions of which are set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

5.1.2 In this paragraph 5 of Part VII, "Statutes" means the Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company.

5.1.3 The Company has unrestricted objects.

The Articles contain provisions, among others, to the following effect:

5.2 **Meetings of members**

Subject to the requirement to convene and hold annual general meetings in accordance with the requirements of the Act, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Act.

An annual general meeting shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 clear days' notice. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors and the auditors for the time being of the Company. The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business. The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by the Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any person, shall not invalidate the proceedings of that meeting.

The directors may from time to time make such arrangements for the purpose of controlling the level of attendance as they shall in their absolute discretion consider appropriate.

The appointment of a proxy shall be executed by or on behalf of the appointer. Delivery of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion.

A corporation which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

5.3 **Voting rights**

At a general meeting of the Company, subject to any special rights or restrictions attached to any class of shares:

5.3.1 on a show of hands every member present in person has one vote, every duly appointed proxy present has one vote (unless he has been appointed by more than one member and has been instructed by one or more members to vote for a resolution and by one or more other members to vote against it, in which case he has one vote for and one vote against the resolution) and any person duly appointed to act as the authorised representative of a corporate member (or each of them if more than one) has one vote; and

5.3.2 on a poll every member has one vote for every share held by him.

No shareholder will be entitled to vote at a general meeting or any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all moneys presently owed to the Company have been paid.

5.4 **Alteration of capital**

The Company may from time to time by ordinary resolution:

5.4.1 consolidate and divide all or any of its shares into shares of larger amount; and

5.4.2 sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division.

The Group may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Act.

5.5 **Variation of rights**

All or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

5.6 **Purchase of own shares**

Subject to the provisions of the Act, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

5.7 **Transfer of shares**

Any member may transfer all or any of his shares. Save where any rules or regulations made under the Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

5.8 **Dividends and other distributions**

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid *pro rata* to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer members the right to elect to receive shares credited as fully paid in whole or in part, instead of cash, in respect of the dividend specified by the ordinary resolution.

The Company may cease to send any cheque or dividend warrant through the post if such instruments have been returned undelivered or remain uncashed by a member on at least two consecutive occasions.

In a winding up, the liquidator may, subject to the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

5.9 **Restrictions on shares**

If the Board is satisfied that a member or any person appearing to be interested in shares in the Company has been duly served with a notice under Section 793 of the Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice the Board (of the Company) may serve on such member or on any such person a notice ("a direction notice") in respect of the shares in relation to which the default occurred ("default shares") directing that a member shall not be entitled to vote at any general meeting or class meeting of the Company. Where default shares represent at least 0.25 per cent. of the class of shares concerned (less any shares of that class held in treasury) the direction notice may in addition direct that: (i) except in a liquidation of the Company, no payment shall be made by the Company on the default shares, whether in respect of capital or dividend or otherwise, (ii) no other distribution shall be made on the default shares; and (iii) no transfer of any of the shares held by the member shall be

registered unless: (A) the member itself is not in default as regards supply the requested information and the member certifies that no person in default as regards supplying the requested information is interested in any of the shares the subject of the transfer; (B) the transfer is an approved transfer; or (C) registration is required under regulation 27 of the CREST Regulations. The prescribed period referred to above means 14 days from the date of service of the notice under Section 793.

5.10 **Directors**

5.10.1 At the first annual general meeting of the Company all of the directors for the time being shall retire from office and put themselves up for re-election. At every subsequent annual general meeting, any director appointed by a resolution of the Board shall retire and in addition to any director who was not appointed or re-appointed at one of the preceding two annual general meetings.

5.10.2 Save as provided in sub-paragraph 5.10.3 below, a director shall not vote at a meeting of the Board or any committee of the Board on any resolution of the directors concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

5.10.3 The prohibition in sub-paragraph 5.10.2 above shall not apply to a director in relation to any of the following matters, namely: (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its Subsidiaries; (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its Subsidiaries for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security; (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company or any of its Subsidiaries by him; (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital or the voting rights in such company); (v) any resolution relating to an arrangement for the benefit of employees of the Company or any of its Subsidiaries and which does not provide in respect of any director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit.

5.10.4 The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. The directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the Board or in the discharge of their duties as directors. Any director who by request of the Board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine. The directors may pay pensions and other benefits to, *inter alias*, present and past employees and directors and may set up and maintain schemes for the purpose.

5.10.5 Unless otherwise determined by ordinary resolution of the Company, the number of directors shall not be less than two. There is no maximum number of directors. A director shall not be required to hold any shares of the Company by way of qualification.

5.11 **Borrowing powers**

The directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6. The City Code, Mandatory Bids, Squeeze-Out and Sell-Out Rules

6.1 *Mandatory bids*

Under Rule 9 of the Takeover Code, if an acquisition of an interest in shares in the Company were to increase the aggregate interests of the acquirer and persons acting in concert with it to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, the persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make an offer for the outstanding shares in the Company. Any such offer must be in cash (or accompanied by a cash alternative) at not less than the highest price paid by the acquirer or any person acting in concert with it for an interest in shares in the Company during the previous 12 months.

A similar obligation to make a mandatory cash offer would also arise on an acquisition of an interest in shares in the Company by a person who (together with persons acting in concert with it) is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of the acquisition were to increase the percentage of shares carrying voting rights in the Company in which that person is interested.

6.2 *The Concert Party*

The Company and the Panel have agreed that the following Shareholders are acting in concert for the purposes of the Takeover Code:

Name	Immediately following Admission		Options held	Following full exercise of options*****	
	Ordinary Shares	%		Ordinary Shares	%
Thomas Maschmeyer*	16,755,948	15.74	–	16,755,948	15.68%
Len Humphreys**	7,728,480	7.26	–	7,728,480	7.23%
Robin Chamberlayne	3,318,160	3.12	–	3,318,160	3.11%
Donald Hector***	1,880,840	1.77	185,940	2,066,780	1.93%
Kim Sides****	1,857,660	1.74	185,940	2,043,600	1.91%
Steve Mahon	1,513,615	1.42	–	1,513,615	1.42%
Andrew Newman	1,642,140	1.54	–	1,642,140	1.54%
Julian Chamberlayne	1,693,068	1.59	–	1,693,068	1.58%
Armstrong Energy Limited*****	1,159,000	1.09	–	1,159,000	1.08%
Progressive Strategic Solutions LLP*****	1,043,100	0.98	–	1,043,100	0.98%
Michael Hughes	533,140	0.50	–	533,140	0.50%
Erica Chamberlayne	382,160	0.36	–	382,160	0.36%
Jeremy Chamberlayne	316,022	0.30	–	316,022	0.30%
Judi Newman	181,800	0.17	–	181,800	0.17%
Amanda Chamberlayne	153,756	0.14	–	153,756	0.14%
George Chakko-George Humphrey Chamberlayne	97,220	0.09	–	97,220	0.09%
Michael Maschmeyer	76,076	0.07	–	76,076	0.07%
Ashleworth Court Trust*****	54,840	0.05	–	54,840	0.05%
	229,885	0.22	–	229,885	0.22%
Total	40,616,910	38.15	371,880	40,988,790	38.37

* Shares held by Perinato Pty Ltd (as Trustee for the Maschmeyer Family Trust).

** Shares held by Lenmar Nominees Limited (Humphreys Family Super Fund).

*** Shares held by Cornelia Investments Pty Ltd (as Trustee for the Ollinton-Hector Trust).

**** Shares held by Aquaticus Pty Ltd (as Trustee for the Sides Discretionary Trust).

***** Entity controlled by Steve Mahon.

***** Entity controlled by Robin Chamberlayne.

***** Hold in trust convertible loan notes over Gelion shares on behalf of Robin Chamberlayne's family.

*****Assuming no other changes in the Company's Share Capital

At Admission, the Concert Party will in aggregate hold 40,616,910 Ordinary Shares representing approximately 38.15 per cent. of the Enlarged Share Capital.

6.3 **Compulsory acquisition – squeeze out**

Under sections 974 to 991 of the Act, if within certain time limits, an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. The offeror would accept the compulsory acquisition by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, it would execute a transfer of the outstanding shares in its favour and pay the consideration for the shares to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

6.4 **Compulsory acquisition – sell out**

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer. Certain time limits apply to this entitlement. The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. **Interests of the Directors**

7.1 The following table sets out the interests of the Directors and their families (within the meaning set out in the AIM Rules for Companies) (including any interest known to that Director which could with reasonable diligence be ascertained by him or her) in the issued share capital of the Company as at the date of this document, immediately prior to Admission and, assuming that the Fundraising is fully subscribed, immediately following Admission:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately prior to Admission</i>		<i>Immediately following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Existing Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Steve Mahon	1,823,960	2.03	1,823,960	2.03%	1,513,615	1.42%
Andrew Grimes	Nil	–	Nil	–	Nil	–
Amit Gupta	Nil	–	Nil	–	Nil	–
Thomas Maschmeyer*	18,514,569	20.60%	18,514,569	20.60%	16,755,948	15.74%
Michael Davie	647,380	0.72%	647,380	0.72%	769,793	0.72%
Joycelyn Morton	Nil	–	Nil	–	46,872	0.04%

* Shares held by Perinato Pty Ltd (as Trustee for the Maschmeyer Family Trust).

7.2 The following table sets out details of the options held over Ordinary Shares by the Directors pursuant to the Existing Share Option Plan as at the date of this document:

<i>Name</i>	<i>No. of Ordinary Shares under option</i>	<i>No. of Ordinary Shares vested on Admission</i>	<i>Exercise price per Ordinary share</i>	<i>Final exercise date</i>
Steve Mahon	Nil	Nil	–	–
Andrew Grimes	2,000,000	1,700,000	£0.3315	30 November 2031
Amit Gupta	200,000	200,000	£0.3315	30 November 2031
	200,000	200,000	£1.4500	30 November 2031
Thomas Maschmeyer	Nil	Nil	–	–
Michael Davie	Nil	Nil	–	–
Joycelyn Morton	Nil	Nil	–	–

7.3 In addition to the above outstanding options, the Company has agreed to grant options over Ordinary Shares on the terms set out below prior to the end of 2021 pursuant to obligations under the service agreements with the following individuals:

<i>Name</i>	<i>No. of Ordinary shares subject to option</i>	<i>Exercise price per Ordinary share</i>
Andrew Grimes	260,000	£0.3315
Stuart Rayner	130,000	£0.3315

7.4 There are no outstanding loans granted or guarantees provided by the Company to, or for the benefit of, any of the Directors.

7.5 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.

7.6 Save as disclosed in this paragraph 7, none of the Directors or any person connected with a Director (within the meaning of section 252 to 255 of the Act) has any interest, whether beneficial or non-beneficial, in the share capital of the Company or any of its subsidiaries or is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet).

8. Directors' Service Agreements and Letters of Appointment

The Directors have been appointed to the offices and roles set out against their respective names below. The service agreements, consultancy agreements and letters of appointment summarised below are each between the respective Director and the Company or Gelion Technologies, as applicable.

- 8.1 Pursuant to a letter of appointment with the Company dated 23 November 2021, Steve Mahon has been appointed as the Non-Executive Chair of the Company with effect from the date of the letter. The appointment is subject to Board review and re-election at annual general meetings as required by the Articles and is terminable earlier by either side giving three months' notice at any time. The fee payable to Dr. Mahon will be £60,000 per annum before tax. This fee is based on the anticipated time commitment of two days per month.
- 8.2 Pursuant to an agreement with Gelion Technologies and the Company dated 1 November 2021, Andrew Grimes is employed by the Group as Chief Executive Officer. Mr. Grimes' base salary is A\$361,350 per annum. Mr. Grimes is also entitled to receive a bonus of A\$345,228 in connection with Admission. The Company may in its absolute discretion pay to Mr. Grimes a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time. In addition to the usual conduct-related termination rights, the service agreement entitles Mr. Grimes or the Company to terminate his employment on six months' notice. Mr. Grimes' service agreement contains confidentiality undertakings and prohibitions (which apply for a period of up to twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers. Pursuant to an appointment letter dated 23 November 2021 Mr. Grimes has also agreed to act as a Director of the Company. Mr. Grimes' appointment as a director of the Company under the terms of the appointment letter may be terminated: (i) by either the Company or Mr. Grimes on six months' prior written notice; or (ii) by the Company, in its absolute discretion, at any time after notice is given by either Gelion Technologies or Mr. Grimes to terminate his service agreement.
- 8.3 Pursuant to an agreement with Gelion Technologies dated June 2021, Amit Gupta is employed by the Group as Chief Financial Officer with effect from 2 August 2021 (the "**Commencement Date**"). Mr. Gupta's base salary is A\$250,000 per annum, which will be increased to A\$275,000 with effect from Admission (with a one-off payment due to Mr. Gupta to backdate Mr. Gupta's base salary from the Commencement Date. The Company may in its absolute discretion pay to Mr. Gupta a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time. In addition to the usual conduct-related termination rights, the service agreement entitles Mr. Gupta or the Company to terminate his employment on three months' notice. Mr. Gupta's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of up to twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers. Pursuant to an appointment letter dated 23 November 2021 Mr. Gupta has also agreed to act as a Director of the Company. Mr. Gupta's appointment as a director of the Company under the terms of the appointment letter may be terminated: (i) by either the Company or Mr. Gupta on three months' prior written notice; or (ii) by the Company, in its absolute discretion, at any time after notice is given by either Gelion Technologies or Mr. Gupta to terminate his service agreement.

- 8.4 Pursuant to a letter of appointment with the Company dated 23 November 2021, Thomas Maschmeyer has been appointed as a Non-Executive Director of the Company with effect from the date of the letter. The appointment is subject to Board review and re-election at annual general meetings as required by the Articles and is terminable earlier by either side giving three months' notice at any time. The fee payable to Prof. Maschmeyer will be £30,000 per annum before tax, with an anticipated time commitment of two days per month. In addition, Perinato Pty Limited ("**Perinato**"), a company controlled by Prof. Maschmeyer, and Gelion Technologies are party to a consulting agreement dated 21 April 2021. Pursuant to the consulting agreement Perinato has agreed, amongst other things, to fulfil the role of Executive Chairman of Gelion Technologies and to protect the intellectual property of Gelion Technologies and seek to maximise its value. In consideration for providing these consulting services, Gelion Technologies has agreed to pay Perinato A\$13,750 plus GST per month. Gelion Technologies may terminate the consulting agreement for any reason at any time by giving Perinato 90 days' written notice and immediately in certain circumstances. Perinato may terminate the consulting agreement on 30 days' written notice if Gelion has failed to remedy a breach of the agreement within 30 days of being requested to do so, or immediately in the case of an insolvency of Gelion Technologies.
- 8.5 Pursuant to a letter of appointment with the Company dated 23 November 2021, Michael Davie has been appointed as a Non-Executive Director of the company with effect from the date of the letter. The appointment is subject to Board review and re-election at the next annual general meeting and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr. Davie will be £39,000 per annum before tax, with an anticipated time commitment of two days per month. In addition, the Company has agreed to pay Mr. Davie bonus payments on the nine month, 18 month and 27 month anniversaries of the date of his appointment. Such bonus payments will be calculated as the equivalent value of 40,000 Ordinary Shares at the five day VWAP of such shares immediately prior to the date of payment of the bonus. If following (i) a change of control of the Company, or (ii) the Ordinary Shares cease to be admitted to trading on AIM, Mr. Davie's appointment is terminated other than for cause, Mr. Davie shall be entitled to receive any cash bonus(es) which may have been due to be paid following the date of termination; such cash bonus(es) to be calculated from the five day VWAP immediately preceding the date of change of control becoming effective or the Ordinary Shares ceasing to be admitted to trading on AIM, as appropriate. Mr. Davie has undertaken to apply the net amount of such bonuses after tax to acquiring Ordinary Shares in the market.
- 8.6 Pursuant to a letter of appointment with the Company dated 23 November 2021, Joycelyn Morton has been appointed as a Non-Executive Director of the company with effect from the date of the letter. The appointment is subject to Board review and re-election at the next annual general meeting and is terminable earlier by either side giving three months' notice at any time. The fee payable to Ms. Morton will be £39,000 per annum before tax, with an anticipated time commitment of two days per month. In addition, the Company has agreed to pay Ms. Morton bonus payments on the nine month, 18 month and 27 month anniversaries of the date of her appointment. Such bonus payments will be calculated as the equivalent value of 40,000 Ordinary Shares at the five day VWAP of such shares immediately prior to the date of payment of the bonus. If following (i) a change of control of the Company, or (ii) the Ordinary Shares cease to be admitted to trading on AIM, Ms. Morton's appointment is terminated other than for cause, Ms. Morton shall be entitled to receive any cash bonus(es) which may have been due to be paid following the date of termination; such cash bonus(es) to be calculated from the five day VWAP immediately preceding the date of change of control becoming effective or the Ordinary Shares ceasing to be admitted to trading on AIM, as appropriate. Ms. Morton has undertaken to apply the net amount of such bonuses after tax to acquiring Ordinary Shares in the market.
- 8.7 None of the above service agreements, consulting agreements or letters of appointment provide for the payment of benefits on termination.

9. Additional Information on the Directors

9.1 Other than in respect of the Group, the names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this document (and indicating whether they are current or former) are set out below:

<i>Name</i>	<i>Current Directorships/Partnership</i>	<i>Former Directorships/Partnerships</i>
Steve Mahon	Armstrong Capital Management Limited Armstrong Energy Global Foundation Colsterworth Development Limited East Midlands Property Holdings Limited Gas Generation Forfar Limited Gas Generation Gas Road Limited Gas Generation Helen Street Limited Grantham Road Development Limited Kenwick Road Development Limited Keystone Power Limited Louth Road Development Limited Mura Cascade Limited Mura North America Limited Mura Technology Limited Punchbowl Lane Development Limited Small Drove Development Limited Solar Income And Growth Limited Tourian Renewables Ltd	AEE Renewables UK 16 Limited AEE Renewables UK 37 Limited AEG Solar India Limited AEG Solar India Private (UK) Limited AEI Holdco Limited AEI Lending Limited AEI Solar Limited Alternate Energies Limited Arkha Non-Conventional Energy (Holdings) Limited Armstrong Bridging International Limited Armstrong Energy Global Limited Armstrong Energy IHT Growth Plc Armstrong Energy IHT Income Plc Armstrong Energy Limited Armstrong Infrastructure And Property Finance Limited Armstrong Operational Solar Funding Limited Armstrong Property Holdings Ltd Armstrong Property Limited (Previously Known As Armstrong Operational Solar Funding Limited) Armstrong Solar Holdings Limited ASH Finco Ltd Ashri Limited Balbougie Energy Centre Limited Balhearty Solar Limited Blackett Street Solar Limited Brafield Solar Limited Butyric Holdings Ltd Buzzard Energy Limited Capel Planning Limited Carbon Saving Generation Limited Chinaficc Holdings Limited Church Farm Energy Centre Limited Clayton Street Solar Limited Clean Power Generation Limited Collingwood Street Solar Limited Creative Solar Solutions Limited Distributed Solar Energy Limited Findaris Ltd Fiskerton Ltd Fiskerton Solar Farm Limited Forth Street Solar Limited Fulcrum Power Generation Limited Fulcrum Power Limited Future Energy Generation Limited

<i>Name</i>	<i>Current Directorships/Partnership</i>	<i>Former Directorships/Partnerships</i>
Steve Mahon (continued)		Gas Generation Coatbridge Limited Gas Generation Oldham Limited Gas Generation Paisley Limited Gas Generation Retford Road Limited Gas Generation Thurrock Limited Grainger Street Solar Limited Great North Road Solar Limited Green Electricity Generation Limited Grey Street Solar Limited Haymarket Lane Solar Limited Helios Solar 1 Limited Helios Solar 2 Limited Hugo Energy Limited Hugo Fuels Limited John Dobson Street Solar Limited Land And Property Funding Limited Langford Solar Limited Lark Energy Solar 50 Limited Leazes Park Road Solar Limited Level Energy Ltd Little Irchester Solar Limited London Road Energy Centre Limited Low Carbon Generation And Trading Limited Malonic Holdings Ltd Natems Sugar Holdings (UK) Ltd Natural Energy Generation Limited Neuville Grid Data Limited Newgate Street Solar Limited Northumberland Street Solar Limited Nun Street Solar Limited Old Hall Energy Centre Limited Orchard Street Solar Limited Osprey Solar Limited OT Developments Limited Park Hill Solar Limited Perennial Solar Limited Pilgrim Street Solar Limited Pink Lane Solar Limited Progressive Energies Limited PV Generation Limited PV Growth Limited PV Trading Limited Rasa Bridging Limited Renew Wilton Limited Renewable Chemical Technologies Ltd Renewable Connections Gas Holdings Limited Renewable Connections LLP Renewable Energy Generation Limited

<i>Name</i>	<i>Current Directorships/Partnership</i>	<i>Former Directorships/Partnerships</i>
Steve Mahon (continued)		Renewable Energy Trading Limited Renewable Green Power Limited Responsive Power Ltd Ril Energy Limited S O Power Generation Limited Sawbridge Solar Limited Secured Lending Limited Selms Muir Energy Centre Limited SG Eden 4 Limited Shakespeare Street Solar Limited Shireoaks Energy Centre Limited Shore 2 Limited Shore Finance Limited Solar Dividend Ltd Solar Growth Limited Solray Renewables Ltd Sparrowhawk Energy Limited St James' Construction Limited Strawberry Place Solar Limited Sywell Solar Limited Taunton Solar Park Limited Temple Normanton Solar Limited Thornborough Solar Limited UK Gas Holdings Limited UK Green Power Generation Limited UK PV Limited UK Solar Projects Limited UK Wind Energy Generation Limited Vibrant Energy Holdings UK Ltd Vibrant Energy UK India Services Limited Vicarage Drove Energy Centre Limited Volta Gas Developments Limited Water Projects Solar Limited Westgate Road Solar Limited Westmoreland Road Solar Limited Wind Croft Developments Ltd Wind Power Generation Limited Wrexham Solar Park Limited Xenic Holdings Ltd Zero Carbon Power Limited
Andrew Grimes	Apvi Super Pty Ltd	Callington India Private Limited
Amit Gupta	Amit Raj Gupta & Family Pty Ltd	–
Thomas Maschmeyer	Laboratory of Advanced Catalysis for Sustainability (School of Chemistry) Perinato Pty Ltd	Australian Institute of Nanoscale Science and Technology

<i>Name</i>	<i>Current Directorships/Partnership</i>	<i>Former Directorships/Partnerships</i>
Michael Davie	Archaeopteryx LP Inc.	Curve Global Limited St George's Weybridge Swapagent Limited
Joycelyn Morton (née Lewis)	Argo Global Listed Infrastructure Ltd Argo Investments Ltd ASC AWD Shipbuilder Pty Ltd ASC Modules Pty Ltd ASC OPV Shipbuilder Pty Ltd ASC Pty Ltd Convenient Pty Ltd Deep Blue Tech Pty Ltd Felix Group Holdings Ltd	ASC Shipbuilding Pty Limited Australian Naval Infrastructure Pty Ltd Beach Energy Ltd InvoCare Ltd Snowy Hydro Ltd Thorn Group Ltd

9.2 Steve Mahon was:

- 9.2.1 appointed as a director of Eco-Solids International Limited on 6 September 2006 and remained as a director until it was dissolved on 4 April 2013. On 3 January 2012 administrators were appointed and the administration moved to a dissolution by notice on 20 December 2012 and was subsequently dissolved. There was estimated to be a deficit to creditors of approximately £9,187.57;
- 9.2.2 appointed as a director of the Institute for Sustainability on 1 December 2009 and resigned on 23 September 2015. On 5 January 2015 Administrators were appointed and the administration moved to a creditors' voluntary liquidation on 25 November 2016 and was subsequently dissolved on 14 March 2021. There was estimated to be no deficit to creditors on dissolution; and
- 9.2.3 appointed as a director of Proven Energy Limited (previously known as Proven Engineering Products Limited) on 27 November 2006 and resigned on 18 September 2008. Steve Mahon was reappointed as a director on 19 July 2011 and remained as a director until it was dissolved on 16 January 2015. On 16 September 2011 receivers were appointed by Clydesdales Bank plc and ceased to act on 28 May 2014. Proven Energy Limited was subsequently dissolved via compulsory strike-off on 16 January 2015. There was estimated to be a deficit to creditors of approximately £4,161,000.

9.3 Save as disclosed above no Director has:

- 9.3.1 any unspent convictions in relation to indictable offences;
- 9.3.2 been or is the subject of any bankruptcy order made against him or her or been the subject of any form of individual voluntary arrangements;
- 9.3.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors while he or she was a director of that company or within the 12 months after he or she ceased to be a director;
- 9.3.4 been a partner in any partnership which has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement or where the assets of any such partnership have been subject of a receivership while he was a partner in that partnership or within the 12 months after he or she ceased to be a partner in that partnership;
- 9.3.5 been the owner of any asset or been a partner in any partnership which owned any asset which while he or she owned that asset, or while he or she was a partner or within the 12 months after he or she ceased to be a partner in the partnership which owned the asset, which has at any time been the subject of a receivership;
- 9.3.6 been the subject of any public criticism and/or investigation by any statutory or regulatory authority (including recognised professional body); or

9.3.7 ever been or is disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

9.4 Save as disclosed in this document, none of the Directors has or have had any personal interest in transactions which are or were unusual in their nature or conditions and which are or were significant to the business of the Company and which were effected by any member of the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

9.5 No loans made or guarantees granted or provided by any member of the Company to or for the benefit of any Director are outstanding and there are no loans or guarantees provided by any of the Directors for the Company or its wholly-owned subsidiaries.

10. Significant Shareholders

10.1 Save as disclosed in paragraph 7.1 of this Part VII, the Company is only aware of the following persons who, as at the date of this document and immediately following Admission, are or will be immediately following Admission interested (within the meaning used in Chapter 5 of the Disclosure Guidance and Transparency Rules) directly or indirectly, jointly or severally, in 3 per cent. or more of the Company's issued share capital or could exercise control over the Company:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately prior to Admission</i>		<i>Immediately following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Existing Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Perinato Pty Ltd (as Trustee for the Maschmeyer Family Trust)	18,514,569	20.60%	18,514,569	20.60%	16,755,948	15.74%
Lenmar Nominees Limited (Humphreys Family Super fund)	7,728,480	8.60%	7,728,480	8.60%	7,728,480	7.26%
Jasgo Nominees Pty Ltd (as Trustee for the Jasgo Family Trust)	6,354,960	7.07%	6,354,960	7.07%	7,095,933	6.67%
Robin Chamberlayne	3,318,160	3.69%	3,318,160	3.69%	3,548,045*	3.33%
Marbruck Investments Limited	3,131,720	3.48%	3,131,720	3.48%	3,131,720	2.94%

* includes 229,885 shares held by the Ashleworth Court Trust of which Robin Chamberlayne is the beneficial holder

10.2 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company and none of the Company or any of the Directors is aware of any arrangement the operation of which may at a subsequent date result in a change of control of the Company.

10.3 None of the Directors nor any persons named in paragraph 10.1 above has voting rights which are different to those of other Shareholders.

11. Employees

11.1 As at 30 June 2021 the Group had a total of 26 permanent employees.

11.2 The breakdown of number of employees per main category of activity is as follows:

<i>Category</i>	<i>No. of employees</i>
CEO office	2
R&D	20
Finance	2
Business Development	2

12. Existing Share Option Plan

The principal features of the Existing Share Option Plan are described below. It is intended that the Existing Share Option Plan will not be operated to grant new awards following Admission.

Administration

The Existing Share Option Plan is a discretionary share option plan administered and operated by the Board or a duly authorised committee.

Form of awards

Awards under the Existing Share Option Plan are options to subscribe or acquire ordinary shares in the capital of the Company for an exercise price per ordinary share determined by the Board at the date of grant ("**Awards**").

Vesting and exercise

All Awards will vest on Admission, if not already vested.

Awards will not be exercisable following the tenth anniversary of the grant date.

Awards granted prior to 1 December 2018, are subject to a restriction on disposal (including exercise) which expires on the earlier of (a) the date three years after the grant of the Award or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the *Income Tax Assessment Act 1997*; and (b) where the participant becomes a leaver (as defined in the Existing Share Option Plan).

Leaver provisions

When a participant becomes a leaver, by ceasing employment with the Group or otherwise as defined in the Existing Share Option Plan, then Awards will normally lapse to the extent unvested (unless the Board exercises its discretion to allow Awards to be retained) and otherwise, be exercisable to the extent vested.

Variation of share capital

In the event of any variation of share capital by way of capitalisation, rights issue, consolidation, sub-division or reduction of share capital or other variation, affecting the value of Awards, the number or nominal value of shares comprised in subsisting Awards and the exercise price may be adjusted by the Company in such manner that the Board deems appropriate.

Pension status

None of the benefits which may be received under the Existing Share Option Plan will be taken into account when determining any pension, superannuation or similar entitlements.

Amendment

The Company may make amendments to the rules of the Existing Share Option Plan provided the amendment does not adversely affect the rights of participants in respect of Awards granted prior to such amendment without the consent of those participants, unless such amendment is required by, or necessitated by, law.

13. Material Contracts

Other than as set out below and other than contracts in the ordinary course of business, neither the Company nor any member of the Group, has entered into any contract in the two years immediately prior to the date of this document which is or may be material, or which contains any provision under which the Company or any member of the Group has any obligation or entitlement which is material to the Company as at the date of this document.

13.1 Placing Agreement

Under the Placing Agreement dated 23 November 2021 between the Company, each Director and finnCap:

- 13.1.1 finnCap has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price;
- 13.1.2 the Company has agreed to pay the costs relating to Admission and the issue of the Placing Shares together with a corporate finance fee to finnCap and a placing commission based on the aggregate value at the Placing Price of all Placing Shares subscribed;
- 13.1.3 the Company and the Directors have given certain warranties to finnCap as to accuracy of the information in this document and certain other matters concerning the Company and the Group and the Company has given an indemnity to finnCap and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Placing or Admission;
- 13.1.4 the Company has agreed, subject to finnCap's obligations under the Placing Agreement becoming unconditional, to allot and issue the Placing Shares to the persons procured by finnCap to subscribe for them under the Placing;
- 13.1.5 finnCap's obligations are conditional, *inter alia*, on: (i) Admission occurring by 8.00 a.m. on 30 November 2021 or by such later date no later than 17 December 2021 as may be agreed between finnCap and the Company; and (ii) the fulfilment, or waiver by finnCap, of certain procedural and other customary conditions; and
- 13.1.6 finnCap has the right to terminate its obligations under the Placing Agreement prior to Admission in the event of any breach by the Company or any Director of any of their respective obligations or warranties which finnCap considers to be material and in the event of certain force majeure circumstances. If finnCap's obligations under the Placing Agreement are terminated, the Placing will not proceed and no shares will be issued or sold under the Placing.

13.2 Selling Shareholders Placing Agreement

Under the Selling Shareholders Placing Agreement dated 23 November 2021 between the Company, each Selling Shareholder and finnCap:

- 13.2.1 finnCap has agreed to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price;
- 13.2.2 each Selling Shareholder has agreed to pay a placing commission to finnCap based on the aggregate value at the Placing Price of that Selling Shareholder's Sale Shares purchased pursuant to the Placing;
- 13.2.3 the Selling Shareholders have given certain warranties to finnCap as to the capacity of the Selling Shareholders' capacity to enter into and perform the agreement and the ownership of their respective Sale Shares and the Selling Shareholders have given an indemnity to finnCap and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Placing or Admission;
- 13.2.4 the Selling Shareholders have agreed, subject to finnCap's obligations under the Selling Shareholders Placing Agreement becoming unconditional, to transfer their respective Sale Shares with full title guarantee to the persons procured by finnCap to purchase them under the Placing;
- 13.2.5 finnCap's obligations are conditional, *inter alia*, on: (i) the Placing Agreement becoming unconditional save as to Admission or any condition relating to the Selling Shareholders Placing Agreement; (ii) Admission occurring by 8.00 am on 30 November 2021 or by such

later date no later than 17 December 2021 as may be agreed between finnCap and the Company; and (ii) the fulfilment, or waiver by finnCap, of certain procedural and other customary conditions; and

13.2.6 finnCap has the right to terminate its obligations under the Selling Shareholders Placing Agreement prior to Admission in the event of any breach by the Selling Shareholders of any of their respective obligations or warranties which finnCap considers to be material. If finnCap's obligations under the Placing Agreement are terminated, the Placing will not proceed and no shares will be issued or sold under the Placing.

13.3 **Subscription Agreements**

The Company has entered into Subscription Agreements with each of the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for the Subscription Shares at the Placing Price. The Subscription Agreements entered into by Subscribers agreeing to subscribe for EIS/VCT Subscription Shares are conditional on receipt by the Company of the cash consideration for such shares by 12 noon on 25 November 2021 and the Placing Agreement having become unconditional in all respects save for Admission and any condition relating to the Subscription. The Subscription Agreements entered into by Subscribers agreeing to subscribe for Non-Eligible Subscription Shares are conditional, *inter alia*, on Admission becoming effective on or before 8.00 a.m. on 30 November 2021 or such later time and date as may be determined by the Company (being not later than 8.00 a.m. on 17 December 2021). The Company and the Subscribers have each provided warranties pursuant to the Subscription Agreements including in relation to the capacity of the Company and the Subscribers to enter into and perform their respective obligations pursuant to the Subscription Agreements and the Subscription.

13.4 **Lock-in Agreements**

Each of the Locked-in Parties has entered into a Lock-in Agreement with the Company and finnCap. Pursuant to the Lock-in Agreements, the Locked-in Parties have agreed with the Company and finnCap to restrictions on the ability to dispose of Ordinary Shares held by them (or enter into a transaction with the same economic effect) prior to the date which is 12 months from the date of Admission (the "**Restricted Period**"), save in specified and customary circumstances summarised below. Certain Locked-in Parties have undertaken not to dispose of any interests in respect of all of the Ordinary Shares held by them on Admission, while other Locked-in Parties have agreed not to dispose of an interest in respect of a percentage of the Ordinary Shares held by them on Admission. In addition, all but one of the Locked-in Parties have agreed, for a further period of 12 months following expiry of the Restricted Period not to dispose of any Ordinary Shares except through finnCap with a view to maintaining an orderly market in the Ordinary Shares. There are certain market standard exceptions to these restrictions on disposal set out in the Lock-in Agreements, including among others, disposals to (in certain circumstances) a person acting in the capacity of a trustee of a trust, disposals in acceptance of a general offer made to all Shareholders, disposals by court order and disposals by the personal representative after the death of a Locked-in Party (if applicable).

13.5 **Orderly Market Agreements**

The Company, finnCap and each of the Orderly Market Parties have entered into the Orderly Market Agreements pursuant to which each of the Orderly Market Parties have undertaken to the Company and finnCap that, save in specified and customary circumstances summarised below, they will not dispose of Ordinary Shares held by them (or enter into a transaction with the same economic effect) prior to the date which is 24 months from the date of Admission, with a view to maintaining an orderly market in the Ordinary Shares. There are certain market standard exceptions to the restriction on disposal set out in the Orderly Market Agreements, including among others, disposals in acceptance of a general offer made to all Shareholders, disposals by court order and to a permitted transferee.

13.6 **Nominated Adviser and Broker Agreement**

The Company and finnCap have entered into a nominated adviser and broker agreement dated 30 November 2021 (the "**Nominated Adviser and Broker Agreement**"), pursuant to which, and conditional upon Admission, the Company has appointed finnCap to act as its nominated adviser and sole broker for the purposes of the AIM Rules for Companies. The Company has agreed to pay

finnCap a retainer fee for its services as nominated adviser and broker under such agreement, payable monthly in advance from the date of Admission.

The Nominated Adviser and Broker Agreement contains certain undertakings from the Company and indemnities given by the Company in respect of, among other things, compliance with all laws and applicable regulations. finnCap has the right to terminate the Nominated Adviser and Broker Agreement in certain circumstances, including, among other things, any breach by the Company of the terms of the agreement. The Nominated Adviser and Broker Agreement is subject to termination by either the Company or finnCap on not less than three months' prior written notice and, in the case of termination by the Company, such prior written notice shall not expire earlier than 12 months following the date of the Nominated Adviser and Broker Agreement.

13.7 **Loan Note Instrument**

On 2 September 2021, the Company executed a convertible loan note instrument (the "**Loan Note Instrument**"), pursuant to which the Loan Notes were constituted by the Company.

The key terms of the Loan Notes, constituted under the Loan Note Instrument are as follows:

13.7.1 interest accrues on the Loan Notes as a rate of zero per cent. (0 per cent.) for the period of six months following the date of issue of the Loan Notes, and thereafter at a rate of ten per cent. (10 per cent.) per annum;

13.7.2 interest will be paid quarterly in arrears;

13.7.3 to the extent not previously repaid or converted, the Loan Notes will be repayable on the third anniversary of the date of issue;

13.7.4 Loan Note holders may elect to have their Loan Notes repaid earlier in the case of an "exit event", being a sale of the entire issued share capital of the Company or a sale of substantially all of its assets, with a repayment fee of 10 per cent. of the par value of the Loan Notes also being due by the Company;

13.7.5 the Loan Notes will automatically convert on an IPO of the Company into new Ordinary Shares at a 25 per cent. discount to the price at which such shares are subscribed in the IPO;

13.7.6 following a "qualified fundraising" (being an equity raising by the Company which raises not less than £3,000,000, excluding an open offer or rights issue to existing shareholders) holders of Loan Notes may elect to convert their Loan Notes into new Ordinary Shares at a 25 per cent. discount to the price at which shares are issued under the qualified fundraising;

13.7.7 the Loan Notes are only transferable with the prior consent of the Company; and

13.7.8 holders of Loan Notes may elect to have their Loan Notes repaid in full following an event of default.

At the date of this document, no Loan Notes have been converted. Assuming that no conversion of Loan Notes occurs between the date of this document and Admission, upon Admission the Loan Notes shall automatically convert into 5,516,240 Ordinary Shares, to be issued to the holders of the Loan Notes.

13.8 **Registrar Agreement**

On 23 November 2021, the Company entered into a registrar services agreement with Link Market Services Limited ("**Link**"), pursuant to which the Link has agreed to act as the registrar of the Company with effect from 15 October 2021 for an initial period of three years, following which it will automatically renew for successive periods of 12 months. Following the expiry of the initial term the agreement is terminable by either party on six months' written notice.

13.9 **Manufacturing Agreement with HBL**

Gelion Technologies is party to a manufacturing agreement with HBL dated 16 September 2019. Pursuant to the manufacturing agreement, Gelion Technologies has appointed HBL as the exclusive manufacturer in India of zinc bromide batteries and battery management systems developed by HBL based on the Group's technology (the "**Products**"). Gelion Technologies has also granted HBL the

exclusive right to sell the Products in India, save in relation to certain excluded customers (being customers in India to whom the parties have agreed that Gelion Technologies has exclusive rights to sell the Products). The parties may also from time to time agree markets and customers outside India where or to whom HBL is granted exclusive or non-exclusive rights to sell the Products. HBL has agreed, amongst other things, to comply with certain quality and labelling obligations when manufacturing the Products and to maintain all necessary manufacturing licences. The agreement sets out the payment terms for Products sold to Gelion. In addition, for any Products sold by HBL to third parties, HBL has agreed to pay Gelion a royalty depending on the ex-factory invoice value of sales. The manufacturing agreement may be terminated by either party on 30 days' prior written notice or immediately in certain circumstances including a material breach of the agreement or an insolvency event affecting one of the parties.

13.10 **Licensing and Manufacturing Agreement with Battery Energy**

Gelion Technologies is party to a licensing and manufacturing agreement with Battery Energy dated 12 April 2021. Pursuant to the licensing and manufacturing agreement Gelion Technologies has appointed Battery Energy as the exclusive manufacturer and distributor in Australia and New Zealand (the "**Territory**") of the Group's battery cells and battery management systems, including the Endure product (the "**Products**") together with any new systems arising from a combination of the Products and any Battery Energy products or those of third parties ("**New Systems**"). Gelion Technologies may terminate the exclusive nature of the appointment in certain circumstances.

The agreement provides for initial phases of the manufacturing and testing of prototypes of the Products, until Gelion Technologies determines in its sole discretion that the Products are ready for scale-up manufacturing. During the prototype phase, Battery Energy has agreed to undertake certain works to part of its premises, the costs of which will be shared by the parties, and to grant Gelion Technologies with a sublease to that part of its premises. In addition, during the prototype phase, Gelion Technologies will produce at its cost up to 500kWh of Gen 4.1b prototypes for validation and in-field testing. Gelion Technologies has agreed to pay half of the directed manufacturing capital expenditure costs for required equipment and pay 100 per cent. of all testing equipment for both the prototype and scale-up manufacturing phases. Battery Energy has agreed, amongst other things, to comply with certain quality and labelling obligations when manufacturing the Products and to maintain all necessary manufacturing licences.

For each Product or New System sold by Battery Energy in the Territory, Battery System will pay a royalty to Gelion Technologies calculated in respect of the manufactured costs of such Products. For sales of New Systems, Battery Energy will pay Gelion Technologies a revenue share (in addition to a royalty) based on a percentage of the revenue received for such New System. The agreement has an initial term of three years and then automatically renews for further 12 month periods unless either party provides not less than 90 days' prior notice of termination. In addition, either party may terminate without cause on providing three months' prior written notice or immediately in certain circumstances including material breach by the other party or an insolvency event affecting the other party.

13.11 **Consultancy Agreement with Armstrong**

Gelion Technologies is party to a consultancy agreement with Armstrong dated 1 April 2021 pursuant to which Armstrong has agreed to provide Gelion Technologies with general consulting and investment management services and other project work relating to the business of Gelion Technologies. Armstrong's engagement pursuant to the consultancy agreement commenced on the date of the agreement and continues until 31 March 2022. The agreement may be terminated by either party on three months' written notice, or immediately by Gelion Technologies in the event that Armstrong is unable to provide the services. Gelion Technologies has agreed to pay Armstrong a fee of A\$220,000 per annum, payable quarterly in arrears, together with all reasonable expenses properly and necessarily incurred by Armstrong in the course of providing the services.

13.12 **University of Sydney Research Project Agreement**

Gelion Technologies is party to a research project agreement with The University of Sydney (the "**University**") with an effective date of 7 December 2020. Pursuant to the agreement the University has agreed to build a series of gel-containing battery prototypes in order to progress ideas from the patent acquired from the University ("**Gelated ionic liquid film-coated surfaces and uses thereof**", AU

2014900359). Gelion Technologies has agreed to pay the University a fee of A\$390,864, payable in four equal quarterly instalments, and to reimburse the University for expenses reasonably incurred in providing the services. The University has agreed to assign to Gelion Technologies all intellectual property rights created in carrying out the research services and Gelion Technologies has agreed to grant a free, non-exclusive and perpetual licence to the University to use the project deliverables for the purposes of non-commercial research and education. Either party may terminate the agreement at any time by written notice and the term of the agreement expires on 31 December 2021.

13.13 **University of Sydney Agreement for Testing Services**

Gelion Technologies is party to an agreement for testing services with The University of Sydney (the “**University**”) with an effective date of 26 October 2020. Pursuant to the agreement, the University has agreed to provide assistance and guidance to the Group’s staff who will be undertaking testing of the Group’s products at the University’s facilities. Gelion Technologies has agreed to pay the University a fee of A\$85,760 for the use of the University’s testing facilities, payable in four equal instalments, and to reimburse the University for expenses reasonably incurred in providing the services. The University has agreed to assign to Gelion Technologies all intellectual property rights created in carrying out the testing of the Group’s products and Gelion Technologies has agreed to grant a free, non-exclusive and perpetual licence to the University to use the project deliverables for the purposes of non-commercial research and education. Either party may terminate the agreement at any time by written notice and the term of the agreement expires on 31 December 2021.

13.14 **ARC Industrial Transformation Research Hub Project Agreement**

Gelion Technologies is party to a project agreement with Deakin University and The University of Sydney dated 3 August 2021. The agreement sets out the terms on which the parties will collaborate in relation to a project on the development of zinc-based rechargeable batteries. The objectives of the first year of the project are the development of a 3D zinc metal anode to reduce dendrite formation in zinc-bromine batteries. The parties have agreed to contribute A\$230,000 in year one of the project, with Gelion Technologies A\$100,000, Deakin University contributing A\$80,000 as a grant, and The University of Sydney contributing A\$50,000. The budget for subsequent years is expected to be the same for years two to five.

The agreement contains provisions determining the ownership of intellectual property between the parties. In particular, the parties retain ownership of their background intellectual property, including improvements, and grant the other parties a non-exclusive royalty-free licence to the background intellectual property necessary to carry out the project. For any intellectual property created as a result of the project, such intellectual property will be owned solely by the party, or jointly by the parties, that creates, develops or discovers that intellectual property. The agreement has a term of five years from the commencement date, subject to annual reviews at 9, 21, 33 and 45 months from the commencement date to determine whether any party may wish to withdraw from the agreement.

13.15 **Licence Agreement with the University of Sydney**

The Company and Gelion Technologies are party to a licence agreement with The University of Sydney (the “**University**”) dated 14 October 2021 pursuant to which the University has granted an exclusive global licence to Gelion Technologies in respect of a provisional patent application concerning a lithium sulfur battery additive, together with related technical information (the “**Licensed IP**”). Gelion Technologies has paid an initial fee of A\$70,000 for the grant of the licence. As soon as practicable after Gelion Technologies achieves a cumulative total of A\$1 million of net sales of products which arise from the Licensed IP, the Company must pay a milestone fee of A\$650,000 to the University. The Company shall satisfy such fee by issuing Ordinary Shares having an equivalent value at an issue price equal to the 15 day VWAP of the shares immediately prior to issue (or, if the Company is not admitted to trading, at a price determined by an independent chartered accountant). Should the Company not have sufficient shareholder authority to issue such shares then it shall satisfy the milestone fee in cash.

The University has also granted Gelion Technologies with an option to acquire the Licensed IP in certain circumstance, which includes Admission becoming effective. If Gelion Technologies elects to exercise the option the Company must pay to the University a fee of A\$130,000 which shall be satisfied by issuing new Ordinary Shares having an equivalent value at an issue price equal to the 15

day VWAP of the shares immediately prior to issue (or, if the Company is not admitted to trading, at a price determined by an independent chartered accountant). Should the Company not have sufficient shareholder authority to issue such shares then it shall satisfy the assignment fee in cash.

Gelion Technologies has granted the University a licence back to use the Licensed IP for non-commercial research and teaching purposes. Each party is entitled to terminate the licence agreement for material breaches by the other party. The University is entitled to terminate the agreement for cause if the Group commits certain material breaches including breach of any payment obligation or the failure of the Company to issue Ordinary Shares when required.

13.16 ***Paddington Loan Facility***

Gelion Technologies is party to a loan facility agreement with Paddington St Finance No 1 Pty Ltd ("**Paddington**") dated 6 August 2021 pursuant to which Paddington has agreed to make a loan facility available to Gelion Technologies in two tranches as follows: (i) the lesser of A\$1.565 million in financial Year 2021 ("**FY21**") or 85 per cent. of the estimated R&D tax offset credits to be received by Gelion Technologies for FY2021 ("**Tranche A**"); and (ii) the lesser of A\$1.435 million in financial year 2022 ("**FY22**") or 85 per cent. of the estimated R&D tax offset credits to be received by Gelion Technologies for FY2022 ("**Tranche B**"). Interest will accrue on any loans advanced to Gelion Technologies at a rate of 11 per cent. per annum. As at the date of this document Gelion Technologies has repaid Tranche A in full and no amount of Tranche B has been drawn down.

13.17 ***Paddington General Security Deed***

Gelion Technologies is party to a general security deed with Paddington St Finance No 1 Pty Ltd ("**Paddington**") dated 6 August 2021 pursuant to which Gelion Technologies has granted Paddington a charge and security interest over the personal property and other property of Gelion Technologies, together with the proceeds of such property and including the R&D tax offset credits receivable by Gelion Technologies. The charge has been granted by Gelion Technologies as security for the performance of its obligations to Paddington pursuant to the terms of the loan facility agreement summarised at paragraph 13.16 above.

13.18 ***Deed of Guarantee & Indemnity***

The Company is party to a deed of guarantee and indemnity with Paddington St Finance No 1 Pty Ltd ("**Paddington**") dated 6 August 2021 pursuant to which the Company has guaranteed the obligations of Gelion Technologies to Paddington under the loan facility agreement summarised at paragraph 13.16 above. The Company has also agreed to indemnify Paddington against any loss Paddington suffers due to Gelion Technologies failing to pay any sums due to Paddington or arising from the insolvency of Gelion Technologies.

13.19 ***Engagement Letter with Armstrong***

The Company is a party to an engagement letter with Armstrong dated 29 October 2021 pursuant to which Armstrong has agreed to provide the Company with certain administrative and general support services in respect of the Fundraising. In consideration for the provision of these services, the Company has agreed to pay Armstrong a commission based on the value at the Placing Price of the EIS/VCT Subscription Shares subscribed by Subscribers procured by Progressive Strategic Solutions LLP, such fee to be paid immediately prior to the allotment of the EIS/VCT Subscription Shares.

13.20 ***Engagement Letter with Progressive***

The Company is a party to an engagement letter with Progressive Strategic Solutions LLP ("**Progressive**") dated 27 October 2021 pursuant to which Progressive has agreed to provide the Company with certain administrative and investor support services in respect of the Fundraising. In consideration for the provision of these services, the Company has agreed to pay Progressive a commission based on the value at the Placing Price of the EIS/VCT Subscription Shares subscribed by Subscribers procured by Progressive, such fee to be paid immediately prior to the allotment of the EIS/VCT Subscription Shares.

14. Related Party Transactions

The following transactions are the only related party transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company during the periods for which Historical Financial Information appears in this document:

- 14.1 the remuneration to key management personnel outlined in note 11 to the Historical Financial Information in Part IV of this document;
- 14.2 as summarised in paragraph 13.11 above, Gelion Technologies is party to a consultancy agreement with Armstrong pursuant to which Gelion Technologies has agreed to pay Armstrong A\$220,000 per annum for the provision of certain consulting and investment management services. Dr. Steve Mahon, the Company's Non-Executive Chair, is the founder and Chair of Armstrong;
- 14.3 as summarised in paragraph 13.19 above, the Company is party to an engagement letter with Armstrong pursuant to which the Company has agreed to pay Armstrong a commission based on the value at the Placing Price of the EIS/VCT Subscription Shares subscribed by Subscribers procured by Progressive Strategic Solutions LLP. Dr. Steve Mahon, the Company's Non-Executive Chair, is the founder and Chair of Armstrong; and
- 14.4 as summarised in paragraph 13.21 above, the Company is party to an engagement letter with Progressive Strategic Solutions LLP ("**Progressive**") pursuant to which the Company has agreed to pay Progressive a commission based on the value at the Placing Price of the EIS/VCT Subscription Shares subscribed by Subscribers procured by Progressive. Robin Chamberlayne, a director of the Company until 23 November 2021 is a designated member of Progressive.

15. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the last 12 months preceding the date of this document, a significant effect on the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or its wholly-owned subsidiaries.

16. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, that, taking into account the net proceeds of the Fundraising receivable by the Company, the working capital available to the Group will be sufficient for its present requirements, that is for at least twelve months following the date of Admission.

17. Significant Change

Save as disclosed in this document, there has been no significant change in the financial position and financial performance of the Group since 30 June 2021, being the date to which the audited Historical Financial Information in Part IV of this document has been prepared.

18. General

- 18.1 The gross proceeds of the Fundraising are expected to be £16.04 million, with the total net proceeds of the Fundraising receivable by the Company after settling fees expected to be approximately £14.05 million. The total costs and expenses relating to Admission and the Fundraising (including those fees and commissions referred to in paragraphs 13.1, 13.19 and 13.20 above) payable by the Company are estimated to be £1.99 million (excluding VAT).
- 18.2 The Placing Shares and the Subscription Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement, the Selling Shareholders Placing Agreement or the Subscription Agreements. All the Placing Shares have been placed firm with Placees. The Fundraising is not being guaranteed or underwritten by any person.
- 18.3 Moneys received from Placees pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing Agreement and the Selling Shareholders Placing Agreement becomes unconditional in all respects. If the Placing Agreement and the Selling

Shareholders Placing Agreement do not become unconditional in all respects by 17 December 2021, application moneys will be returned to the Placees at their risk without interest.

- 18.4 finnCap, the nominated adviser and broker to the Company, is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Conduct Authority. finnCap has given and not withdrawn its written consent to the inclusion in this document of its name and reference to it in the form and context in which they appear.
- 18.5 BDO LLP, the reporting accountant to the Company, is a member firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales. BDO LLP has given and not withdrawn its written consent to the inclusion in this document of its report in relation to the Historical Financial Information included in Part IV of this document for the purposes of Schedule Two of the AIM Rules for Companies.
- 18.6 PricewaterhouseCoopers LLP, a limited liability partnership registered in England and Wales with number OC303525 and with its registered office at 1 Embankment Place, London WC2N 6RH is a member firm of chartered accountants registered by the Institute of Chartered Accountants in England and Wales. PricewaterhouseCoopers LLP was the auditor of the Company for the financial period ended 30 September 2019.
- 18.7 Lubbock Fine LLP, a limited liability partnership registered in England and Wales with number OC431004 and with its registered office at 3rd Floor Paternoster House 65 St Paul's Churchyard, London, EC4M 8AB is a member firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales. Lubbock Fine LLP is the auditor of the Company and was the auditor of the Company for the financial periods ended 30 September 2020 and 30 June 2021.
- 18.8 Spruson & Ferguson has given and not withdrawn its written consent to the inclusion in this document of its report on the registered intellectual property of the Group included in Part III of this document.
- 18.9 Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 18.10 It is expected that definitive share certificates will be despatched by hand or first class post within 10 business days of Admission. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited as soon as reasonably practical on 29 November 2021 in the case of EIS/VCT Placing Shares and EIS/VCT Subscription Shares and as soon as reasonably practical on 30 November 2021 in the case of Non-Eligible Placing Shares and Non-Eligible Subscription Shares.
- 18.11 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of shares under CREST. The Company has applied for the issued and to be issued Ordinary Shares to be admitted to CREST and it is expected that the issued and to be issued Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST.
- 18.12 Save as disclosed in paragraphs 13.11, 13.19 and 13.20 above, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the twelve months preceding its application for Admission to AIM or entered into contractual agreements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following: (i) fees totalling £10,000 or more; (ii) its securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- 18.13 The ISIN for the Ordinary Shares is GB00BNBQZD59.
- 18.14 Pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules a person must notify the Company of the percentage of its voting rights he holds as shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those

voting rights: (a) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules. Certain voting rights held by investment managers, unit trusts, open-ended investment companies and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

18.15 The accounting reference date of the Company is 30 June.

18.16 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its fixed tangible assets.

18.17 There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

18.18 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been:

- (a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.

18.19 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.

19. UK Taxation

The following information is based on UK tax law and HM Revenue and Customs practice currently in force in the UK (2020/21 UK tax year). Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person (individual or corporate) who is in any doubt about his or her position should contact their professional advisor immediately.

19.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are tax resident in the UK under domestic law and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 5 per cent., of any of the classes of shares in the Company; or
- (b) who will be required to treat the Ordinary Shares as "employment related securities" for UK tax purposes; or
- (c) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- (d) who are in any doubt as to their UK taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK

with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares (in the case of a temporary non-resident where the Ordinary Shares were acquired in the temporary period of non-residence). Such Shareholders should consult their own tax advisers concerning their tax liabilities.

19.2 **UK Dividends**

Where the Company pays dividends no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes may, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

UK dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. UK dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

19.3 **Disposals of Ordinary Shares**

Any capital gain arising on the sale, redemption, transfer, gift, or other disposal of these Ordinary Shares will be taxed at the time of such disposal under UK capital gains tax/corporation tax provisions.

The rate of capital gains tax on the disposal of Ordinary Shares by individuals will depend on their marginal rate of UK tax. Capital gains falling within the basic rate band will be subject to tax at a rate of 10 per cent. with capital gains accruing to higher or additional rate tax payers being subject to tax at a rate of 20 per cent. Please note that the UK Government commissioned a review of the capital gains tax regime in July 2020 and these rates could increase in future years.

For Shareholders within the charge to UK corporation tax who acquired Ordinary Shares before 1 January 2018, indexation allowance up until 31 December 2017 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to a company's taxable profits (including gains) is currently 19 per cent.

19.4 **Further information for Shareholders subject to UK income tax and capital gains tax**

Transactions in securities

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities". Should these specific provisions apply the result could be to re-characterise capital gains as income.

19.5 **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- (a) the Ordinary Shares are admitted to trading on AIM, but are not listed on any other market which is not a “recognised growth market” (with the terms “listed” and “recognised growth market” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (b) AIM continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

20. Australian Taxation

The summary of Australian tax consequences provides a general outline of the Australian tax matters for Australian tax resident Shareholders who acquire Shares under this Admission Document and that hold Shares in the Company on capital account for Australian income tax purposes.

The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the consequences for foreign (non-Australian) resident Shareholders, insurance companies, banks, Shareholders that hold their shares on revenue account or carry on a business of trading in shares, Shareholders who are exempt from Australian tax, or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the Income Tax Assessment Act 1997.

This summary is general in nature and is not exhaustive of all Australian tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment for the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax (“CGT”)), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

This summary is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Admission Document. The summary does not take into account the tax law of countries other than Australia.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities.

If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Australian Corporations Act.

20.1 ***Taxation of Australian Tax Resident Shareholders***

An Australian tax resident shareholder will be taxed on their worldwide income. This means that an Australian tax resident must declare all income received from foreign sources in his or her income tax return. This includes any foreign passive income received from overseas assets such as foreign dividends and any capital gains realised on the disposal of overseas assets.

20.2 ***Dividend distributions from the Company***

Dividends may be paid to Shareholders by the Company.

An Australian tax resident will be liable to pay Australian income tax on the dividend. The recipient of the dividend must include the full amount of the dividend, which includes the amount received or credited plus the amount of any foreign tax which has been deducted. The Australian tax resident may be able to claim a foreign income tax offset for the foreign tax paid.

The dividend should be included in the assessable income of the Australian tax resident for the relevant year of income. It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of transactions such as off-market share buy-backs.

The United Kingdom does not operate an imputation system for companies and as such, the Company cannot distribute franked or partly franked dividends to its shareholders.

20.3 ***Australian CGT implications on the disposal of Shares in the Company***

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian CGT provisions in respect of the disposal of their shares. A capital gain will arise where the capital proceeds on disposal exceed the base cost of the shares (broadly, the base cost is the amount paid to acquire the shares plus any (non-tax deductible) transaction costs incurred in relation to the acquisition or disposal of the shares).

In the case of an arm's length on-market sale, the capital proceeds should be the total money and property received from the sale of the shares.

A CGT discount may be applied against the capital gain (after first deducting any available capital losses – see below) where the Australian tax resident Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event.

Where the CGT discount applies, any capital gain arising on individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by 50 per cent. after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by 33.33 per cent., after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the Australian resident beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced base cost of the shares (the reduced base cost is determined by a similar (although not identical) calculation to the base cost) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

20.4 **Foreign Income Tax Offset**

Foreign income derived by an Australian tax resident could be subject to double taxation if tax is withheld in the source country, i.e. United Kingdom. However, please note our comments below in respect of the application of "Withholding Tax" to dividends paid by Companies in the United Kingdom. The commentary below is therefore for reference only.

To overcome this, an Australian tax resident shareholder may be entitled to claim a tax offset for the foreign tax 'paid' on the income or gains that are included in your Australian assessable income. In some circumstances, the offset is subject to a limit.

To be entitled to a foreign income tax offset, the following conditions must be satisfied:

1. The foreign tax must be foreign income tax (i.e. not withholding tax);
2. The Australian tax resident shareholder must have actually paid, or be deemed to have paid, an amount of foreign income tax; and
3. The income or gain on which the Australian tax resident shareholder paid foreign income tax must be included in their assessable income for Australian income tax purposes.

The foreign income tax offset applies to foreign income tax imposed on all forms of income and gains (including gains of a capital nature) and to all taxpayers, whether individuals or other entity types. The Australian tax resident shareholder must claim the foreign income tax offset in its income tax return. The Australian foreign income tax offset can only be claimed after the foreign tax is paid.

A taxpayer is treated as having paid foreign income tax on all or part of their income where the tax has been paid in respect of that income by someone else on their behalf under an arrangement with the taxpayer or under the law relating to that tax.

To claim a foreign income tax offset of up to \$1,000, the Australian tax resident shareholder only needs to record the actual amount of foreign income tax paid that counts towards the offset (up to \$1,000). If the Australian tax resident shareholder is claiming a foreign income tax offset of more than \$1,000, the Australian tax resident will need to work out your foreign income tax offset limit. This may result in your tax offset being reduced to the limit. Any foreign income tax paid in excess of the limit is not available to be carried forward to a later income year and cannot be refunded to the Australian tax resident shareholder.

As a non-refundable tax offset, the foreign income tax offset reduces the income tax payable (including Medicare levy and Medicare levy surcharge) or the Australian tax resident shareholder. Under the tax offset ordering rules, the foreign income tax offset is applied after all other non-refundable tax and non-transferable offsets. If the tax payable has been reduced to nil, any unused foreign income tax offset is not refunded to the Australian tax resident shareholder, nor can it be carried forward to later income years (ie any unused foreign income tax offset in an income year is lost).

20.5 **Withholding Tax**

There is typically no withholding tax on dividends paid by UK companies under domestic law and as such, there is no requirement to deduct withholding tax from the dividends paid by the Company to Australian tax resident Shareholders.

20.6 **Stamp Duty**

Shareholders should not be liable for stamp duty in respect of their initial subscription of Shares. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders

on any subsequent transfer of Shares whilst the Company remains listed on the London Stock Exchange.

20.7 **Australian Goods and Services Tax (GST)**

Under current Australian law, no GST should be payable by Shareholders in respect of the issue, acquisition, disposal or transfer of their Shares in the Company regardless of whether or not the Shareholder is registered for GST.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

21. **Selling Shareholders**

The names and addresses of each of the Selling Shareholders are as set out below:

<i>Name</i>	<i>Address</i>	<i>Number of Ordinary Shares immediately prior to Admission</i>	<i>Number of Sale Shares</i>	<i>Number of Ordinary Shares immediately following Admission</i>
Perinato Pty Limited	c/- 3rd Floor, 141-145 Curtain Road, London, Greater London, England EC2A 3BX	18,514,569	1,758,621	16,755,948
Dr. Steve Mahon	c/- 3rd Floor, 141-145 Curtain Road, London, Greater London, England EC2A 3BX	1,823,960	310,345	1,513,615

22. **Availability of this document**

Copies of this document are available for download at the Company's website at <https://www.gelion.com>.

PART VIII

TERMS AND CONDITIONS OF THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS.

IN THE EUROPEAN ECONOMIC AREA THESE TERMS AND CONDITIONS ARE DIRECTED ONLY AT (A) PERSONS IN RELEVANT MEMBER STATES WHO ARE (I) QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE “EU PROSPECTUS REGULATION”) (“EU QUALIFIED INVESTORS”); OR (II) TO WHOM IT IS OTHERWISE LAWFUL TO DISTRIBUTE THESE TERMS AND CONDITIONS WITHOUT ANY OBLIGATION TO PUBLISH A PROSPECTUS UNDER THE EU PROSPECTUS REGULATION; AND (B) ARE OTHERWISE PERSONS TO WHOM IT MAY BE LAWFULLY COMMUNICATED (TOGETHER “EU RELEVANT PERSONS”).

IN THE UNITED KINGDOM THESE TERMS AND CONDITIONS ARE DIRECTED ONLY AT (A) PERSONS WHO ARE “QUALIFIED INVESTORS”, BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION, WHICH FORMS PART OF RETAINED EU LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED BY THE EUROPEAN UNION (WITHDRAWAL) ACT 2020 (THE “UK PROSPECTUS REGULATION”) (“UK QUALIFIED INVESTORS”) OR (B) PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO DISTRIBUTE THESE TERMS AND CONDITIONS WITHOUT ANY OBLIGATION TO ISSUE A PROSPECTUS APPROVED BY THE FCA PURSUANT TO THE UK PROSPECTUS REGULATION; AND (C) PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF FSMA (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “ORDER”); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (TOGETHER “UK RELEVANT PERSONS”).

THESE TERMS AND CONDITIONS AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT EITHER EU RELEVANT PERSONS OR UK RELEVANT PERSONS (AS APPLICABLE). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO EU RELEVANT PERSONS OR UK RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH EU RELEVANT PERSONS OR UK RELEVANT PERSONS. THESE TERMS AND CONDITIONS DO NOT CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES.

THIS DOCUMENT IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, SALE OR SUBSCRIPTION WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY JURISDICTION (“RESTRICTED JURISDICTION”).

THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES OF AMERICA. THIS DOCUMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR

OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” WITHIN THE MEANING OF, AND IN RELIANCE ON, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS DOCUMENT, WILL NOT BE ACCEPTED.

THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER RESTRICTED JURISDICTION. THIS DOCUMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

No action has been taken by the Company or finnCap or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this document or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Introduction

These terms and conditions (“**Terms and Conditions**”) apply to persons making an offer to acquire Placing Shares under the Placing and pursuant to the terms of the Placing Agreement. References in this Appendix to “Placing Shares” shall be deemed to include the Sale Shares.

Each Placee which confirms its agreement to finnCap (whether orally or in writing) to subscribe for Placing Shares under the Placing, hereby agrees with finnCap and the Company and the Selling Shareholders that it will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and finnCap may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (an “**Investor Letter**”).

To the extent the Placing Shares are also EIS/VCT Placing Shares, certain of these terms and conditions shall apply with such necessary modifications as may be notified by finnCap. In particular, it is intended that the EIS/VCT Placing Shares shall be issued on 29 November 2021 and that such issue will not be conditional upon Admission or on the issue of any other New Shares.

Terms and conditions of, and the mechanics of participation in, the Placing

These Terms and Conditions give details of the terms and conditions of, and the mechanics of participation in, the Placing. By participating in the Placing, each Placee will be deemed to have read and understood these Terms and Conditions in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in these Terms and Conditions.

No commission will be paid to Placees or by Placees in respect of any Placing Shares.

Details of the Placing Agreement, the Selling Shareholders Placing Agreement and the Placing Shares

finnCap intends to enter into (a) the Placing Agreement with the Company and the Directors, pursuant to which, on the terms and subject to the conditions set out in such Placing Agreement, finnCap as agent for and on behalf of the Company, will agree to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price; and (b) the Selling Shareholders Placing Agreement, pursuant to which, on the terms and subject to the conditions set out in the Selling Shareholders Placing Agreement, finnCap as agent for and on behalf of the Selling Shareholders, will agree to use its reasonable endeavours to procure Placees for the Sale Shares at the Placing Price. The Placing is not being underwritten by finnCap.

The Placing Shares will be subject to the articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue, or sale, of the Placing Shares.

The Placing Agreement will contain certain undertakings and warranties given by the Company and the Directors for the benefit of finnCap and indemnities given by the Company for the benefit of finnCap. finnCap will have absolute discretion as to whether or not to bring an action against the Company or Directors for breach of these undertakings, warranties and indemnities.

The Selling Shareholders Placing Agreement will contain certain undertakings and warranties given by the Selling Shareholders for the benefit of finnCap and indemnities given by the Selling Shareholders for the benefit of finnCap. finnCap will have absolute discretion as to whether or not to bring an action against the Selling Shareholders for breach of these undertakings, warranties and indemnities.

finnCap will have the right to terminate the Placing Agreement and/ or the Selling Shareholders Placing Agreement in certain circumstances, details of which are set out below.

Application for Admission

Application will be made to the London Stock Exchange for Admission. It is expected that Admission will take place at 8.00 a.m. on 30 November 2021 and that dealings in the Placing Shares on AIM will commence at the same time.

Principal terms of the Placing

finnCap is acting as nominated adviser and broker to the Placing, as agent for and on behalf of the Company (and, in respect of the Sale Shares, as agent for the Selling Shareholders). finnCap is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and the Selling Shareholders and no one else in connection with the matters referred to in these Terms and Conditions and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of finnCap or for providing advice in relation to the matters described in these Terms and Conditions.

Participation in the Placing will only be available to persons who may lawfully be, and are, invited by finnCap to participate. finnCap and any of its affiliates are entitled to participate in the Placing as principal.

The exact number of Placing Shares to be allocated to each Placee, and the allocation of the EIS/VCT Placing Shares, shall be determined by finnCap in consultation with the Company.

Each Placee's allocation of Placing Shares will be communicated orally by finnCap to the relevant Placee. That oral confirmation will give rise to an irrevocable, legally binding commitment by such Placee, in favour of finnCap and the Company and the Selling Shareholders, under which it agrees to acquire the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in these Terms and Conditions and in accordance with the Company's articles of association. Except with finnCap's consent, such commitment will not be capable of variation, revocation, termination or rescission at either the time of such oral confirmation or any time thereafter.

Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by finnCap. The contract note will set out the number of Placing Shares allocated, the Placing Price and the aggregate amount owed by such Placee to finnCap. The terms of these Terms and Conditions will be deemed incorporated in that contract note.

An offer to acquire Placing Shares shall not be capable of withdrawal or revocation without the consent of finnCap.

The Placing Price shall be payable to finnCap by all Placees.

Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to finnCap (as agent for the Company or the Selling Shareholders, as applicable), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue, or the Selling Shareholder has agreed to sell, to that Placee.

Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made on the basis explained below under "Registration and Settlement".

All obligations of finnCap under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".

By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and/or set out in the Placing Agreement or the Selling Shareholder Placing Agreement and will not be capable of rescission or termination by the Placee.

To the fullest extent permissible by law and applicable FCA rules, none of (a) finnCap, (b) any of finnCap's affiliates, agents, directors, officers, employees or consultants, (c) to the extent not contained within (a) or (b), any person connected with finnCap as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of finnCap) or (d) any person acting on finnCap's behalf; shall have any liability (including to the extent permissible by law, any fiduciary duties) to any Placee or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither finnCap nor any of its respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as finnCap and the Company may agree.

Registration and Settlement

Each Placee which has been allocated Placing Shares in the Placing will be sent a contract note by finnCap stating, *inter alia*, the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by them to finnCap.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by finnCap in accordance with either the standing CREST or certificated settlement instructions which they have in place with finnCap.

Settlement of transactions in the Placing Shares (ISIN: GB00BNBQZD59) will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be with respect to the Placing Shares on a T+2 basis unless otherwise notified by finnCap and is expected to occur at 8.00 a.m. on 30 November 2021. To the extent the Placing Shares are also EIS/VCT Placing Shares, it is intended that such EIS/VCT Placing Shares shall be issued on 29 November 2021, being the business day before Admission, and that such issue will not be conditional upon Admission or on the issue of any other New Shares.

Each Placee which has been allocated EIS/VCT Placing Shares shall ensure payment is made to finnCap on 29 November 2021, being the business day prior to Admission. The EIS/VCT Placing Shares will be settled through CREST, free of payment, on 30 November 2021.

In accordance with the contract note, settlement will be on a delivery versus payment basis.

In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and finnCap may agree that the Placing Shares should be issued in certificated form.

finnCap reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of two percentage points above prevailing LIBOR as determined by finnCap.

Each Placee is deemed to agree that if it does not comply with these obligations, finnCap may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for finnCap's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement and the Selling Shareholders Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of finnCap under the Placing Agreement and the Selling Shareholders Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

1. none of the warranties or undertakings provided in the Placing Agreement, by the Company or the Directors, being or having become untrue, inaccurate or misleading in any material respect at any time before Admission (or, in the case of the EIS/VCT Placing Shares, the business day before Admission) and no fact or circumstance having arisen which would constitute a material breach of any such warranties;
2. the performance by the Company of certain obligations under the Placing Agreement and the Selling Shareholders Placing Agreement to the extent that they fail to be performed prior to Admission (or, in the case of the EIS/VCT Placing Shares, the business day before Admission); and
3. other than in respect of the EIS/VCT Placing Shares, Admission occurring not later than 8.00 a.m. on 30 November 2021 or such later time as finnCap may agree in writing with the Company (but in any event not later than 8.00 a.m. on 17 November 2021),

(all conditions to the obligations of finnCap included in the Placing Agreement and the Selling Shareholders Placing Agreement being together, the "Conditions").

If any of the Conditions set out in the Placing Agreement and the Selling Shareholders Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and finnCap may agree), or the Placing Agreement and the Selling Shareholders Placing Agreement are terminated in accordance with the circumstances described under "Termination of the Placing" below, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time, all monies received from a Placee pursuant to the Placing shall be returned to such Placee without interest, at the risk of the relevant Placee and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

Certain Conditions may be waived in whole or in part by finnCap in its absolute discretion and finnCap may also agree in writing with the Company to extend the time for satisfaction of any Condition. Any such extension or waiver will not affect Placees' commitments as set out in these Terms and Conditions.

finnCap may terminate the Placing Agreement and/ or the Selling Shareholders Placing Agreement in certain circumstances, details of which are set out below.

None of finnCap, the Company nor any of their respective affiliates, agents, consultants, directors, employees or officers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition to the Placing nor for any decision any of them may make as to the satisfaction of any Condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of finnCap.

Termination of the Placing

finnCap may terminate its obligations under the Placing Agreement and the Selling Shareholders Placing Agreement, in accordance with their terms, at any time prior to Admission if, *inter alia*:

1. it comes to the notice of finnCap that any statement contained in the Admission Document, or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing, is or has become untrue, incorrect or misleading in any material respect;
2. it comes to the knowledge of finnCap that any of the warranties in the Placing Agreement or the Selling Shareholders Placing Agreement were untrue, inaccurate or misleading when made and or that any of the warranties in the Placing Agreement or the Selling Shareholders Placing Agreement have at any time prior to Admission ceased to be true or accurate or have become misleading in each case in any material respect by reference to the facts and circumstances from time to time subsisting or a matter has arisen which gives rise to a claim under any of the indemnities in the Placing Agreement or the Selling Shareholders Placing Agreement;
3. the Company or the Directors shall fail or be unable to comply with any of their obligations under the Placing Agreement, or the Company or the Selling Shareholders shall fail or be unable to comply with any of their obligations under the Selling Shareholders Placing Agreement, and which is material in the context of the Placing Agreement, the Selling Shareholders Placing Agreement or the Placing;
4. there has occurred any material adverse change in the financial position or prospects of the Company; or
5. there has occurred any change in national or international financial, monetary, economic, industrial, political, legal or market conditions (including, without limitation, a material deterioration in, or a material escalation in response to, the COVID-19 pandemic) or there has occurred any international or national crisis, act of terrorism or outbreak of hostilities or there comes into effect any material new government regulation.

If the Placing Agreement or the Selling Shareholders Placing Agreement are terminated in accordance with their terms prior to Admission (or, in the case of the EIS/ VCT Placing Shares, the business day before Admission), the rights and obligations of each Placee in respect of the Placing as described in these Terms and Conditions shall cease and terminate at such time, all monies received from a Placee pursuant to the Placing shall be returned to such Placee without interest, at the risk of the relevant Placee and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees with the Company and finnCap that the exercise by the Company, or finnCap, of any right of termination or any other right or other discretion under the Placing Agreement and the Selling Shareholders Placing Agreement shall be within the absolute discretion of the Company or finnCap and that neither the Company nor finnCap needs make any reference to such Placee and that none of finnCap, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

No prospectus

No prospectus has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and no such prospectus is required on the basis that all offers of Placing Shares will be made pursuant to an exemption under the EU Prospectus Regulation and/or the UK Prospectus Regulation from the requirement to produce a prospectus.

Placees' commitments will be made solely on the basis of the information contained in these Terms and Conditions and subject to any further terms set forth in the contract note to be sent to individual Placees.

Representations, warranties and further terms

By participating in the Placing, each Placee and/or any person acting on such Placee's behalf acknowledges, agrees, represents, undertakes, and warrants with finnCap (for itself and as agent on behalf of the Company and/or the relevant Selling Shareholder) that (save where finnCap expressly agrees in writing to the contrary):

1. it has read and understood this document, including these Terms and Conditions, in its entirety and it agrees and acknowledges that the issue and/or acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements, undertakings and other information contained in these Terms and Conditions;
2. it is a EU Relevant Person or a UK Relevant Person and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business;
3. in the case of a EU Relevant Person or a UK Relevant Person who acquires any Placing Shares pursuant to the Placing:
 - a. it is a EU Qualified Investor or a UK Qualified Investor; and
 - b. in the case of any Placing Shares acquired by it as a financial intermediary:
 - i. the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale in circumstances where the EU Prospectus Regulation or the UK Prospectus Regulation applies or to persons other than EU Qualified Investors or UK Qualified Investors or in circumstances in which the prior consent of finnCap has not been given to the offer or resale; or
 - ii. where Placing Shares have been acquired by it on behalf of persons other than EU Qualified Investors or UK Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation as having been made to such persons;
4. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are acquired will not be, a resident of, or with an address in, or subject to the laws of, Australia, New Zealand, Canada, Japan or the Republic of South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, New Zealand, Canada, Japan or the Republic of South Africa and may not be offered, sold or acquired, directly or indirectly, within those jurisdictions;
5. it acknowledges that no action has been or will be taken by any of the Company, the Selling Shareholders, finnCap or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required. In addition, the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States (or any state or other jurisdiction of the United States) Australia, New Zealand, Canada, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;
6. it will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

7. it and the beneficial owner of the Placing Shares:
 - a. is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an “offshore transaction” as defined in, and in accordance with, Regulation S under the US Securities Act; or
 - b. is acquiring the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with applicable state securities laws;
8. it and/or each person on whose behalf it is participating (i) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions; (ii) has fully observed such laws and regulations; and (iii) has the capacity and has obtained all requisite authorities and consents (including, without limitation, in the case of a person acting on behalf of a Placee, all requisite authorities and consents to agree to the terms set out or referred to in these Terms and Conditions) under those laws or otherwise and has complied with all necessary formalities to enable it to enter into the transactions and make the acknowledgements, agreements, indemnities, representations, undertakings and warranties contemplated hereby and to perform and honour its obligations in relation thereto on its own behalf (and in the case of a person acting on behalf of a Placee on behalf of that Placee); (iv) does so agree to the terms set out in these Terms and Conditions and does so make the acknowledgements, agreements, indemnities, representations, undertakings and warranties contained in these Terms and Conditions on its own behalf (and in the case of a person acting on behalf of a Placee on behalf of that Placee); and (v) is and will remain liable to the Company and the Selling Shareholders and finnCap for the performance of all its obligations as a Placee of the Placing (whether or not it is acting on behalf of another person);
9. it is acquiring the Placing Shares for its own account or if it is acquiring the Placing Shares on behalf of another person it confirms that it exercises sole investment discretion in relation to such other person’s affairs and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Placing Shares;
10. it understands (or if acting on behalf of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in these Terms and Conditions;
11. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (i) is required under the EU Prospectus Regulation or the UK Prospectus Regulation; and (ii) has been or will be prepared in connection with the Placing;
12. it has made its own assessment of the Company, the Placing Shares and the terms of the Placing and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. It has not relied on (i) any investigation that finnCap or any person acting on finnCap’s behalf may have conducted with respect to the Company, the Placing or the Placing Shares; or (ii) any other information given or any other representations, statements or warranties made at any time by any person in connection with Admission, the Company, the Placing, the Placing Shares or otherwise;
13. none of finnCap, the Company, the Selling Shareholders or any of their respective affiliates, agents, consultants, directors, employees, officers or any person acting on behalf of any of them has provided, nor will provide, it with any material regarding the Placing Shares or the Company or any other person in addition to the information in this document; nor has it requested finnCap, the Company, the Selling Shareholders or any of their respective affiliates, agents, consultants, employees, directors or officers or any person acting on behalf of any of them to provide it with any such information;
14. the content of this document has been prepared by and is exclusively the responsibility of the Company. Neither finnCap nor any persons acting on behalf of it are responsible for or has or shall have any liability for any information, representation, warranty or statement, written or oral relating to the Company and either contained in this document or previously or concurrently published by or on behalf of the Company. finnCap will not be liable for any Placee’s decision to participate in the Placing based on any information, representation, warranty or statement contained in this document or otherwise. None of finnCap, the Company, the Selling Shareholders nor any of their respective affiliates, agents, consultants, directors, employees or officers has made any representation or warranty to the Placee, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy,

completeness or adequacy of the information in this document. Nothing in these Terms and Conditions shall exclude any liability of any person for fraudulent misrepresentation;

15. the only information on which it is entitled to rely and on which it has relied in committing to subscribe for the Placing Shares is contained in this document. It has satisfied itself that such information is still current and is all that it deems necessary to make an investment decision in respect of the Placing Shares;
16. it has the funds available to pay for the Placing Shares which it has agreed to acquire and acknowledges, agrees and undertakes that it will make payment to finnCap for the Placing Shares allocated to it in accordance with these Terms and Conditions on the due times and dates set out herein or the relevant contract note, failing which the relevant Placing Shares may be placed with others on such terms as finnCap may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in these Terms and Conditions) which may arise upon the sale of such Placee's Placing Shares on its behalf;
17. it, or the person specified by it for registration as a holder of the Placing Shares will be responsible for any liability to stamp duty or stamp duty reserve tax payable on the acquisition of any of the Placing Shares or the agreement to subscribe for or acquire the Placing Shares, other than the Sale Shares, where the Selling Shareholders have agreed to be liable for any stamp duty which may be payable on their transfer, and shall indemnify the Company and/ or the Selling Shareholders (as applicable) and finnCap in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of finnCap who will hold them as nominee on behalf of such Placee (or the person specified by it for registration as holder of the Placing Shares) until settlement with it in accordance with its standing settlement instructions;
18. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that no instrument under which it subscribes for or agrees to acquire Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or stamp duty reserve tax at the increased rates referred to in those sections and that it, or the person specified by it for registration as holder of the Placing Shares, is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
19. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that finnCap has not approved this document in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;
20. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
21. none of finnCap, the Company, the Selling Shareholders nor any of their respective affiliates, agents, consultants, directors, employees or officers or any person acting on behalf of any of them are making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any acknowledgements, agreements, indemnities, representations, undertakings or warranties contained in the Placing Agreement nor the exercise or performance of finnCap's rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right. Its participation in the Placing is on the basis that it is not and will not be a client of finnCap and finnCap has no duties or responsibilities to it for providing the protections afforded to its clients or customers under the rules of the FCA, and any payment by it will not be treated as client money governed by the rules of the FCA;
22. finnCap and each of its affiliates, each acting as an investor for its or their own account(s), may, in accordance with applicable legal and regulatory provisions, bid or subscribe for and/or purchase

Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in these Terms and Conditions to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, finnCap and/or any of its affiliates, acting as an investor for its or their own account(s). Neither finnCap, nor the Company intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

23. it will not make any offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom for the purposes of section 85(1) of FSMA or an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
24. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Anti-Terrorism Crime and Security Act 2001 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
25. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, market abuse under UK MAR and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
26. as far as it is aware it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the AIM Rules for Companies;
27. in order to ensure compliance with the Money Laundering Regulations 2017, finnCap (for itself and as agent on behalf of the Company and the Selling Shareholders) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to finnCap or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at finnCap's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at finnCap's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity finnCap (for itself and as agent on behalf of the Company and the Selling Shareholders) or the Company's registrars have not received evidence satisfactory to them, finnCap and/or the Company may, at their absolute discretion, terminate their commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
28. it acknowledges that its commitment to acquire Placing Shares on the terms set out in these Terms and Conditions and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or finnCap's conduct of the Placing;
29. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or acquiring the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
30. it irrevocably appoints any duly authorised officer of finnCap as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of these Terms and Conditions;

31. the Company, the Selling Shareholders, finnCap and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to finnCap, on its own behalf and on behalf of the Company and the Selling Shareholders and are irrevocable, and agree that if any of the representations and agreements deemed to have been made by it by its subscription for, or purchase of, Placing Shares, are no longer accurate, it shall promptly notify the Company and finnCap;
32. time is of the essence as regards its obligations under these Terms and Conditions;
33. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to finnCap; and
34. these Terms and Conditions and all documents into which this document is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Placing Shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or finnCap in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Selling Shareholders, finnCap and each of their respective affiliates, agents, consultants, directors, employees and officers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of any of the acknowledgements, agreements, representations, undertakings and warranties given by the Placee (and any person acting on such Placee's behalf) in these Terms and Conditions or incurred by finnCap, the Company, the Selling Shareholders or any of their respective affiliates, agents, consultants, directors, employees or officers arising from the performance of the Placee's obligations as set out in these Terms and Conditions, and further agrees that the provisions of these Terms and Conditions shall survive completion of the Placing.

The agreement to allot and issue, or sell, Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue, or sale, to Placees, or such persons as they nominate as their agents, directly by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor finnCap shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify finnCap accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and finnCap in the event that either the Company and/or finnCap has incurred any such liability to such taxes or duties.

The acknowledgements, representations, undertakings and warranties contained in these Terms and Conditions are given to finnCap for itself and as agent on behalf of the Company and the Selling Shareholders and are irrevocable and will survive completion of the Placing.

Each Placee and any person acting on behalf of the Placee acknowledges that finnCap does not owe any fiduciary or other duties to any Placee in respect of any acknowledgements, agreements, indemnities,

representations, undertakings or warranties in the Placing Agreement or the Selling Shareholders Placing Agreement.

When a Placee or any person acting on behalf of the Placee is dealing with finnCap, any money held in an account with finnCap on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from finnCap's money (as applicable) in accordance with the client money rules and will be used by it in the course of its own business and the Placee will rank only as a general creditor of finnCap.

References to time in these Terms and Conditions are to London time, unless otherwise stated. All times and dates in these Terms and Conditions may be subject to amendment.

Capitalised terms used in these Terms and Conditions which are not otherwise defined shall bear the meaning given to them in the section of this document headed "Definitions".